



Testimony of Terry Bossert
Vice President- Legislative & Regulatory Affairs, Range Resources
before the
Senate Environmental Resources & Energy Committee
Hearing on SB 258
March 19, 2013

Chairman Yaw and members of the committee, my name is Terry Bossert, and I am the Vice President of Legislative and Regulatory Affairs for Range Resources. Range is a member of the Executive Board of the Marcellus Shale Coalition (MSC). The MSC has approximately 300 producing and supply chain members who are fully committed to working with local, county, state and federal government officials and regulators as well as landowners across the Commonwealth to facilitate the development of the natural gas resources in the Marcellus, Utica and related geological formations. The MSC's membership represents many of the largest and most active companies in natural gas production, gathering and transmission in the country, as well as the suppliers and contractors who service the industry.

Thank you for inviting us to speak with you today about SB 258, which establishes a rebuttable presumption that subsurface rights have been abandoned in favor of the surface owner in actions to quiet title if the subsurface rights have not been exercised for 50 years or more. Our industry is very familiar with the so-called "split estate" situation, as we encounter it often during our title searches. Since 2006, our industry has utilized the Dormant Oil and Gas Act when the owners of oil or gas interests could not be located. Under this act, development can occur and the proceeds from the development of the resources that would normally go to the owner of the subsurface estate would go into a trust. If the owner does not come forward, the trust would be considered abandoned or unclaimed property under state law. However, that process does not unite the split estate. Quiet title is a means to unite the split estate and may be viewed by surface owners as a complement to the Dormant Oil and Gas Act.

We can appreciate the desire surface owners may have for a mechanism to determine the ownership of severed mineral interests. From the perspective of the industry, however, it is important that we have comfort that leases with those surface owners who have been awarded

ownership of the subsurface interests under an action to quiet title are secure. To us this means that the potential owner of the subsurface interests has been afforded due process, including a good faith and diligent effort to locate persons who may claim subsurface rights. In addition, as is provided in the Dormant Oil and Gas Act, the lessee should not be liable for claims from previously “unknown” owners, should they later surface.

Adding provisions to address these concerns would enhance our level of confidence in the united title and in some cases may determine whether or not we enter into a lease.

Additionally, we would ask that this legislation define the surface owner in a manner consistent with another state law dealing with the subsurface estate, the Coal Bed Methane Dispute Resolution Act of 2010. This measure established a mechanism for arbitrating coal bed methane well- location disputes between land owners and gas companies.

Mr. Chairman, and members of the Committee, once again I appreciate the opportunity for the MSC to be part of the discussion of the best way to ensure effective and efficient development of our Pennsylvania natural resources. Throughout this process last session and this session, the MSC has appreciated your willingness to hear our concerns and work with us to ensure that our mutual goal of mineral development is achieved. As our companies invest millions of dollars in the Commonwealth, it is in our interest and ultimately the interest of landowners to possess as much surety as possible in the lease negotiating process. Therefore, I hope you will consider the MSC’s requests. For our part, I hope the MSC has demonstrated and continues to demonstrate our willingness to engage with you, Chairman, your colleagues and all stakeholders to discuss how we can encourage growth in the industry and enhance Pennsylvania’s positioning as an energy leader. Thank you again for your time, and I am pleased to answer any questions you may have.