

Laws in Pennsylvania pertaining to:

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POOLING/ UNITIZATION

Pooling and unitization are conservation measures adopted either by forced regulation in some states or by voluntary agreement. The primary purpose of unitized operations is to permit proper and maximum development of the unit lands without reference to ownership boundaries and with a minimum of waste. A better way to realize these objectives is by adopting the rule that whenever a landowner places a mineral in a unit for the production of gas or oil and obtains production on other land within the unit, such production will extend the mineral interest to the extent of the land and mineral interests included within the production unit. *Fox v. Wainoco Oil & Gas Company*, 46 Pa. D. & C.3d 439 at 442 (Court of Common Pleas of Pennsylvania, Crawford County, 1986).

RULE OF CAPTURE

The rule of capture states that there is no liability for drainage of oil and gas from under the lands of another so long as there has been no trespass and the individual observes all relevant statutes and regulations. In Pennsylvania, the rule of capture follows that a neighbor has no right of recourse against a neighboring oil and gas produced solely because someone else has drained and produced the oil and gas. *Seneca v. Howard*, 867 A.2d. 656 (Superior Court of Pennsylvania, Western District, 2004)

SPACING OF WELLS

The spacing of wells needs to be sufficient to allow the free use and operation of each well. *McKelvy v. Allegheny County*, 86 A. 521 (Supreme Court of Pennsylvania, 1913). The courts have failed to specify what actual space would be sufficient to meet this requirement however it is a well-known fact, notorious to those familiar with it, that oil and gas brought to the surface by a series of wells come largely from surrounding territory therefore it is not suitable to have many wells confined together in closed spaces. A few wells, even if judiciously put down in a small space will usually drain a large extent of the land therefore exhausting the deposit. *Wettengel v. Gormley*, 28 A. 934 (Supreme Court of Pennsylvania, 1894). It is best for the oil and gas wells to draw their products from an "indefinite" distance and therefore exhaust a large space. *Id.* at 935.

Rights of Adjoining Landowners

The oil and gas confined in the oil and gas-bearing sands of a farm belong to the one who holds title to the farm. However, it is also recognized, both as a question of fact and law that oil and gas are fugitive in their nature, and will seek any opening from the earth's surface that may reach the sand where they are confined. A landowner who drills on his own land at such a spot ought not to stop his neighbor from developing his own farm. Still, every landowner may locate wells wherever, regardless of the interests of others. The wells can be distributed over the whole farm or be located only on one part of it. In fact, the landowner may crowd the adjoining farms to draw oil and gas from them. The neighbor can do nothing to stop this except protect his or her own oil and gas by taking advantage of such resources. *Wettengel v. Gormley*, 28 A. 934.

Some Helpful Web Sites:

*DEP Permit Notices: <http://www.dep.state.pa.us/enotice/>

<http://www.cce.cornell.edu/chemung/naturalgas.htm>

*PA Gas Law - <http://www.dep.state.pa.us/dep/deputate/minres/oilgas/Laws%20&%20Regulations.htm>

*"Hints on negotiating..Texas:<http://recenter.tamu.edu/pubs/229.html>

*Also search for "Trenton+Black+River"

*Most of the companies have WEB Sites also....deal with a reputable company!