
THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. **681** Session of
1961

INTRODUCED BY MESSRS. WEINER, KALMAN, MCGINNIS,
WADE AND MURRAY, MAY 23, 1961.

REFERRED TO COMMITTEE ON MINES AND MINERAL
INDUSTRIES, MAY 23, 1961.

AN ACT

Defining and prohibiting waste in the production of oil and gas defin-
ing the powers and duties of the Oil and Gas Conservation Com-
mission and the Oil and Gas Division of the Department of
Mines and Minerals Industries with respect to the prevention of
waste in the production of oil and gas from certain geological
horizons the protection of correlative rights the spacing of well
drilling operations the unitization of lands and horizons for the
purpose of regulating well spacing providing for the enforce-

EXPLANATION—CAPITAL LETTERS indicate new matter added to bill. Matter stricken through
is to be omitted from bill.
Underscoring indicates new matter added to existing law. [Brackets] indicate matter
stricken from existing law.

ment of this act and the issuance of rules regulations and orders prescribing the rights obligations and duties of owners and operators of interests in lands and leasehold interests therein with respect to the drilling of oil and gas wells thereon providing for hearings and the procedures to be followed therein imposing duties upon the courts providing methods for the enforcement of the provisions of this act limiting all the provisions hereof to certain geological horizons imposing penalties and making an appropriation

It is hereby declared as an expression of policy to be in the public interest to foster encourage and promote the development production and utilization of the natural oil and gas resources in this Commonwealth and especially those which may exist in the Lower Devonian Series and the Silurian and Cambro-Ordovician Geological Systems or from any formation below the Onondaga horizon in such manner as will encourage discovery exploration and development without waste and to provide for the drilling equipping locating spacing and operating of oil and gas wells so as to protect correlative rights and prevent waste of oil or gas or loss in the ultimate recovery thereof and to regulate

such operations so as to protect fully the rights of royalty owners and producers of oil and gas to the end that the people of the Commonwealth shall realize and enjoy the maximum benefits of these natural resources it being recognized however that the uninterrupted exploration and development of the Pennsylvania and Mississippian Systems and the Upper and Middle Devonian Geological Series being sands and strata above the Onondaga horizon both of a primary and subsequent methods have been carried on exhaustively since the discovery of oil in the Drake Well in 1859 without regulatory restriction or control to such an extent that at the present stage of development it would be impractical and detrimental to the operation of such shallow horizons to impose regulations under this act particularly in view of the facts that the production therefrom whether of primary or secondary nature is carried on without appreciable waste and that the methods of exploration discovery development and production above the Onondaga horizon and in shallow horizons at a depth of less than three thousand eight hundred feet differ from methods of exploration discovery development and production below the Onondaga horizon or below three thousand eight hundred feet in cost methods operating problems and other important characteristics

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

1 Section 1 Short Title This act shall be known and may be cited
2 as the "Oil and Gas Conservation Law"

3 Section 2 Definitions As used in this act

4 (1) "Commission" means the Oil and Gas Conservation Commis-
5 sion

6 (2) "Correlative rights" means the rights of each owner of oil
7 and gas interests in a common pool or source of supply of oil or gas to
8 have a fair and reasonable opportunity to obtain and produce his just
9 and equitable share of the oil and gas in such pool or sources of supply
10 without being required to drill unnecessary wells or incur other un-
11 necessary expense to recover or receive such oil or gas or its equivalent

12 (3) "Gas" means all natural gas and all other volatile hydrocarbons
13 not herein defined as oil including condensate because it originally was
14 in a gaseous phase in the reservoir

15 (4) "Oil" means crude petroleum oil and all other hydrocarbons
16 regardless of gravity produced at a well in liquid form by ordinary
17 production methods but does not include liquid hydrocarbons that were
18 originally in a gaseous phase in the reservoir

1 (5) "Division" means the Oil and Gas Division of the Department
2 of Mines and Mineral Industries of the Commonwealth of Pennsylvania

