Coal-Bed Methane Drilling
What Are Your Rights & Responsibilities?

The increasing amount of coal-bed methane drilling is raising questions for many farmers and landowners in Westmoreland County. And while the Westmoreland Conservation District is not directly involved in the permitting or inspecting of coal-bed methane projects, we asked Dave Janco, regional manager for the Oil and Gas Program of the Pennsylvania Department of Environmental Protection, to help our readers understand more about it.

Q: Is coal-bed methane gas drilling the same as deep-well natural gas drilling?
A: When it comes to the physical act of drilling, development of coal-bed methane is similar to conventional gas well development – but it occurs at a much shallower depth. Also, in the case of coal-bed methane – after drilling is completed to the target zones (which may be multiple coal seams), those seams are fractured to allow greater flow of the gas to the well bore.

When it comes to ownership rights, deep-well natural gas drilling and coal-bed methane drilling are two very different situations.

In traditional deep-well natural gas development, the landowner owns the rights to the resource (provided those rights have not been severed by a previous sale). This means that the landowner must grant permission before drilling can take place. It also means that the landowner can receive a royalty payment for the drilling, and possibly also a supply of free natural gas.

Coal-bed methane, however, is viewed as a product of coal. Therefore, the rights to it are tied to the coal rights. Many landowners in western Pennsylvania sold their coal rights to coal companies many years ago. Under the current Pennsylvania Supreme Court decision, any landowners who sold his coal rights does not

The rising cost of fuel has increased interest in a resource called coal-bed methane.

Although most of us think of methane (which essentially is natural gas) as being produced from deeper formations throughout Pennsylvania and many other states in the U.S., methane can also be found in coal seams – like those that run all through our own region of southwestern Pennsylvania.

In fact, many resource companies prefer to tap coal beds for methane because these seams are easy to access (the beds are often close to the surface of the ground) and so are cheaper to drill and complete.

Recently, more and more coal-bed methane wells have been appearing in fields around Westmoreland County. The telltale “horse-head” mechanisms* of these wells can be seen pumping away on locations such as the Westmoreland County Fairgrounds property in Mt. Pleasant Township.

Last July, the Tribune-Review reported that a company called Great Lakes Energy Partners had a plan that could drill as many as 200 wells throughout an area of 8,000 acres in Salem Township, and produce up to 40 billion cubic feet of methane gas.

*These pumpjacks remove the water within the coal seams so that the coal bed methane can be desorbed from the coal and flow into the well bore for production.
have any rights to the coal-bed methane extracted from his property.

In such a scenario, coal-bed methane companies can drill on property without the landowner receiving any benefits. Companies will, however, compensate the landowner for any timber damage caused by the drilling. Companies may also provide compensation for development of access roads, well pads, and pipelines. In instances where landowners do own the coal rights to their property, they are entitled to royalties from the drilling.

Q: **Do I have a choice if a company wants to drill for coal-bed methane on my property?**

A: If you **own** the coal rights to your property, yes. The company must receive your approval before it can drill on your property. In fact, there must be a formal, contractual agreement between you and the company before drilling can begin.

If you **don’t own** the coal rights, the company is entitled to extract the coal-bed methane from under your property. The company does not need to have a contractual agreement with you. However, it must notify you in advance of any drilling.

Q: **Do I get any benefit from coal-bed methane drilling on my property?**

A: Only if you own the coal rights.

Q: **How would I know if coal-bed methane drilling will be taking place on my property?**

A: The company must notify you in writing. It has to do this before it applies to the Pennsylvania Department of Environmental Protection (DEP) for a permit.

Q: **Will coal-bed methane drilling affect my water?**

A: The coal-bed methane drilling companies may elect to do a pre-drilling test of the quality of your water well or spring. Landowners – on their own – also are encouraged to contract a certified lab to do this water testing, so they can establish the quality and quantity of water before any drilling takes place.

If you have a well or spring that you think may have been affected by coal-bed methane drilling, and if the DEP can prove that any changes to your water supply occurred as a result of the drilling, the company is responsible. The DEP will then require the company to restore or replace your water supply.

Q: **What if the drilling causes erosion or other problems?**

A: The DEP Oil and Gas Management Program will investigate any reports of problems with erosion – or any other concerns that you may have regarding drilling activities.

Q: **How can I find out more about coal-bed methane drilling?**

A: You can contact me, Dave Janco, regional manager for the Oil and Gas Program of the Department of Environmental Protection, by email at djanco@state.pa.us or by phone at 412-442-4006 during regular business hours.

I will be happy to address your questions and concerns. I also will make my field staff available for investigation of any problems you encounter with coal-bed methane or other gas well drilling on your property or in your area.

In January, the Pennsylvania Department of Environmental Protection announced that it had issued a record number of permits in 2005 for **other types of energy drilling** (not coal-bed methane) in the Commonwealth.

Specifically, the DEP issued about 6,000 permits for oil and natural gas drilling last year, a 32% increase over 2004. About half of those permits were issued by the department’s Southwest Regional Office in Pittsburgh.