



## W.Va. Legislature Passes Horizontal Well Act

Gov. Earl Ray Tomblin announced today the passage of the Horizontal Well Act ("the Act"), which governs and regulates the exploration and development of shale gas formations through wells drilled using horizontal drilling technologies and completed using hydraulic stimulation techniques.

The Act provides benefits to all West Virginians through protection of the state's water resources, surface owners' interests and environmental interests, while encouraging responsible development of West Virginia's natural gas resources with the resulting economic benefits in the form of employment and tax revenues. It is expected the Act will stimulate growth of the natural gas industry in West Virginia and make the state more competitive in terms of being a possible ethane cracker site location.

Additionally, the Act provides distinct permitting and regulatory rules, allowing the natural gas industry to develop job opportunities and invest in West Virginia. The Act also provides the West Virginia Department of Environmental Protection with sufficient funding and regulatory authority, helping to ensure the safety and protection of the state's communities, waterways and surface owner rights.

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## Highlights of New & Additional Requirements Resulting from Enactment

1. Increased permit fees from \$650 for all wells to \$10,000 for the first horizontal well and \$5,000 for subsequent horizontal wells drilled on a single well pad;
2. Increased bond requirement from \$5,000 to \$50,000 for single well bonds and from \$50,000 to \$250,000 for blanket bonds;
3. Restricting the location of horizontal wells to be located as least 250 from a water well or spring, 625 feet from an occupied dwelling or large cattle or poultry barn, and 100 feet from a perennial stream, lake, pond, reservoir or wetland, and 1,000 feet from a public water supply intake;
4. New requirement for notice to surface owner to provide copy of § 22-6A-16 and a proposed surface use agreement containing an offer of compensation for damages to the surface;
5. Three days notice prior to performing seismic activity to surface owners, coal owners and lessees, gas storage well owner and Miss Utility of West Virginia, which notice shall include a reclamation plan in accordance with the erosion and sediment control plan;
6. Requiring "reimbursement" of real property taxes to surface owners of disturbed land in a one time amount of \$2,500;
7. Obtaining a certification from the DOH that a well work applicant is in compliance with road use regulations of the DOH;
8. Increased casing and cementing minimum standards, plus requirement that DEP develop regulations concerning same.

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