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THE SHALE PLAY TODAY



News & Insights from the Marcellus and Utica Shales



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Legislative Update: Pa. Passes Oil & Gas Lease Act

On July 9, 2013, Governor Corbett signed the [Oil and Gas Lease Act](#), Senate Bill No. 259 of 2013 (the "Act"), which amends Pennsylvania's Guaranteed Minimum Royalty Act.

The Act provides that, unless expressly prohibited by a lease, an operator has the right to develop multiple contiguous leases jointly by horizontal drilling. Thus, a lease silent on pooling may now be pooled for horizontal drilling. Section 2.1 of the Act also provides that, in the absence of a division order or other similar agreement, the operator may allocate royalties among the respective interest holders in such proportion as the operator reasonably determines to be attributable to each lease. The Act does not permit the forced pooling of unleased oil and gas estates.

Additionally, the Act requires the following information be provided to interest owners at the time of payment, either on a check stub or attached document:

1. Lease identifying information;
2. Month and year of production;
3. Total barrels of crude oil or number of Mcf of gas or volume of natural gas liquids sold;
4. Price received per barrel, Mcf or gallon;
5. Total taxes paid and other deductions

In The News



What's Up with Noise, Light, Dust and Volatile Organic Compounds?

by [Mark D. Clark](#), as published in the **IOGA of West Virginia** newsletter, July 2013

The West Virginia Department of Environmental Protection ("DEP") released its report to the West Virginia Legislature in May on the study of "noise, light, dust and volatile organic compounds generated by the drilling of horizontal wells related to the well location restriction regarding occupied dwelling structures" (the "DEP Report"). The underlying study was conducted by the WVU School of Public Health which produced a [206-page report](#) dated May 3, 2013 (the "Study").

[Read the full article on our website.](#)



House Bill May Speed up Federal Approval of Pipeline Permits

A U.S. House of Representatives panel is considering legislation that would speed up federal approval of natural gas pipeline permits. If passed, the bill would render permits automatically approved if not reviewed within 90 days of the conclusion of environmental studies.

[Read more.](#)

- permitted under the lease;
6. Net value of total sales from the leased property;
 7. Royalty interest, expressed as a decimal or fraction;
 8. Interest owner's share of the total value of sales prior to deductions;
 9. Interest owner's share after deductions; and
 10. Contact information (address and telephone number).

[Read the full article on our website.](#)



Federal Study: No Evidence Frack Fluids Contaminated Drinking Water

A recent study conducted by the U.S. Department of Energy showed no indication that fracking chemicals contaminated drinking water aquifers in western Pennsylvania. Although the study is ongoing, this is certainly a boost for oil and gas companies operating in the Marcellus and Utica Shales.

[Read more.](#)



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Featured Shale Team Member



Michael J. Basile
(Charleston, W.Va.)

Mr. Basile maintains a state and local government relations practice focused on issues and policy affecting economic development, such as regulatory reform, transportation, taxation, property rights and environmental law issues associated with the natural gas segment of the Appalachian region's economy. Specifically, he was directly involved in drafting and promoting The Marcellus Development Act in West Virginia, as well as reviewing and providing commentary on West Virginia's omnibus legislation and corresponding rules governing horizontal drilling. Mr. Basile is also serving in his tenth year as Managing Member of the firm. [View his full professional biography.](#)

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