
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2644 Session of
2022

INTRODUCED BY CAUSER, RAPP, METCALFE, ARMANINI, BROOKS,
HENNESSEY, HERSHEY, JAMES, MOUL, OBERLANDER, OWLETT, PICKETT,
RYAN, SMITH AND ZIMMERMAN, JUNE 2, 2022

AS AMENDED ON THIRD CONSIDERATION, IN SENATE, JULY 7, 2022

AN ACT

1 Amending Title 58 (Oil and Gas) of the Pennsylvania Consolidated
2 Statutes, providing for oil and gas well plugging oversight;
3 in development, further providing for bonding and for well
4 plugging funds; establishing the Oil and Gas Well Plugging
5 Grant Program; and making a related repeal.

6 The General Assembly of the Commonwealth of Pennsylvania
7 hereby enacts as follows:

8 Section 1. Title 58 of the Pennsylvania Consolidated
9 Statutes is amended by adding a chapter to read:

10 CHAPTER 28

11 OIL AND GAS WELL PLUGGING OVERSIGHT

12 Subchapter

13 A. Preliminary Provisions

14 B. Orphaned Well Site Plugging, Remediation and Restoration

15 Program

16 C. Oil and Gas Well Plugging Grant Program

17 SUBCHAPTER A

18 PRELIMINARY PROVISIONS

1 Sec.

2 2801. Scope of chapter.

3 2802. Definitions.

4 § 2801. Scope of chapter.

5 This chapter relates to the oil and gas well plugging
6 oversight.

7 § 2802. Definitions.

8 The following words and phrases when used in this chapter
9 shall have the meanings given to them in this section unless the
10 context clearly indicates otherwise:

11 "Department." The Department of Environmental Protection of
12 the Commonwealth.

13 "Eligible well." An orphan well that meets the requirements
14 under section 2823(b) (relating to eligible wells).

15 "Orphan well." As defined in section 3203 (relating to
16 definitions).

17 "Qualified well plugger." A person that meets the
18 requirements of section 2824 (relating to qualified well
19 plugger).

20 SUBCHAPTER B

21 ORPHANED WELL SITE PLUGGING, REMEDIATION

22 AND RESTORATION PROGRAM

23 Sec.

24 2811. Allocation of funding.

25 § 2811. Allocation of funding.

26 (a) Requirements.--Federal money received from the Orphaned
27 Well Site Plugging, Remediation and Restoration Program under
28 section 40601 of the Infrastructure Investment and Jobs Act
29 (Public Law 117-58, 135 Stat. 429) shall be subject to the
30 following:

1 subchapter shall be:

2 (1) In the amount of \$10,000 for every eligible well
3 plugged that is an orphan well of a depth of 3,000 feet or
4 less.

5 (2) In the amount of \$20,000 for every eligible well
6 plugged that is an orphan well of a depth greater than 3,000
7 feet.

8 (c) Adjustment.--

9 (1) If the department finds that it is not receiving an
10 adequate number of applications for grants under this
11 section, the department may increase the amounts under
12 subsection (b) at its discretion by posting the increased
13 amounts on its publicly accessible Internet website.

14 (2) The department may not decrease the amounts
15 specified in this subsection.

16 § 2823. Eligible wells.

17 (a) Review of known orphan wells.--No later than 30 days
18 after the effective date of this subsection, the department
19 shall review available documentation on all known orphan wells
20 with no known owner or operator.

21 (b) Determination of eligible wells.--No later than 45 days
22 after the effective date of this subsection, the department
23 shall designate each orphan well reviewed under subsection (a)
24 as an eligible well if it meets the following requirements:

25 (1) The orphan well is not plugged in accordance with
26 the requirements of section 3220 (relating to plugging
27 requirements).

28 (2) No amount of a bond under section 3225 (relating to
29 bonding) is available to pay for the plugging of the orphan
30 well.

1 (3) No person who is financially responsible for the
2 plugging of the orphan well is known to the department or
3 likely to be identifiable.

4 (c) Publication of notice of availability of grants.--No
5 later than 60 days after the effective date of this subsection,
6 the department shall publish on its publicly accessible Internet
7 website all of the following:

8 (1) A list of each eligible well and any relevant
9 identifying information.

