

## THE GENERAL ASSEMBLY OF PENNSYLVANIA

## HOUSE BILL

No. 2528 Session of  
2022

INTRODUCED BY STRUZZI, JAMES, PICKETT, CAUSER, SMITH, BERNSTINE,  
SAYLOR, OBERLANDER, NEILSON, ROWE, ARMANINI, COX AND  
ZIMMERMAN, APRIL 20, 2022

SENATOR YAW, ENVIRONMENTAL RESOURCES AND ENERGY, IN SENATE, RE-  
REPORTED AS AMENDED, OCTOBER 25, 2022

## AN ACT

1 ~~Amending Title 58 (Oil and Gas) of the Pennsylvania Consolidated <--~~  
2 ~~Statutes, in development, providing for well plugging~~  
3 ~~contracts.~~

4 AMENDING TITLE 58 (OIL AND GAS) OF THE PENNSYLVANIA CONSOLIDATED <--  
5 STATUTES, IN OIL AND GAS WELL PLUGGING OVERSIGHT, FURTHER  
6 PROVIDING FOR ALLOCATION OF FUNDING, FOR ESTABLISHMENT OF OIL  
7 AND GAS WELL PLUGGING GRANT PROGRAM, FOR GRANTS, FOR ELIGIBLE  
8 WELLS, FOR QUALIFIED WELL PLUGGER AND FOR APPLICATIONS AND  
9 REVIEW PROCESS; IN DEVELOPMENT, FURTHER PROVIDING FOR WELL  
10 PLUGGING FUNDS AND PROVIDING FOR WELL PLUGGING CONTRACTS; AND  
11 MAKING EDITORIAL CHANGES.

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

14 ~~Section 1. Title 58 of the Pennsylvania Consolidated <--~~  
15 ~~Statutes is amended by adding a section to read:~~

16 ~~§ 3271.1. Well plugging contracts.~~

17 ~~(a) General rule. Notwithstanding any other provision of~~  
18 ~~law:~~

19 ~~(1) The department shall allow any Pennsylvania company~~  
20 ~~to bid for a contract that the department plans to award for~~  
21 ~~plugging oil or gas wells, regardless of the size of the~~

1 ~~company.~~

2 ~~(2) The department shall award a contract for plugging~~  
3 ~~oil or gas wells to an eligible Pennsylvania company before~~  
4 ~~considering the bid of a company which is not a Pennsylvania~~  
5 ~~company.~~

6 ~~(3) If no eligible Pennsylvania company bids for the~~  
7 ~~contract, the department may consider bids from a company~~  
8 ~~that is not a Pennsylvania company.~~

9 ~~(b) Definition. As used in this section, the term~~  
10 ~~"Pennsylvania company" means a business entity which:~~

11 ~~(1) has its main offices or headquarters located within~~  
12 ~~this Commonwealth and conducts at least 50% of its business~~  
13 ~~activities within this Commonwealth; or~~

14 ~~(2) will bid for State contracts for plugging oil or gas~~  
15 ~~wells and subcontract the work to subcontractors selected~~  
16 ~~through a competitive bidding process that gives priority to~~  
17 ~~subcontractors that satisfy the criteria specified under~~  
18 ~~paragraph (1) when possible.~~

19 ~~Section 2. This act shall take effect in 60 days.~~

20 SECTION 1. SECTIONS 2811, SUBCHAPTER C HEADING OF CHAPTER 28 <--  
21 AND SECTIONS 2821, 2822, 2823(C), 2824, 2825 AND 3271(C)(1) OF  
22 TITLE 58 OF THE PENNSYLVANIA CONSOLIDATED STATUTES, AMENDED OR  
23 ADDED JULY 19, 2022 (P.L.1622, NO.96), ARE AMENDED TO READ:

24 § 2811. [ALLOCATION OF FUNDING.] REQUIREMENTS FOR USE OF  
25 FEDERAL FUNDING.

