

No. 2004-171

AN ACT

HB 2804

Amending the act of December 18, 1984 (P.L.1069, No.214), entitled "An act requiring coordination of coal mine and gas well operators; authorizing Department of Environmental Resources enforcement powers; and providing penalties," further providing for minimum distance between gas wells, for voluntary agreements and for validity of voluntary agreements.

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

Section 1. Sections 7, 8 and 9 of the act of December 18, 1984 (P.L.1069, No.214), known as the Coal and Gas Resource Coordination Act, are amended to read:

Section 7. Minimum distance between gas wells.

(a) No permit for a gas well covered by this act may be issued to drill a new gas well, or reopen a gas well which has been plugged in accordance with the Gas Operations Well-Drilling Petroleum and Coal Mining Act, unless the proposed gas well is located not less than 1,000 feet from any other well. **[and not less than 330 feet from the boundary of the tract on which the gas well is to be located.]** For the purpose of this section, "other well" shall not include any:

(1) Oil or gas well or injection well which does not penetrate a workable coal seam.

(2) Oil or gas well or injection well which has been plugged in accordance with this act or any other act of this Commonwealth which would meet State and Federal requirements for the safe mining through of a gas well.

(3) Nonproducing oil or gas well which was drilled and abandoned prior to November 30, 1955.

(4) Storage well.

(b) The department shall, upon request of the permit applicant or the owner of the workable coal seam which underlies the proposed gas well, grant an exception from the minimum 1,000 feet distance requirement of subsection (a), where the permit applicant and the owner of the workable coal seam consent in writing. In no case shall the minimum distance between the proposed gas well and any other well be less than 900 feet pursuant to this subsection.

(c) The department shall, upon the request of the permit applicant or the owner of the workable coal seam which underlies the proposed gas well, grant an exception to the requirements of subsection (a), where the vertical distance between the producing formation of the proposed gas well and the producing formation of any other well is 1,000 feet or greater, where the permit applicant and the owner of the workable coal seam consent in writing.

[(d) The department shall, upon request of the permit applicant, grant an exception from the requirement that a gas well may not be located less than 330 feet from the boundary of the tract on which the gas well is to be located if any of the following conditions are proven:

(1) The proposed gas well must be located within 330 feet of the boundary to conform to the requirements of the Gas Operations Well-Drilling Petroleum and Coal Mining Act.

(2) The topography of the tract on which the proposed gas well is to be located is such that it cannot be located any place on the tract which is not within 330 feet of the boundary of the tract.

(3) The nature, character or location of the producing formations sought to be drilled are such that drilling the gas well more than 330 feet from the boundary of the tract would not be efficient or economical or would prevent removal of the maximum amount of gas.

(4) Locating the proposed gas well less than 330 feet from the boundary of the tract is necessary to protect property or to protect against potential injury to any natural person.

(5) If the proposed gas well must be located within 330 feet to take advantage of any exception pursuant to subsection (b) or (c) or this subsection.

(6) If the proposed gas well must be located within 330 feet as the result of any recommendation of the panel provided for in section 12.

Section 8. Voluntary agreements.

The owners of adjoining rights in oil and gas properties may agree to combine the rights in order to establish a tract to conform to the requirements of section 7. The agreements shall be in writing.

Section 9. Validity of voluntary agreements.

No agreement entered into for the purpose of complying with section 7 or for the purpose of bringing about the integrated development or operation of gas properties shall be held to violate any statute of this Commonwealth prohibiting monopolies or acts, arrangements, agreements, contracts, combinations or conspiracies in restraint of trade or commerce.]

Section 2. This act shall take effect immediately.

APPROVED—The 29th day of November, A.D. 2004.

EDWARD G. RENDELL