3 (6) "Onondaga horizon" means the top of the Onondago formation
4 except in those areas in which the Onondaga formation is not present
5 and in such areas the term shall be understood to mean either the top
6 of the stratigraphic horizon first appearing in the interval of the miss-
7 ing Onondaga formation or where strata older than the top of the
8 Onondaga are exposed at the surface then the term "Onondaga horizon"
9 shall mean the surface

10 (7) "Operator" shall mean any owner of the right to develop
11 operate and produce oil and gas from the pool In the event that there
12 is no oil and gas lease in existence the owner of the oil and gas rights
13 shall be considered as "operator" to the extent of seven-eighth of the
14 oil and gas in that portion of the pool underlying the tract owned by
15 such owner and a royalty owner as to a one-eighth interest in such oil
16 and gas In the event that the oil is owned separately from the gas the
17 owner of the substance being produced or sought to be produced from
18 the pool shall be considered as "operator" as to such pool

1 (8) "Royalty owner" means any owner of oil or gas in place or oil
2 or gas rights subject to a lease covering such oil or gas in place or
3 oil or gas rights "Royalty owner" also means any owner of an interest
4 in an oil or gas lease which entitles him to share in the production of
5 the oil or gas under such lease or the proceeds therefrom without obli-
6 gating him to pay any costs under such lease "Royalty owner" also
7 means the owner of any interest in the oil or gas in place or oil or
8 gas rights who has not executed an oil and gas lease to the extent that
9 such owner is not designated an "operator" under the preceding clause

10 (9) "Person" means any natural person corporation association part-
11 nership receiver trustee executor administrator guardian fiduciary or
12 other representative of any kind and includes any department agency
13 or instrumentality of the Commonwealth or any governmental sub-
14 division thereof

15 (10) "Pool" means an underground reservoir containing a common
16 accumulation of oil or gas or both not in communication laterally or
17 vertically with any other accumulation of oil or gas

18 (11) "Producer" means the owner of the well or wells capable of
19 producing oil or gas or both

1 (12) "Waste" means the following

2 (i) physical waste as the term is generally understood in the oil
3 and gas industry which includes

4 A permitting the migration of oil gas or water from the stratum
5 in which it is found to other strata if such migration would result in the
6 loss of recoverable oil or gas or both

7 B the drowning with water of any stratum or part thereof capable
8 of producing oil or gas in paying quantities except for secondary re-
9 covery purposes or in hydraulic fracturing or other completion practices

10 C the unnecessary or excessive surface loss or destruction of oil
11 or gas and

12 D the inefficient or improper use or unnecessary dissipation of
13 reservoir energy

14 (ii) the drilling of more wells than are reasonably required to recover
15 efficiently and economically the maximum amount of oil and gas from
16 a pool

17 (13) "Well" means a bore hole or excavation for the purpose of
18 producing oil or gas or both

19 Section 3 Applicability Exclusions Construction (a) Except as pro-
20 vided in subsection (b) of this section this act shall apply to all lands

1 in the Commonwealth including any lands owned or administered by
2 the Commonwealth or any political subdivision thereof except the ex-
3 cluded horizons The commission shall have jurisdiction over all persons
4 and property necessary to enforce effectively the provisions of this act

5 (b) This act shall not apply to or affect

6 (1) Any well or wells which do not penetrate the Onondaga horizon
7 or in those areas in which the Onondaga horizon is nearer to the sur-
8 face than thirty-eight hundred feet any well or wells which do not
9 exceed a depth of thirty-eight hundred feet beneath the surface For
10 the purposes of this act the question whether a pool is covered by the
11 act shall be determined by the depth of the producing interval in the
12 discovery well in such pool and if such producing interval is covered
13 by the act then all wells drilled to such pool shall be covered by this
14 act even though some of the wells in the pool if considered alone would
15 not be covered by the act

16 (2) Any well or wells of whatever depth commenced prior to the
17 effective date of this act except such wells previously completed in
18 strata above the Onondaga horizon but subsequent to the effective date
19 of this act drilled deeper than the Onondaga horizon or three thousand

1 eight-hundred feet whichever is deeper provided that such wells may be
2 considered in spacing and pooling orders entered by the commission