26 (A) REQUIREMENTS.--FEDERAL MONEY [RECEIVED] FROM THE  
27 ORPHANED WELL SITE PLUGGING, REMEDIATION AND RESTORATION PROGRAM  
28 UNDER SECTION 40601 OF THE INFRASTRUCTURE INVESTMENT AND JOBS  
29 ACT (PUBLIC LAW 117-58, 135 STAT. 429) THAT IS APPROPRIATED BY  
30 THE GENERAL ASSEMBLY SHALL BE SUBJECT TO THE FOLLOWING:



1 THIS SUBCHAPTER.

2 (B) AMOUNT.--SUBJECT TO SUBSECTION (C), A GRANT UNDER THIS  
3 SUBCHAPTER SHALL BE:

4 (1) IN THE AMOUNT OF [\$10,000] \$40,000 FOR EVERY  
5 ELIGIBLE WELL PLUGGED THAT IS AN ORPHAN WELL OF A DEPTH OF  
6 3,000 FEET OR LESS OR THE ACTUAL COST OF THE QUALIFIED WELL  
7 PLUGGER TO PLUG THE WELL, WHICHEVER IS LESS.

8 (2) IN THE AMOUNT OF [\$20,000] \$70,000 FOR EVERY  
9 ELIGIBLE WELL PLUGGED THAT IS AN ORPHAN WELL OF A DEPTH  
10 GREATER THAN 3,000 FEET OR THE ACTUAL COST OF THE QUALIFIED  
11 WELL PLUGGER TO PLUG THE WELL, WHICHEVER IS LESS.

12 (C) ADJUSTMENT.--

13 (1) IF THE DEPARTMENT FINDS THAT IT IS NOT RECEIVING AN  
14 ADEQUATE NUMBER OF APPLICATIONS FOR GRANTS UNDER THIS  
15 SECTION, THE DEPARTMENT MAY INCREASE THE AMOUNTS UNDER  
16 SUBSECTION (B) AT ITS DISCRETION BY POSTING THE INCREASED  
17 AMOUNTS ON ITS PUBLICLY ACCESSIBLE INTERNET WEBSITE.

18 (2) THE DEPARTMENT MAY NOT DECREASE THE AMOUNTS  
19 SPECIFIED IN THIS SUBSECTION.

20 § 2823. ELIGIBLE WELLS.

21 \* \* \*

22 (C) PUBLICATION OF NOTICE OF AVAILABILITY OF GRANTS.--NO  
23 LATER THAN 60 DAYS AFTER THE [EFFECTIVE DATE OF THIS  
24 SUBSECTION,] DATE OF THE PERIODIC AWARDING OF FUNDS PURSUANT TO  
25 SECTION 349 OF THE ENERGY POLICY ACT OF 2005 (PUBLIC LAW 109-59,  
26 42 U.S.C. § 15907) OR THE EFFECTIVE DATE OF AN APPROPRIATION OF  
27 MONEY TO THE DEPARTMENT FOR THE PURPOSES OF THIS SUBCHAPTER,  
28 WHICHEVER IS EARLIER, THE DEPARTMENT SHALL PUBLISH ON ITS  
29 PUBLICLY ACCESSIBLE INTERNET WEBSITE ALL OF THE FOLLOWING:

30 (1) A LIST OF EACH ELIGIBLE WELL AND ANY RELEVANT

1 IDENTIFYING INFORMATION.

2 (2) ANY AVAILABLE TECHNICAL DATA THAT WOULD BE NECESSARY  
3 FOR A QUALIFIED WELL PLUGGER TO PLUG EACH ELIGIBLE WELL ON  
4 THE LIST UNDER PARAGRAPH (1).

5 \* \* \*

6 § 2824. QUALIFIED WELL PLUGGER.

