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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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HOUSE BILL

No. 962 Session of  
2023

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INTRODUCED BY VITALI, BRENNAN, MADDEN, PIELLI, RABB, SAMUELSON,  
SANCHEZ, FREEMAN, HOHENSTEIN, HILL-EVANS, KHAN, CIRESI,  
STEELE AND FIEDLER, APRIL 19, 2023

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REFERRED TO COMMITTEE ON ENVIRONMENTAL RESOURCES AND ENERGY,  
APRIL 19, 2023

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AN ACT

1 Amending Title 58 (Oil and Gas) of the Pennsylvania Consolidated  
2 Statutes, in development, further providing for bonding.

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

5 Section 1. Section 3225(a)(1), (2) and (2.1) of Title 58 of  
6 the Pennsylvania Consolidated Statutes, amended or added July  
7 19, 2022 (P.L.1622, No.96), are amended to read:

8 § 3225. Bonding.

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

10 (1) Except as provided in subsection (d), upon filing an  
11 application for a well permit and before continuing to  
12 operate an oil or gas well, the owner or operator of the well  
13 shall file with the department a bond covering the well and  
14 well site on a form to be prescribed and furnished by the  
15 department. A bond filed with an application for a well  
16 permit shall be payable to the Commonwealth and conditioned  
17 upon the operator's faithful performance of all drilling,

1 water supply replacement, restoration and plugging  
2 requirements of this chapter. A bond for a well in existence  
3 on April 18, 1985, shall be payable to the Commonwealth and  
4 conditioned upon the operator's faithful performance of all  
5 water supply replacement, restoration and plugging  
6 requirements of this chapter. The amount of the bond required  
7 shall be in the following amounts and amounts under  
8 subparagraphs (i) and (ii) may be adjusted by the  
9 Environmental Quality Board every two years to reflect the  
10 projected costs to the Commonwealth of plugging the well:

11 (i) For [unconventional] wells with a total well  
12 bore length less than 6,000 feet:

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

16 (B) For operating 51 to 150 wells, \$35,000 plus  
17 \$4,000 per well for each well in excess of 50 wells,  
18 but no bond may be required under this clause in  
19 excess of \$60,000.

20 (C) For operating 151 to 250 wells, \$60,000 plus  
21 \$4,000 per well for each well in excess of 150 wells,  
22 but no bond may be required under this clause in  
23 excess of \$100,000.

24 (D) For operating more than 250 wells, \$100,000  
25 plus \$4,000 per well for each well in excess of 250  
26 wells, but no bond may be required under this clause  
27 in excess of \$250,000.

28 (ii) For [unconventional] wells with a total well  
29 bore length of at least 6,000 feet:

30 (A) For operating up to 25 wells, \$10,000 per

1 well, but no bond may be required under this clause  
2 in excess of \$140,000.

3 (B) For operating 26 to 50 wells, \$140,000 plus  
4 \$10,000 per well for each well in excess of 25 wells,  
5 but no bond may be required under this clause in  
6 excess of \$290,000.

7 (C) For operating 51 to 150 wells, \$290,000 plus  
8 \$10,000 per well for each well in excess of 50 wells,  
9 but no bond may be required under this clause in  
10 excess of \$430,000.

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

15 [(iii) For a well other than an unconventional well,  
16 \$2,500 per well. For 10 years following the effective  
17 date of this subparagraph, the Environmental Quality  
18 Board and the department shall have no authority to  
19 adjust the amount under this subparagraph.]

20 (2) [The following apply:

21 (i) Except as provided under subparagraph (ii), in]  
22 In lieu of individual bonds for each well, an owner or  
23 operator may file a blanket bond for the applicable  
24 amount under paragraph (1) (i) or (ii), on a form prepared  
25 by the department, covering all of its wells in this  
26 Commonwealth, as enumerated on the bond form.

27 [(ii) As follows:

28 (A) An operator may file a blanket bond of  
29 \$25,000 for all of the operator's wells in this  
30 Commonwealth that are not unconventional wells.

1 (B) For every new well that is not an  
2 unconventional well drilled after six months after  
3 the effective date of this subsection, the bond  
4 amount for that operator shall increase by \$1,000.

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

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

17 (E) For 10 years following the effective date of  
18 this clause, the bond amounts for wells that are not  
19 unconventional wells may only be revised by the  
20 General Assembly. The Environmental Quality Board and  
21 the department shall have no authority to adjust bond  
22 amounts related to wells that are not unconventional  
23 wells during that time period.

24 (2.1) Notwithstanding any other provision of this  
25 section, section 1934-A of the act of April 9, 1929 (P.L.177,  
26 No.175), known as The Administrative Code of 1929, shall  
27 continue to apply to a well drilled prior to April 18, 1985.]

28 \* \* \*

29 Section 2. This act shall take effect in 60 days.