

**COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA GAME COMMISSION**



**AGENDA
HARRISBURG, PENNSYLVANIA
June 26, 2012**

A handwritten signature in black ink, appearing to read 'Carl G. Roe', is positioned above a horizontal line.

Carl G. Roe
Executive Director

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Commonwealth of Pennsylvania
Pennsylvania Game Commission

Agenda

The Commission Meeting of the Pennsylvania Game Commission will be held on Tuesday, June 26, 2012 at 2001 Elmerton Avenue, Harrisburg, Pennsylvania beginning at 8:30 a.m.

Call to Order

Pledge of Allegiance

Roll Call of Commissioners

Ralph A. Martone, President
Robert W. Schlemmer, Vice President
David J. Putnam, Secretary
David W. Schreffler
James J. Delaney, Jr.
Ronald A. Weaner

Approval of Minutes of Commission Meeting held April 24, 2012.

BUREAU OF WILDLIFE MANAGEMENT

PROPOSED RULE MAKING

A. Amend 58 Pa. Code § 133.21.

Commentary: The Commission is proposing to amend § 133.21 (relating to classification of birds) to reflect the current status of breeding populations in this Commonwealth and to update scientific nomenclature.

The upland sandpiper, a grassland nesting bird long classified as threatened, has declined precipitously over the last two decades and has virtually disappeared from Pennsylvania. We believe its rarity and diminished breeding range warrant downgrading its status to endangered.

The northern harrier, once a rare but regular breeder in the state, has experienced a marked decline in Pennsylvania as well as declines in northwest and northcentral regions over the last few decades, prompting a proposal to list this species as threatened. The northern harrier is listed as either endangered or threatened in all neighboring states.

Long-eared owls are extremely rare breeders in Pennsylvania, and difficult to survey. Nesting locations have been confirmed in only seven locations in recent years, despite a concerted survey effort over much of the last decade; most nests are located in the Ridge and Valley and Appalachian Plateau regions. The rarity and diffuse scattering of nest records within this Commonwealth have prompted this proposal to list the long-eared owl as threatened.

Finally, in a major reorganization of warbler nomenclature in 2011 by the American Ornithologist's Union, the genus *Dendroica* was changed to *Setophaga* necessitating this administrative change in the scientific name of the endangered blackpoll warbler.

CHAPTER 133. WILDLIFE CLASSIFICATION

Subchapter B. BIRDS

§ 133.21. Classification of birds.

The following birds are classified:

- (1) Endangered.

* * * * *

(xi) Blackpoll Warbler (~~[Dendroica]~~ Setophaga striata)

* * * * *

(xvi) Upland Sandpiper (*Batramia longicauda*)

(2) Threatened.

* * * * *

Harrier (*Circus cyaneus*)

(iii) [~~Upland Sandpiper (*Batramia longicauda*)~~] Northern

(iv) Long-eared Owl (*Asio otus*)

Action:

BUREAU OF WILDLIFE PROTECTION

ADOPTED RULE MAKING

A. Adoption of proposed amendments to § 131.2.

Commentary: To effectively manage the wildlife resources of this Commonwealth, the Game Commission proposed at its April 24, 2012, meeting to amend § 131.2 (relating to definitions) to remove two sentences from the definition of bow relating to draw-locks and the minimum draw weights of bows. The proposal also adds definitions for the terms 'decoy' and 'meat or animal products.'

Action:

EXHIBIT "A"

CHAPTER 131. PRELIMINARY PROVISIONS

§ 131.2. Definitions.

In addition to the definitions contained in section 102 of the act (relating to definitions), the following words and terms, when used in this part or in the act, have the following meanings, unless the context clearly indicates otherwise:

* * * * *

Bow—In addition to the definition in section 102 of the act, a device for launching an arrow, which derives its propulsive energy solely from the bending and recovery of two limbs. The energy used to propel the arrow may not be derived from another source. These limitations may not exclude the mechanical leverage advantage provided by eccentric wheels or cams so long as the available energy stored in the bent limbs of the bow is the sole result of a single, continuous and direct pulling effort by the shooter. The bowstring shall be drawn, held and released as a direct and conscious action of the shooter. Release shall be accomplished by either relaxing the tension of the fingers or triggering the release action of a manually held release aid.

* * * * *

Decoy—For the purpose of section 2308(b)(6) of the act (relating to unlawful devices and methods), an artificial representation or facsimile of a bird or animal used to attract other birds or animals. The term does not include living birds or animals.