7 (A) CRITERIA.--A PERSON SHALL QUALIFY AS A QUALIFIED WELL  
8 PLUGGER IF THE PERSON [MEETS ANY OF THE FOLLOWING CRITERIA:]  
9 DEMONSTRATES ACCESS TO THE EQUIPMENT, MATERIALS, RESOURCES AND  
10 SERVICES TO PLUG WELLS IN ACCORDANCE WITH SECTION 3220 (RELATING  
11 TO PLUGGING REQUIREMENTS).

12 [(1) THE PERSON HAS DRILLED 10 OR MORE WELLS IN THIS  
13 COMMONWEALTH IN ACCORDANCE WITH SECTION 3211 (RELATING TO  
14 WELL PERMITS).

15 (2) THE PERSON HAS PLUGGED 10 OR MORE WELLS IN THIS  
16 COMMONWEALTH IN ACCORDANCE WITH SECTION 3220 (RELATING TO  
17 PLUGGING REQUIREMENTS).

18 (3) THE PERSON OTHERWISE DEMONSTRATES ACCESS TO THE  
19 EQUIPMENT, MATERIALS, RESOURCES AND SERVICES TO PLUG WELLS IN  
20 ACCORDANCE WITH SECTION 3220.]

21 (B) LEGAL RESPONSIBILITY.--A QUALIFIED WELL PLUGGER SHALL  
22 NOT BE THE PERSON WHO IS LEGALLY RESPONSIBLE FOR PLUGGING THE  
23 ORPHAN WELL.

24 (C) EFFECT OF CONTINUING VIOLATIONS.--

25 (1) IN ORDER TO RECEIVE A GRANT UNDER THIS SUBCHAPTER,  
26 THE APPLICANT, OR A PARENT OR SUBSIDIARY BUSINESS ENTITY OF  
27 THE APPLICANT, MAY NOT BE IN CONTINUING VIOLATION OF THIS  
28 CHAPTER, ANY OTHER STATUTE ADMINISTERED BY THE DEPARTMENT, A  
29 REGULATION PROMULGATED UNDER THIS CHAPTER OR A STATUTE  
30 ADMINISTERED BY THE DEPARTMENT OR A PLAN APPROVAL, PERMIT OR

1 ORDER OF THE DEPARTMENT, UNLESS THE VIOLATION IS BEING  
2 CORRECTED TO THE SATISFACTION OF THE DEPARTMENT.

3 (2) THIS SUBSECTION SHALL NOT APPLY TO AN APPLICANT WHO  
4 HAS COMMITTED A VIOLATION UNTIL THE DEPARTMENT HAS TAKEN A  
5 FINAL ACTION ON THE VIOLATION AND:

6 (I) THE APPLICANT HAS NOT APPEALED THE FINAL ACTION  
7 IN ACCORDANCE WITH THE ACT OF JULY 13, 1988 (P.L.530,  
8 NO.94), KNOWN AS THE ENVIRONMENTAL HEARING BOARD ACT; OR

9 (II) IF AN APPEAL HAS BEEN FILED, NO SUPERSEDEAS HAS  
10 BEEN ISSUED.

11 § 2825. APPLICATIONS AND REVIEW PROCESS.

12 (A) APPLICATION FORM.--NO LATER THAN THE DATE THAT THE  
13 NOTICE OF AVAILABILITY UNDER SECTION 2823(C) (RELATING TO  
14 ELIGIBLE WELLS) IS PUBLISHED, THE DEPARTMENT SHALL MAKE AN  
15 APPLICATION FORM FOR A GRANT UNDER THIS SUBCHAPTER AVAILABLE ON  
16 THE DEPARTMENT'S PUBLICLY ACCESSIBLE INTERNET WEBSITE.

17 (B) CONTENT OF APPLICATIONS.--AN APPLICATION SUBMITTED BY A  
18 QUALIFIED WELL PLUGGER SHALL CONTAIN ALL OF THE FOLLOWING:

19 (1) THE NAME OF THE QUALIFIED WELL PLUGGER.

