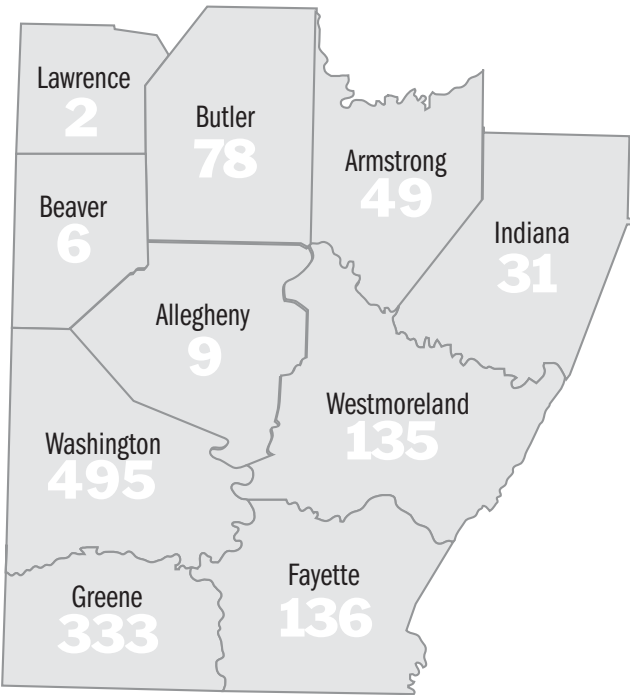


ACT13The Facts

Number of wells

The number of “spud” wells in southwestern Pennsylvania counties liable for the impact fee this fall, ranked by the amount of revenue they will raise for local and state coffers:

Counties	No. of wells	Revenue
Washington	495	\$23,390,000
Greene	333	\$14,450,000
Westmoreland	135	\$6,270,000
Fayette	136	\$5,600,000
Butler	78	\$3,380,000
Indiana	31	\$1,430,000
Armstrong	49	\$1,410,000
Allegheny	9	\$410,000
Beaver	6	\$300,000
Lawrence	2	\$100,000



CHANGES FOR DRILLERS

IMPACT FEES

The impact fee, which changes annually based on the price of natural gas, must be paid to the Public Utility Commission by September 1. Failure to do so means a driller cannot receive any new permits until they’ve paid.

BONDING

Larger bonding amounts must be paid to the Department of Environmental Protection as insurance on their wells. The maximum cost goes up to \$850,000, up from \$25,000. They also can be held liable for larger fines for violations.

LIABILITY

Operators can now be presumed liable for any contamination in the surrounding 2,500 feet for one year after completing or restimulating a well. That change doubles the time period, and is more than twice the liability distance.

STILL TO COME

- The online violations are still a work in progress for the Department of Environmental Protection. Some details of violation reports are now available, but the agency says their long-term project will be to post fuller narratives of each incident.
- Once the first round of fee dollars come in, DEP will distribute a portion reserved for converting fleet vehicles to run on natural gas. Non-profits, local governments and businesses will be eligible to apply.
- The current court challenge is aimed primarily at the zoning provisions, but also disputes the legality of requiring doctors to keep certain chemicals confidential. That lawsuit argues that those provisions are unconstitutional and could be in the court system for at least the next few months.

HOW THAT MONEY WILL BE DISTRIBUTED

Of the \$180 million estimated to be collected in September

\$92

MILLION
to local
governments

\$63

MILLION

toward statewide projects, including bridge repairs, water and sewer projects, recreational and environmental programs, and incentives for natural-gas processing plants

\$10

MILLION

to encourage local governments and businesses to convert fleets to natural gas

\$6

MILLION

to the
Department of
Environmental
Protection

\$2.5

MILLION

each for housing
assistance and for
county conservation
districts

\$1.5

MILLION

for emergency
responder
training and
planning

\$1

MILLION

feach for the Fish and
Boat Commission,
Public Utility Commission,
and for rail freight
grants

CHANGES FOR LOCAL OFFICIALS

■ Additional notification prior to drilling. Any municipality or landowner that is within 3,000 feet – instead of landowners within 1,000 feet – of a drill site must be notified by the operator prior to starting work.

■ Extra dollars for drilling-related expenses. Those funds will be distributed by December, based on a municipality’s proximity to drilling, and can be used for a wide variety of purposes.

■ While the zoning portion of the law has been delayed, officials are working now to revise their ordinances so they do not conflict with new state guidelines. If they do not do so, they can be challenged by operators, potentially held liable for any attorney’s fees, and would be ineligible for impact fee dollars until the rules are revised.

CHANGES FOR RESIDENTS NEAR SHALE DRILLING

■ More distance between buildings or water supplies and drilling activity. Setbacks from streams or public water supplies must be at least 500 feet, more than double the current 200-foot requirement.

■ More information will be publicly available about chemicals used in drilling. Details of hydraulic fracturing fluid must be posted on FracFocus.org, and some violation details are more accessible on DEP’s website.

■ More money for local governments. The law reserves 60 percent of the funds for counties and towns in the shale region, which they can spend on anything from infrastructure repairs to recreational projects, tax reductions to social services.

Source: State of Pennsylvania, DEP, PUC

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