10 (2) Any available technical data that would be necessary
11 for a qualified well plugger to plug each eligible well on
12 the list under paragraph (1).

13 (d) Publication of notice of updated availability of
14 grants.--The department shall periodically update the notice
15 under subsection (c) to identify all of the following:

16 (1) Which eligible well has been the subject of an
17 approval under section 2825 (relating to applications and
18 review process).

19 (2) Which eligible well has been plugged in accordance
20 with section 3220.

21 (e) Plugging contract discretion.--The department may remove
22 an eligible well from the list under subsection (c) that the
23 department makes available for plugging through a contracting
24 process. Upon removing an eligible well from the list, the
25 department shall update the notice and list under subsection (c)
26 to reflect the removal.

27 § 2824. Qualified well plugger.

28 (a) Criteria.--A person shall qualify as a qualified well
29 plugger if the person meets any of the following criteria:

30 (1) The person has drilled 10 or more wells in this

1 Commonwealth in accordance with section 3211 (relating to
2 well permits).

3 (2) The person has plugged 10 or more wells in this
4 Commonwealth in accordance with section 3220 (relating to
5 plugging requirements).

6 (3) The person otherwise demonstrates access to the
7 equipment, materials, resources and services to plug wells in
8 accordance with section 3220.

9 (b) Legal responsibility.--A qualified well plugger shall
10 not be the person who is legally responsible for plugging the
11 orphan well.

12 § 2825. Applications and review process.

13 (a) Application form.--No later than the date that the
14 notice of availability under section 2823(c) (relating to
15 eligible wells) is published, the department shall make an
16 application form for a grant under this subchapter available on
17 the department's publicly accessible Internet website.

18 (b) Content of applications.--An application submitted by a
19 qualified well plugger shall contain all of the following:

20 (1) The name of the qualified well plugger.

21 (2) A list of eligible wells listed under section
22 2823(c) that the qualified well plugger intends to plug in
23 accordance with the requirements of section 3220 (relating to
24 plugging requirements) if approved for a grant under this
25 subchapter.

26 (3) A certification that the qualified well plugger has
27 legal authority to access and perform the activities needed
28 to plug each well listed under paragraph (2).

29 (c) Acceptance of applications.--

30 (1) The department shall begin accepting applications

1 under subsection (a) no later than the date that the
2 application is made available under subsection (a).

3 (2) As additional amounts are appropriated to the
4 department for the grant program under this subchapter after
5 the effective date of this subsection, the department shall
6 begin accepting applications under subsection (a) no later
7 than seven days after the additional money is appropriated.

8 (d) Review.--The department shall review and approve
9 applications received under subsection (c) on a rolling basis.

10 (e) Initial approval.--

11 (1) If an application submitted under subsections (b)
12 and (c) meets the requirements of this subchapter and if the
13 amount of grant money that the qualified well plugger would
14 be eligible to receive remains available, the department
15 shall approve the application and shall notify the applicant
16 which orphan wells on the list under subsection (b)(2) for
17 which the qualified well plugger has been approved to receive
18 a grant.

19 (2) An approval under this subsection shall be made
20 within seven days of the receipt of the application. The
21 department shall provide notice of the approval to the
22 qualified plugger within three days of the date of approval.

23 (f) Awarding of grant.--An approved well plugger shall be
24 awarded a grant if all of the following requirements are met:

25 (1) The qualified well plugger was previously approved
26 under subsection (e).

27 (2) The qualified well plugger plugged an orphan well
28 for which the qualified well plugger was approved under
29 subsection (e).

30 (3) The qualified well plugger has submitted a plugging

1 certificate, prepared and signed, on a form furnished by the
2 department, by two experienced and qualified individuals who
3 participated in the work and specified the time and manner in
4 which the well was plugged.

5 (g) Amount of grant.--The amount of grant awarded under
6 subsection (f) shall be the sum of the amounts under section
7 2822 (relating to grants) for which the qualified well plugger
8 is approved under subsection (e). If the qualified well plugger
9 encounters unusual technical difficulties due to the condition
10 of an orphan well, the department may, upon awarding the grant,
11 reimburse the qualified well plugger with an additional grant
12 amount. The additional grant amount under this subsection shall
13 not exceed the amount of the grant for a specific orphan well.
14 The department may not award the additional grant amount under
15 this subsection to a qualified well operator without receiving
16 an adequate proof of cost from the qualified well plugger.