20 (2) A LIST OF ELIGIBLE WELLS LISTED UNDER SECTION  
21 2823(C) THAT THE QUALIFIED WELL PLUGGER INTENDS TO PLUG [IN  
22 ACCORDANCE WITH THE REQUIREMENTS OF SECTION 3220 (RELATING TO  
23 PLUGGING REQUIREMENTS)] IN THE NEXT 12 MONTHS IF APPROVED FOR  
24 A GRANT UNDER THIS SUBCHAPTER.

25 (3) A CERTIFICATION THAT THE QUALIFIED WELL PLUGGER HAS  
26 LEGAL AUTHORITY TO ACCESS AND PERFORM THE ACTIVITIES NEEDED  
27 TO PLUG EACH WELL LISTED UNDER PARAGRAPH (2).

28 (4) AN ATTESTATION THAT THE QUALIFIED WELL PLUGGER WILL  
29 PROVIDE THE DOCUMENTATION NECESSARY FOR THE DEPARTMENT TO  
30 COMPLY WITH THE PROVISIONS OF SECTION 2811(B) (RELATING TO

1 ALLOCATION OF FUNDING).

2 (5) AN ATTESTATION THAT EACH WELL PLUGGED BY THE  
3 QUALIFIED WELL PLUGGER WILL BE PLUGGED IN ACCORDANCE WITH  
4 SECTION 3220 (RELATING TO PLUGGING REQUIREMENTS).

5 (C) ACCEPTANCE OF APPLICATIONS.--

6 (1) THE DEPARTMENT SHALL BEGIN ACCEPTING APPLICATIONS  
7 UNDER SUBSECTION (A) NO LATER THAN THE DATE THAT THE  
8 APPLICATION IS MADE AVAILABLE UNDER SUBSECTION (A).

9 (2) [AS ADDITIONAL AMOUNTS ARE APPROPRIATED TO THE  
10 DEPARTMENT FOR THE GRANT PROGRAM UNDER THIS SUBCHAPTER AFTER  
11 THE EFFECTIVE DATE OF THIS SUBSECTION, THE DEPARTMENT SHALL  
12 BEGIN] THE DEPARTMENT SHALL ACCEPT APPLICATIONS UNTIL THE  
13 AMOUNT AVAILABLE FOR GRANTS UNDER SECTION 2811(A) IS  
14 COMMITTED TO PROJECTS INITIALLY APPROVED UNDER SUBSECTION  
15 (E). AS ADDITIONAL AMOUNTS ARE MADE AVAILABLE FOR THE GRANT  
16 PROGRAM UNDER THIS SUBARTICLE, THE DEPARTMENT SHALL  
17 RECOMMENCE ACCEPTING APPLICATIONS UNDER SUBSECTION (A) NO  
18 LATER THAN SEVEN DAYS AFTER THE ADDITIONAL MONEY IS  
19 [APPROPRIATED] MADE AVAILABLE.

20 (D) REVIEW.--THE DEPARTMENT SHALL REVIEW AND APPROVE  
21 APPLICATIONS RECEIVED UNDER SUBSECTION (C) ON A ROLLING BASIS  
22 UNTIL THE MONEY AVAILABLE HAS BEEN FULLY COMMITTED TO APPROVED  
23 PROJECTS.

24 (E) INITIAL APPROVAL.--

25 (1) IF AN APPLICATION SUBMITTED UNDER SUBSECTIONS (B)  
26 AND (C) MEETS THE REQUIREMENTS OF THIS SUBCHAPTER AND IF THE  
27 AMOUNT OF GRANT MONEY THAT THE QUALIFIED WELL PLUGGER WOULD  
28 BE ELIGIBLE TO RECEIVE REMAINS AVAILABLE, THE DEPARTMENT  
29 SHALL APPROVE THE APPLICATION AND SHALL NOTIFY THE APPLICANT  
30 WHICH ORPHAN WELLS ON THE LIST UNDER SUBSECTION (B) (2) FOR

1 WHICH THE QUALIFIED WELL PLUGGER HAS BEEN APPROVED TO RECEIVE  
2 A GRANT.

3 (2) AN APPROVAL UNDER THIS SUBSECTION SHALL BE MADE  
4 WITHIN [SEVEN] 15 DAYS OF THE RECEIPT OF THE APPLICATION. THE  
5 DEPARTMENT SHALL PROVIDE NOTICE OF THE APPROVAL TO THE  
6 QUALIFIED PLUGGER WITHIN THREE DAYS OF THE DATE OF APPROVAL.