3 (3) Any well or wells drilled to inject gas into or withdraw gas
4 from gas storage reservoir

5 (c) This act shall not be construed to grant to the commission
6 authority or power to

7 (1) Limit production or output or prorate production of any oil
8 or gas well except as provided in clause (6) of section 7 or

9 (2) Fix prices of oil or gas

10 Section 4 Waste Prohibited Waste of oil and gas is prohibited

11 Section 5 Powers and Duties of the Commission (a) The commis-
12 sion shall have the power and duty to execute and carry out the pro-
13 visions of this act in the manner provided herein

14 (b) The commission is authorized to make such investigations and
15 inspections of records and facilities as it deems necessary and proper to
16 discharge its duties and perform its functions under this act

17 (c) Without limiting its general authority the commission is hereby
18 granted specific authority

19 (1) To require

20 (i) identification on the premises of ownership of oil or gas wells

1 (ii) the making and filing of drillers' logs and filing of such other
2 well logs as are actually made and the furnishing of duplicate copies
3 to the Department of Internal Affairs provided however that no logs
4 of an exploratory or wildcat well other than driller's logs now required
5 under the "Gas Operations Well-Drilling Petroleum and Coal Mining
6 Act" need be filed under this act before twelve months after completion
7 of the well

8 (iii) the drilling casing operation and plugging of wells in such
9 manner as to prevent (a) the escape of oil or gas (b) the detrimental
10 intrusion of water into any oil or gas pool that is avoidable by efficient
11 operations and (c) blowouts cavings seepages and fires and

12 (iv) upon proper application to enter spacing and pooling orders and
13 provide for the integration or communitization of interests within a
14 drilling unit

15 (2) To classify pools as oil or gas pools or wells as oil or gas wells
16 for purposes material to the interpretation or administration of this act
17 under the definitions set out above

18 (3) To promulgate and to enforce rules regulations and orders to
19 effectuate the purposes and the intent of this act and to fix appropriate

1 fees for services rendered which fees are hereby appropriated to the
2 commission for its operations

3 (d) The commission shall have the power and duty to protect
4 correlative rights

5 Section 6 Drilling Permits (a) Before drilling any well which is
6 to penetrate the Onondaga or deeper horizons or a depth of three
7 thousand eight hundred feet whichever is deeper the well operator shall
8 obtain a permit The well operator shall have a plat prepared on the
9 same form required by the division under the "Gas Operations Well-
10 Drilling Petroleum and Coal Mining Act" and shall file said plat with
11 the division together with an application on a form to be furnished by
12 the division for a permit to drill a well at said location The division
13 shall consistent with the "Gas Operations Well-Drilling Petroleum and
14 Coal Mining Act" within ten days of the receipt of such application
15 issue a drilling permit to the well operator unless the requested location
16 of the well will conflict with a spacing or pooling order previously
17 entered or unless an application for such an order has been filed and
18 is then pending In areas in which no spacing order has been entered
19 and no application is pending no permit shall be issued for the drilling
20 of a well unless the location of the well is at least three hundred thirty

1 feet from the nearest outside boundary line of the lease on which it is
2 located provided however that if the lease is included in a voluntary
3 unit a well may be located without regard to lease lines if it is not
4 within three hundred thirty feet of the nearest unit line and provided
5 further that the commission after notice and hearing may waive this
6 requirement Any applicant or other person aggrieved by any order
7 granting or refusing a permit shall have the same right to appeal there-
8 from as is provided in section 13 of this act

9 (b) The drilling or operation of any well in violation of any spacing
10 or pooling order is hereby prohibited Where a well is to be drilled on
11 a unit created pursuant to a spacing or pooling order under this act
12 there shall be included in the plat required to be filed under subsection
13 (a) of section 6 a survey of the entire spacing unit showing the location
14 and acreage content of all tracts or portions of tracts included within the
15 spacing unit provided however that if all of the operators and royalty
16 owners included in the unit agree on the amount of acreage contained in
17 each tract included in the unit and file a stipulation to that effect a sur-
18 vey shall not be necessary Where accurate surveys of the spacing unit or
19 tracts included therein are available they may be used and a new survey
20 shall not be required