17 (h) Civil immunity.--A person who voluntarily provides
18 equipment, materials, resources or services for plugging an
19 orphan well in accordance with this subchapter shall be immune
20 from civil liability other than injury or damage resulting from
21 gross negligence or willful misconduct. The person may raise the
22 civil immunity protections specified in this subsection in a
23 legal proceeding brought to enforce the environmental laws of
24 this Commonwealth or otherwise impose civil liability.

25 § 2826. Reports.

26 (a) Requirement.--No later than 21 days after the end of
27 each calendar quarter in which the grant program under this
28 subchapter receives applications, approves applications or
29 awards grants, the department shall issue a report.

30 (b) Contents.--The report under this section shall include

1 all of the following:

2 (1) The number of applications received under section
3 2825(c) (relating to applications and review process) in the
4 quarter, year to date and since the effective date of this
5 subsection.

6 (2) The number of applications approved under section
7 2825(e) in the quarter, year to date and since the effective
8 date of this subsection.

9 (3) The number of grants and the total amount awarded
10 under section 2825(f) in the quarter, year to date and since
11 the effective date of this subsection.

12 (c) Recipients.--The report under this section shall be made
13 available on the publicly accessible Internet website of the
14 department and shall be submitted to the following:

15 (1) The chairperson and minority chairperson of the
16 Appropriations Committee of the Senate.

17 (2) The chairperson and minority chairperson of the
18 Appropriations Committee of the House of Representatives.

19 (3) The chairperson and minority chairperson of the
20 Environmental Resources and Energy Committee of the Senate.

21 (4) The chairperson and minority chairperson of the
22 Environmental Resources and Energy Committee of the House of
23 Representatives.

24 Section 2. Section 3225(a)(1) and (2) of Title 58 are
25 amended and the subsection is amended by adding a paragraph to
26 read:

27 § 3225. Bonding.

28 (a) General rule.--The following shall apply:

29 (1) Except as provided in subsection (d), upon filing an
30 application for a well permit and before continuing to

1 operate an oil or gas well, the owner or operator of the well
2 shall file with the department a bond covering the well and
3 well site on a form to be prescribed and furnished by the
4 department. A bond filed with an application for a well
5 permit shall be payable to the Commonwealth and conditioned
6 upon the operator's faithful performance of all drilling,
7 water supply replacement, restoration and plugging
8 requirements of this chapter. A bond for a well in existence
9 on April 18, 1985, shall be payable to the Commonwealth and
10 conditioned upon the operator's faithful performance of all
11 water supply replacement, restoration and plugging
12 requirements of this chapter. The amount of the bond required
13 shall be in the following amounts and amounts under
14 subparagraphs (i) and (ii) may be adjusted by the
15 Environmental Quality Board every two years to reflect the
16 projected costs to the Commonwealth of plugging the well:

17 (i) For unconventional wells with a total well bore
18 length less than 6,000 feet:

19 (A) For operating up to 50 wells, \$4,000 per
20 well, but no bond may be required under this clause
21 in excess of \$35,000.

22 (B) For operating 51 to 150 wells, \$35,000 plus
23 \$4,000 per well for each well in excess of 50 wells,
24 but no bond may be required under this clause in
25 excess of \$60,000.

26 (C) For operating 151 to 250 wells, \$60,000 plus
27 \$4,000 per well for each well in excess of 150 wells,
28 but no bond may be required under this clause in
29 excess of \$100,000.

30 (D) For operating more than 250 wells, \$100,000

1 plus \$4,000 per well for each well in excess of 250
2 wells, but no bond may be required under this clause
3 in excess of \$250,000.

4 (ii) For unconventional wells with a total well bore
5 length of at least 6,000 feet:

6 (A) For operating up to 25 wells, \$10,000 per
7 well, but no bond may be required under this clause
8 in excess of \$140,000.

9 (B) For operating 26 to 50 wells, \$140,000 plus
10 \$10,000 per well for each well in excess of 25 wells,
11 but no bond may be required under this clause in
12 excess of \$290,000.