7 (F) AWARDING OF GRANT.--AN APPROVED WELL PLUGGER SHALL BE  
8 AWARDED A GRANT IF ALL OF THE FOLLOWING REQUIREMENTS ARE MET:

9 (1) THE QUALIFIED WELL PLUGGER WAS PREVIOUSLY APPROVED  
10 UNDER SUBSECTION (E).

11 (2) THE QUALIFIED WELL PLUGGER PLUGGED AN ORPHAN WELL  
12 FOR WHICH THE QUALIFIED WELL PLUGGER WAS APPROVED UNDER  
13 SUBSECTION (E).

14 (3) THE QUALIFIED WELL PLUGGER HAS SUBMITTED A COMPLETE  
15 PLUGGING CERTIFICATE, PREPARED AND SIGNED, ON A FORM  
16 FURNISHED BY THE DEPARTMENT, BY TWO EXPERIENCED AND QUALIFIED  
17 INDIVIDUALS WHO PARTICIPATED IN THE WORK AND SPECIFIED THE  
18 TIME AND MANNER IN WHICH THE WELL WAS PLUGGED.

19 (4) THE QUALIFIED WELL PLUGGER HAS SUBMITTED ADEQUATE  
20 DOCUMENTATION OF THE COST FOR THE PLUGGING OF AN ORPHAN WELL.

21 (5) THE QUALIFIED WELL PLUGGER HAS SUBMITTED ANY OTHER  
22 INFORMATION OR DOCUMENT NECESSARY FOR COMPLIANCE WITH THE  
23 FEDERAL ORPHANED WELL SITE PLUGGING, REMEDIATION AND  
24 RESTORATION PROGRAM.

25 (G) AMOUNT OF GRANT.--THE AMOUNT OF THE GRANT AWARDED UNDER  
26 SUBSECTION (F) SHALL BE THE SUM OF THE AMOUNTS UNDER SECTION  
27 2822 (RELATING TO GRANTS) FOR WHICH THE QUALIFIED WELL PLUGGER  
28 IS APPROVED UNDER SUBSECTION (E). IF THE QUALIFIED WELL PLUGGER  
29 ENCOUNTERS UNUSUAL TECHNICAL DIFFICULTIES DUE TO THE CONDITION  
30 OF AN ORPHAN WELL, THE DEPARTMENT MAY[, UPON AWARDING THE GRANT,



1 REIMBURSE THE QUALIFIED WELL PLUGGER WITH AN ADDITIONAL GRANT  
2 AMOUNT.] IN ITS DISCRETION, AMEND THE GRANT AWARD TO COVER THE  
3 ADDITIONAL COST, IF PROVIDED WITH ADEQUATE DOCUMENTATION OF  
4 THOSE UNEXPECTED ADDITIONAL COSTS. THE ADDITIONAL GRANT AMOUNT  
5 UNDER THIS SUBSECTION SHALL NOT EXCEED THE AMOUNT OF THE GRANT  
6 FOR A SPECIFIC ORPHAN WELL. THE DEPARTMENT MAY NOT AWARD THE  
7 ADDITIONAL GRANT AMOUNT UNDER THIS SUBSECTION TO A QUALIFIED  
8 WELL OPERATOR WITHOUT RECEIVING AN ADEQUATE PROOF OF COST FROM  
9 THE QUALIFIED WELL PLUGGER.