1 Section 7 Well Spacing The commission shall to carry out the
2 purpose of this act and upon proper application and notice given as
3 hereinafter provided and after a hearing as provided in said notice enter
4 an order establishing well spacing and drilling units of a specified and
5 an approximate uniform size and shape for each pool The procedure
6 for obtaining such an order shall be as follows

7 (1) After one well has been drilled establishing a pool in a horizon
8 covered by this act an application may be filed by the operator of the
9 discovery well or the operator of any lands directly and immediately
10 affected by the drilling of the discovery well or subsequent wells in
11 said pool and the commission shall promptly schedule a hearing on said
12 application Each application shall be accompanied by a plat indicating
13 latitude and longitude of the pool and such information as the commis-
14 sion may request No more than ten square miles shall be included in
15 any single application for a spacing order

16 (2) Upon the filing of an application as above set out notice of the
17 hearing shall be given by the commission by publication for two suc-
18 cessive weeks in a newspaper in general circulation in each county
19 where any land which may be affected by such order is located and by

1 the commission mailing a copy of such notice to all persons who have
2 specified to the commission an address to which all such notices may
3 be mailed The first publication and the mailing of such notice shall be
4 at least fifteen days before the date fixed for hearing

5 (3) On the date specified in the notice the commission shall hold
6 a public hearing to determine the area to be included in the order and
7 the acreage to be embraced within each unit and the shape thereof and
8 the area within which wells may be drilled on such units Evidence of the
9 following facts may be considered by the commission in entering its order

10 (i) the surface topography and property lines of the lands underlaid
11 by the pool

12 (ii) the plan of well spacing then being employed or proposed in
13 such pool

14 (iii) the depth at which production from said pool has been found

15 (iv) the nature and character of the producing formation or forma-
16 tions and whether the substances produced or sought to be produced are
17 gas or oil

18 (v) the maximum area which may be drained efficiently and econom-
19 ically by one well

1 (vi) any other available geological or scientific data pertaining to
2 said pool which may be of probative value to said commission in deter-
3 mining the proper spacing and well drilling unit therefor with due and
4 relative allowance for the correlative rights and obligations of the
5 producers and royalty owners interest therein

6 (4) The commission shall within forty-five days after the application
7 for spacing is filed either enter an order establishing spacing units and
8 specifying the size and shape of the units which shall be such as will
9 in the opinion of the commission result in the efficient and economic
10 development of the pool as a whole or shall enter an order dismissing
11 the application The uniform size of the spacing units shall not be smaller
12 than the maximum area that can efficiently and economically be drained
13 by one well provided that if at the time of a hearing to establish spacing
14 units there is not sufficient evidence from which to determine the area
15 that can be efficiently and economically drained by one well the com-
16 mission may enter an order establishing temporary spacing units for the
17 orderly development of the pool pending the obtaining of the informa-
18 tion required to determine what the ultimate spacing should be

19 (5) Except where the circumstances reasonably require otherwise
20 spacing units shall be approximately uniform size and shape for the

1 entire pool provided however that the commission shall have the power
2 to vary the size and shape of any individual unit in order (i) to take
3 account of wells already completed at the time the application is filed
4 hereunder or (ii) to make a unit conform to oil and gas property lines
5 provided however that the units formed by the commission shall con-
6 form to the area which will be drained by the well located within the
7 area permitted by the order and the acreage included in each unit shall
8 be contiguous In the event that both oil wells and gas wells are found
9 producing from the same pool the commission shall have the power to
10 create units of one size for oil wells and of a different size for gas wells

11 (6) An order establishing spacing units shall specify the minimum
12 distance from the nearest boundary of the spacing unit at which a well
13 may be drilled The minimum distance provided shall be the same in all
14 spacing units established under said order with necessary exceptions for
15 wells drilled or drilling at the time of the filing of the application If
16 the commission finds that a well to be drilled at or more than the
17 specified minimum distance from the boundary of the spacing unit
18 would not be likely to produce in paying quantities or will encounter
19 surface conditions which would substantially add to the burden or