13 (C) For operating 51 to 150 wells, \$290,000 plus
14 \$10,000 per well for each well in excess of 50 wells,
15 but no bond may be required under this clause in
16 excess of \$430,000.

17 (D) For operating more than 150 wells, \$430,000
18 plus \$10,000 per well for each well in excess of 150
19 wells, but no bond may be required under this clause
20 in excess of \$600,000.

21 (iii) For a well other than an unconventional well,
22 \$2,500 per well. ~~The~~ FOR 10 YEARS FOLLOWING THE EFFECTIVE <--
23 DATE OF THIS SUBPARAGRAPH, THE Environmental Quality
24 Board AND THE DEPARTMENT shall have no authority to <--
25 adjust the amount under this subparagraph.

26 (2) [In] The following apply:

27 (i) Except as provided under subparagraph (ii), in
28 lieu of individual bonds for each well, an owner or
29 operator may file a blanket bond for the applicable
30 amount under paragraph [(1)] (1)(i) or (ii), on a form

1 prepared by the department, covering all of its wells in
2 this Commonwealth, as enumerated on the bond form.

3 (ii) As follows:

4 (A) An operator may file a blanket bond of
5 \$25,000 for all of the operator's wells in this
6 Commonwealth that are not unconventional wells.

7 (B) For every new well that is not an
8 unconventional well drilled after six months after
9 the effective date of this subsection, the bond
10 amount for ~~the~~ THAT operator shall increase by <--
11 \$1,000.

12 (C) The total blanket bond for an operator's
13 wells that are not unconventional wells shall not
14 exceed \$100,000.

15 (D) The blanket bond increase of \$1,000 shall be
16 waived by the department for a new well drilled under
17 this subsection if the operator provides evidence to
18 the department that the operator has plugged an
19 orphan well at the operator's own expense for which
20 the operator was not the responsible party within the
21 previous 365 days that the operator has not yet
22 received credit for under this subsection by the
23 department.

24 ~~(E) The Environmental Quality Board shall have~~ <--
25 ~~no authority to adjust the amounts under this~~
26 ~~subparagraph.~~

27 (E) FOR 10 YEARS FOLLOWING THE EFFECTIVE DATE OF <--
28 THIS CLAUSE, THE BOND AMOUNTS FOR WELLS THAT ARE NOT
29 UNCONVENTIONAL WELLS MAY ONLY BE REVISED BY THE
30 GENERAL ASSEMBLY. THE ENVIRONMENTAL QUALITY BOARD AND

1 THE DEPARTMENT SHALL HAVE NO AUTHORITY TO ADJUST BOND
2 AMOUNTS RELATED TO WELLS THAT ARE NOT UNCONVENTIONAL
3 WELLS DURING THAT TIME PERIOD.

4 (2.1) Notwithstanding any other provision of this
5 section, section 1934-A of the act of April 9, 1929 (P.L.177,
6 No.175), known as The Administrative Code of 1929, shall
7 continue to apply to a well drilled prior to April 18, 1985.

8 * * *

9 Section 3. Section 3271(c)(1) of Title 58 is amended to
10 read:

11 § 3271. Well plugging funds.

12 * * *

13 (c) Orphan Well Plugging Fund.--The following shall apply:

14 (1) A restricted revenue account to be known as the
15 Orphan Well Plugging Fund is created. A \$100 surcharge for
16 wells to be drilled for oil production and a \$200 surcharge
17 for wells to be drilled for gas production are added to the
18 permit fee established by the department under section 3211
19 for new wells. The surcharges and amounts deposited under
20 section 2811(a)(1) (relating to allocation of funding) shall
21 be placed in the Orphan Well Plugging Fund and expended by
22 the department to plug orphan wells. If an operator
23 rehabilitates a well abandoned by another operator or an
24 orphan well, the permit fee and the surcharge for the well
25 shall be waived.

26 * * *

27 Section 4. Repeals are as follows:

28 (1) The General Assembly declares that the repeal under
29 paragraph (2) is necessary to effectuate the amendment of 58
30 Pa.C.S. § 3225(a)(1).

1 (2) Section 1606-E of the act of April 9, 1929 (P.L.343,
2 No.176), known as The Fiscal Code, is repealed.
3 Section 5. This act shall take effect immediately.