10 (H) CIVIL IMMUNITY.--A PERSON WHO VOLUNTARILY PROVIDES  
11 EQUIPMENT, MATERIALS, RESOURCES OR SERVICES FOR PLUGGING AN  
12 ORPHAN WELL IN ACCORDANCE WITH THIS SUBCHAPTER SHALL BE IMMUNE  
13 FROM CIVIL LIABILITY OTHER THAN INJURY OR DAMAGE RESULTING FROM  
14 GROSS NEGLIGENCE OR WILLFUL MISCONDUCT. THE PERSON MAY RAISE THE  
15 CIVIL IMMUNITY PROTECTIONS SPECIFIED IN THIS SUBSECTION IN A  
16 LEGAL PROCEEDING BROUGHT TO ENFORCE THE ENVIRONMENTAL LAWS OF  
17 THIS COMMONWEALTH OR OTHERWISE IMPOSE CIVIL LIABILITY.

18 § 3271. WELL PLUGGING FUNDS.

19 \* \* \*

20 (C) ORPHAN WELL PLUGGING FUND.--THE FOLLOWING SHALL APPLY:

21 (1) A RESTRICTED REVENUE ACCOUNT TO BE KNOWN AS THE  
22 ORPHAN WELL PLUGGING FUND IS CREATED. A \$100 SURCHARGE FOR  
23 WELLS TO BE DRILLED FOR OIL PRODUCTION AND A \$200 SURCHARGE  
24 FOR WELLS TO BE DRILLED FOR GAS PRODUCTION ARE ADDED TO THE  
25 PERMIT FEE ESTABLISHED BY THE DEPARTMENT UNDER SECTION 3211  
26 FOR NEW WELLS. THE SURCHARGES [AND AMOUNTS DEPOSITED UNDER  
27 SECTION 2811(A) (1) (RELATING TO ALLOCATION OF FUNDING)] SHALL  
28 BE PLACED IN THE ORPHAN WELL PLUGGING FUND AND EXPENDED BY  
29 THE DEPARTMENT TO PLUG ORPHAN WELLS. IF AN OPERATOR  
30 REHABILITATES A WELL ABANDONED BY ANOTHER OPERATOR OR AN

1 ORPHAN WELL, THE PERMIT FEE AND THE SURCHARGE FOR THE WELL  
2 SHALL BE WAIVED.

3 \* \* \*

4 SECTION 2. TITLE 58 IS AMENDED BY ADDING A SECTION TO READ:

5 § 3271.1. WELL PLUGGING CONTRACTS.

6 (A) GENERAL RULE.--NOTWITHSTANDING ANY OTHER PROVISION OF  
7 LAW:

8 (1) THE DEPARTMENT SHALL ALLOW ANY PENNSYLVANIA COMPANY  
9 TO BID FOR A CONTRACT THAT THE DEPARTMENT PLANS TO AWARD FOR  
10 PLUGGING OIL OR GAS WELLS, REGARDLESS OF THE SIZE OF THE  
11 COMPANY.

12 (2) (RESERVED).

13 (B) DEFINITION.--AS USED IN THIS SECTION, THE TERM

14 "PENNSYLVANIA COMPANY" MEANS A BUSINESS ENTITY THAT:

15 (1) HAS ITS MAIN OFFICES OR HEADQUARTERS LOCATED WITHIN  
16 THIS COMMONWEALTH AND CONDUCTS AT LEAST 50% OF ITS BUSINESS  
17 ACTIVITIES WITHIN THIS COMMONWEALTH; OR

18 (2) WILL BID FOR STATE CONTRACTS FOR PLUGGING OIL OR GAS  
19 WELLS AND SUBCONTRACT THE WORK TO SUBCONTRACTORS SELECTED  
20 THROUGH A COMPETITIVE BIDDING PROCESS THAT GIVES PRIORITY TO  
21 SUBCONTRACTORS THAT SATISFY THE CRITERIA SPECIFIED UNDER  
22 PARAGRAPH (1) WHEN POSSIBLE.

23 SECTION 3. THIS ACT SHALL TAKE EFFECT IN 60 DAYS.