1 hazard of drilling such well or because of objection by coal operators
2 the division has prohibited a location within the area permitted by the
3 order the commission is authorized after notice and hearing to make
4 an order permitting the well to be drilled at a location within the mini-
5 mum distance prescribed by the spacing order In granting exceptions
6 to the spacing order the commission may restrict the production from
7 such well so that each person entitled thereto in such spacing unit shall
8 not produce or receive more than his just and equitable share of the
9 production

10 (7) An order establishing spacing units for a pool shall subject
11 to the limitation set by clause (1) of this section cover all lands de-
12 termined or believed to be underlaid by such pool and may be modified
13 by the commission from time to time to include additional lands de-
14 termined to be underlaid by such pool or to exclude lands determined
15 not to be underlaid by such pool An order establishing spacing units
16 may be modified by the commission to permit the drilling of additional
17 wells on a reasonably uniform pattern at a uniform minimum distance
18 from the nearest unit boundary as provided above Any order modifying

1 a prior order shall be made only after application by an interested opera-
2 tor and notice and hearing as prescribed above for the original order

3 (8) After the date of the notice of hearing called to establish
4 spacing units no additional well shall be commenced for production
5 from the pool until the order establishing spacing units has been made
6 unless the commencement of the well is authorized by order of the
7 commission

8 (9) In the event a permit to drill is refused because of a pend-
9 ing application for a spacing order as provided in subsection (a) of
10 section 6 and the lease containing the location on which the permit
11 has been refused is being drained of oil or gas by a well or wells on
12 adjoining lands the commission shall have the power after notice to
13 the operator of the well or wells affected and hearing to shut in such
14 well or wells on adjoining lands if necessary to protect correlative
15 rights until and only until such time as applicant has had the oppor-
16 tunity to obtain a spacing order under section 7

17 Section 8 Integration of Interest in Spacing Units (a) When two
18 or more separately owned tracts are embraced within a spacing unit
19 or when there are separately owned interests in all or a part of a

1 spacing unit the interested persons may integrate their tracts or interests
2 for the development and operation of the spacing unit In the absence
3 of voluntary integration the commission upon the application of any
4 operator having an interest in the spacing unit shall make an order
5 integrating all tracts or interests in the spacing unit for the development
6 and operation thereof and for the sharing of production therefrom The
7 commission as part of the order establishing a spacing unit or units shall
8 prescribe the terms and conditions upon which the royalty interests
9 in the unit or units shall in the absence of voluntary agreement be
10 deemed to be integrated without the necessity of a subsequent separate
11 order integrating the royalty interests Each such integration order shall
12 be upon terms and conditions that are just and reasonable and shall be
13 made only after a public hearing after notice by certified mail to all
14 other operators and royalty owners within the unit whose interests are
15 of record at least fifteen days prior to the day of the hearing or in
16 the alternative by personal service in the manner set out in subsection
17 (d) of section 10 If such persons or their addresses are unknown to the
18 applicant notice may be given by the commission by publication for two
19 successive weeks in a newspaper of general circulation in the county or

1 in each county if there be more than one in which the lands embraced
2 within the unit are situated The first publication shall be at least fifteen
3 days prior to the date of the hearing Should the aforesaid notice fail
4 to be given to any operator of record or royalty owner or should an
5 attempt to give notice be held to be invalid such defect shall not invali-
6 date the proceedings at the hearing or any orders issued provided how-
7 ever that any such order shall not be effective as to the interest of the
8 person whose interest is of record who was not notified or to whom
9 notice is held to be invalid

10 (b) All operations including but not limited to the commencement
11 drilling or operation of a well upon any portion of a spacing unit for
12 which an integration order has been entered shall be deemed for all
13 purposes the conduct of such operations upon each separately owned
14 tract in the spacing unit by the several owners thereof That portion
15 of the production allocated to a separately owned tract included in a
16 spacing unit shall when produced be deemed for all purposes to have
17 been actually produced from such tract by a well drilled thereon

18 (c) Each such integration order shall authorize the drilling
19 equipping and operation or operation of a well on the spacing unit
20 shall provide who may drill and operate the well shall prescribe the

1 time and manner in which all the operators in the spacing unit may
2 elect to participate therein and shall make provisions for the pay-
3 ment by all those who elect to participate therein of the reasonable
4 actual cost thereof plus a reasonable charge for supervision and for
5 interest on past due accounts If requested each such integration order
6 shall provide just and equitable alternatives whereby an operator who
7 does not elect to participate in the risk and cost of the drilling and
8 operation or operation of a well may elect to surrender his lease-
9 hold interest to the participating operators on some reasonable basis
10 and for a reasonable consideration which if not agreed upon shall
11 be determined by the commission or may elect to participate in the
12 drilling and operation or operation of the well on a limited or car-
13 ried basis upon terms and conditions determined by the commission
14 to be just and reasonable If one or more of the operators shall drill
15 equip and operate or pay the costs of drilling equipping or operat-
16 ing a well for the benefit of a nonparticipating operator as provided
17 for in an order of integration then such operator or operators shall
18 be entitled to the share of production from the spacing unit accru-
19 ing to the interest of such nonparticipating operator exclusive of

1 one-eighth of the production until the market value of such nonpar-
2 ticipating operator's share of the production exclusive of such one-
3 eighth of production equals double the share of such costs payable
4 by or charged to the interest of such nonparticipating operator If
5 there is a dispute as to the costs of drilling equipping or operating a
6 well the commission shall determine such costs In instances where
7 a well is completed prior to the integration of interests in a spacing
8 unit the sharing of production shall be from the effective date of the
9 integration except that in calculating costs credit shall be given for
10 the value of each operator's share of any prior production from the well

11 Section 9 Validity of Unit Agreements No agreement between
12 or among lessees or other owners of oil and gas rights in oil and gas
13 properties entered into pursuant hereto or with a view or for the
14 purpose of bringing about the unitized development or operation of
15 such properties shall be held to violate any statute of this Common-
16 wealth prohibiting monopolies or acts arrangements agreements con-
17 tracts combinations or conspiracies in restraint of trade or commerce

18 Section 10 Rules Regulations Notices Orders and Hearings (a)
19 The commission shall prescribe rules and regulations governing the
20 practice and procedure before the commission

1 (b) No rules regulation or order or amendment thereof except in
2 an emergency shall be made by the commission without a public hear-
3 ing upon at least fifteen days' notice The public hearing shall be held
4 at such time and place as may be prescribed by the commission and
5 any interested person shall be entitled to be heard No spacing or in-
6 tegration order shall be entered except upon application of an operator
7 of land affected by the order and notice and hearing as specifically pro-
8 vided under clause (2) of section 7 and subsection (a) of section 8

9 (c) When an emergency requiring immediate action is found to
10 exist the commission is authorized to issue an emergency order without
11 notice or hearing which shall be effective upon promulgation No emer-
12 gency order shall remain effective for more than twenty-five days

13 (d) Any notice required by this act except that required under
14 clause (2) of section 7 and subsection (a) of section 8 shall be given
15 at the election of the commission either by personal service or by one
16 publication in a newspaper of general circulation in Harrisburg and in
17 the county where the land affected or some part thereof is situated
18 or by United States mail addressed postage prepaid to the last known
19 mailing address of the operator or royalty owner affected The notice

1 shall issue in the name of the Commonwealth shall be signed by the
2 chairman or secretary of the commission shall specify the style and
3 number of the proceeding the time and place of the hearing and shall
4 briefly state the purpose of the proceeding Should the commission elect
5 to give notice by personal service such service may be made by an officer
6 authorized to serve process or by any agent of the commission in the
7 same manner as is provided by law for the service of process in civil ac-
8 tions in the court of the Commonwealth Proof of the service by such
9 agent shall be by the affidavit of the persons making personal service

10 (e) All rules regulations and orders issued by the commission shall
11 be in writing shall be entered in full and indexed in books to be kept
12 by the commission for that purpose and shall be public records open for
13 inspection at all times during reasonable office hours A copy of any
14 rule regulation and order certified by any member of the commission
15 or its secretary under its seal shall be received in evidence in all courts
16 of this Commonwealth with the same effect as the original No spacing
17 or pooling order entered pursuant to sections 7 and 8 shall be effective
18 until it is recorded in the office for the recording of deeds in each county
19 containing land affected by the order

1 (f) The commission may act upon its own motion or upon the ap-
2 plication of any interested person except that spacing and pooling orders
3 may be entered only on the application of an interested operator On
4 the filing of an application concerning any matter within the jurisdic-
5 tion of the commission the commission shall promptly fix a date for
6 a hearing thereon and shall cause notice of the hearing to be given
7 The hearing shall be held without undue delay after the filing of the
8 petition

9 Section 11 Procedure Before the Commission (a) The commission
10 shall have the power to summon witnesses to administer oaths and to
11 require the production of records books and documents for examination
12 relevant or pertinent to any hearing or investigation conducted by it
13 All proceedings and appeals shall be in accordance with the "Adminis-
14 trative Agency Act" and other appropriate law

15 (b) Upon failure or refusal on the part of any person to comply
16 with the subpoena issued by the commission or upon the refusal of any
17 witness to testify as to any matter regarding which he may be inter-
18 rogated and which is pertinent to the hearing or investigation any
19 court of common pleas in the Commonwealth upon the application of the
20 commission may compel him to comply with such subpoena and to attend

1 before the commission and produce such records books and documents for
2 examination and to give his testimony Such court shall have the power
3 to punish for contempt as in the case of disobedience to a like subpoena
4 issued by the court or for refusal to testify therein

5 Section 12 Penalties (a) It shall be unlawful and subject to a fine
6 of not less than five hundred dollars (\$500) nor more than five thousand
7 dollars (\$5000) or imprisonment for a term not exceeding six months or
8 both for any person

9 (1) To violate any provision of this act or any rule regulation or
10 order of the commission

11 (2) To commence operations for the drilling or deepening of a well
12 for oil or gas without first obtaining a permit from the division under
13 such rules and regulations as may be prescribed by the commission

14 (3) To make or cause to be made for the purpose of evading this
15 act or any rule regulation or order of the commission any false entry
16 or statement in a report required by this act or by any rule regulation
17 or order of the commission or to make or cause to be made any false
18 entry to any record account or memorandum required by this act or by
19 any such rule regulation or order to remove from this Commonwealth

1 or destroy mutilate alter or falsify any such record account or
2 memorandum

3 (b) Any person knowingly aiding or abetting any other person in
4 the violation of any provision of this act or any rule regulation or order
5 of the commission shall be subject to the same punishment and penalty
6 as that prescribed in this section 12 for the violation by such other
7 person

8 (c) Each day of violation after notification thereof by the commis-
9 sion shall constitute a separate offense

10 Section 13 Court Review (a) Within twenty days after the entry of
11 any final order decision determination or ruling (or if a petition for
12 rehearing or reconsideration is filed then within ten days after entry
13 of the order of the commission refusing such petition or of the order
14 allowing rehearing or reconsideration) any person aggrieved thereby
15 who has a direct interest in such adjudication shall have the right to
16 appeal therefrom Such appeal shall be taken to the court of common
17 pleas of the county wherein the land or other property right affected is
18 located Parties interested jointly severally or otherwise in the same
19 order decision determination or ruling may join in an appeal therefrom
20 even though all of the interested parties do not join therein

1 (b) The procedure applicable to appeals from any final order
2 decision determination or ruling shall be in accordance with the rules
3 of civil procedure promulgated from time to time by the Supreme Court
4 of Pennsylvania except as otherwise provided herein No party who pro-
5 ceeded before the commission under the terms of this act shall be
6 precluded from questioning the validity of said act in the appeal but
7 no party may raise upon appeal any other question not raised before
8 the commission unless allowed by the court upon due cause shown

9 (c) The court to which the appeal is taken shall hear the appeal
10 on the record certified by the commission Any such appeal shall be
11 given precedence over all other matters except matters of the same
12 character If the order of the commission is not affirmed the court may
13 set aside or modify it in whole or in part or may remand the proceeding
14 to the commission for further disposition in accordance with the order
15 of the court

16 (d) The commission or any party affected by any decision of a
17 court on an appeal from any order of the commission may within thirty
18 days of the filing of such decision appeal to the Supreme Court of
19 Pennsylvania

1 (e) No appeal taken from an order of the commission or from a
2 decision of a court of common pleas shall act as a supersedeas of the
3 order or decision appealed from unless the court to which such appeal
4 is taken shall by an interlocutory order make such appeal a supersedeas
5 Such interlocutory order shall be made only after such notice to all
6 parties as the court may direct and after hearing Upon the granting
7 of a supersedeas the court may in its discretion require the filing of a
8 bond to the Commonwealth for the use of all parties aggrieved in such
9 sum and conditioned as the court may by its order direct or may grant
10 the supersedeas upon such other terms and conditions as the court in
11 its discretion may prescribe

12 Section 14 Enforcement (a) Whenever it appears that any person
13 is violating or threatening to violate any provision of this act or any
14 rule regulation or order of the commission the commission shall bring
15 suit against such person in the court of common pleas of any county
16 where the violation occurs or is threatened or in the Court of Common
17 Pleas of Dauphin County to restrain such person from continuing such
18 violation or from carrying out the threat of violation Upon the filing
19 of any such suit summons issued to such person may be directed to

1 the sheriff of any county in this Commonwealth for service by such
2 sheriff or his deputies In any such suit the court shall have jurisdiction
3 to grant to the commission without bond or other undertaking such
4 prohibitory and mandatory injunctions as the facts may warrant includ-
5 ing temporary restraining orders and preliminary injunctions

6 (b) If the commission shall fail to bring suit to enjoin a violation
7 or threatened violation of any provision of this act or any rule regula-
8 tion or order of the commission within ten days after receipt of written
9 request to do so by any person who is or will be adversely affected by
10 such violation the person making such request may bring suit in his own
11 behalf to restrain such violation or threatened violation in any court in
12 which the commission might have brought suit The commission shall be
13 made a party defendant in such suit in addition to the person violating
14 or threatening to violate a provision of this act or a rule regulation or
15 order of the commission and the action shall proceed and injunctive
16 relief may be granted without bond or other undertaking in the same
17 manner as if the suit had been brought by the commission

18 Section 15 Commission Personnel (a) The commission or its desig-
19 nated representative shall appoint and fix the compensation of such
20 additional experts engineers geologists inspectors investigators hearing

1 officers attorneys clerks reporters and other employes as may be neces-
2 sary for the proper conduct of the work of the commission

3 (b) Except as otherwise specifically provided in this act the com-
4 mission and its employes shall be subject to all the provisions of "The
5 Administrative Code of 1929" which apply generally to administrative
6 departments and offices

7 Section 16 Constitutionality If any section subsection sentence or
8 clause of this act is adjudged to be unconstitutional or invalid such
9 adjudication shall not affect the validity of the remaining portion of
10 this act The General Assembly hereby declares that it would have
11 passed this act and each division section subsection sentence or clause
12 thereof irrespective of the fact that any one or more sections subsec-
13 tions sentences or clauses might be adjudged to be unconstitutional or
14 for any other reason invalid

15 Section 17 Appropriation The sum of fifty thousand dollars
16 (\$50,000) or as much thereof as may be necessary is hereby appro-
17 priated to the Department of Mines and Mineral Industries to carry
18 out the provisions of this act

19 Section 18 Repeals The act of July 2 1937 (P L 2772) entitled "An
20 act to require certain records of oil and gas wells drilled in the Common-

1 wealth showing the location of the same and the geologic formations
2 encountered therein and to make copies of such records available upon
3 payment of prescribed fees and providing fees and penalties" is hereby
4 repealed

5 Section 19 Effective Date This act shall take effect sixty days after
6 final enactment

We certify that this bill has passed the Senate and the House of
Representatives.

.....
Chief Clerk, Senate

.....
President pro tempore, Senate

.....
Speaker, House of Representatives

Approved The day of A. D. 1961.

.....
Governor