* * * * *

Meat or animal products—For the purpose of section 2361(a)(13) of the act (relating to unlawful acts concerning taking of furbearers), meat or animal products include artificial representations or facsimiles.

* * * * *

B. Adoption of proposed amendments to § 141.20.

Commentary: To effectively manage the wildlife resources of this Commonwealth, the Game Commission proposed at its April 24, 2012, meeting to amend § 141.20 (relating to protective material required) to apply the more restrictive fluorescent orange requirements to WMUs 1A, 1B and 2A that apply to all other WMUs where use of rifles to hunt turkey is authorized.

Action:

EXHIBIT "B"

CHAPTER 141. HUNTING AND TRAPPING

Subchapter A. GENERAL

§ 141.20. Protective material required.

(b) *Permitted acts.* It is lawful to:

* * * * *

(3) Move about or relocate while wearing a hat containing a minimum of 100 square inches of solid daylight fluorescent orange-colored material on the head only and be stationary without wearing the required orange-colored material when hunting for applicable game or wildlife during the following seasons:

(i) All fall turkey seasons in wildlife management units 2B, 5B, 5C and 5D.

* * * * *

(4) Move about or relocate while in compliance with subsection (a) and while stationary place a minimum of 100 square inches of daylight fluorescent orange-colored material within 15 feet of the hunter's location so it is visible in a 360 degree arc when hunting for applicable game or wildlife during the following seasons:

(i) All fall turkey seasons in wildlife management units 1A, 1B, 2A, 2C, 2D, 2E, 2F, 2G, 3A, 3B, 3C, 3D, 4A, 4B, 4C, 4D, 4E and 5A.

* * * * *

C. Adoption of proposed amendments to § 143.13.

Commentary: To effectively manage the wildlife resources of this Commonwealth, the Game Commission proposed at its April 24, 2012, meeting to add § 143.13 (relating to change of residency registration) to require holders of hunting and furtaking licenses who change their residency status to acquire a change of residency registration within 30 days of the change, otherwise their licenses will become invalid.

Action:

EXHIBIT "C"

CHAPTER 143. HUNTING AND FURTAKER LICENSES

Subchapter A. GENERAL

§ 143.13. Change of residency registration.

(a) *General rule.* A change in residency status from resident to nonresident or from nonresident to resident, as defined in sections 102, 2702 and 2703 of the act (relating to definitions; residents; and nonresidents), automatically invalidates a person's hunting or furtaking license 30 days after the change in status unless the licensee completes and submits a change in residency registration to the Commission on the form provided.

(b) *Possession and production.* A change in residency registration shall be maintained with and as a part of the person's license materials until the close of the current license year and shall be produced as a part of the person's license materials upon request or demand of a landowner or officer whose duty it is to enforce the act.

(c) *Fee.* A fee of \$6 will be assessed for a change of residency registration.

D. Adoption of proposed amendments to § 147.552.

Commentary: To effectively manage the wildlife resources of this Commonwealth, the Game Commission proposed at its April 24, 2012, meeting to amend § 147.552 (relating to application) to replace the reference to "WMUs 5C and 5D" with the more appropriate reference to the "southeast special regulations areas."

Action:

EXHIBIT "D"

CHAPTER 147. SPECIAL PERMITS

Subchapter R. DEER CONTROL

AGRICULTURE

§ 147.552. Application.

* * * * *

(d) Applicants from the southeast special regulations areas only may be eligible to obtain approval to engage in limited baiting activities to enhance deer control activities on their properties. Approval will be based solely upon an applicant's demonstrable need for a baiting authorization as evidenced by written justifications or other evidence submitted on or in addition to the application at the time of application or renewal.

PROPOSED RULE MAKING

E. Amend 58 Pa. Code § 131.3.

Commentary: On July 1, 1995, relevant portions of the Conservation and Natural Resources Act (Act of June 28, 1995 (P.L. 89, No. 18, § 101 *et seq.*)), effectively created the Department of Conservation and Natural Resources and changed the name of the Department of Environmental Resources to the Department of Environmental Protection. The 1995 name changes were never incorporated in 58 Pa. Code § 131.3. The Commission is proposing to amend § 131.3, to eliminate the reference to the Department of Environmental Resources, and replace it with a reference to Department of Conservation and Natural Resources. The Commission is also proposing to update this section's reference to the Commission's officers as Wildlife Conservation Officers. This proposal is non-substantive and is not intended to further expand or further limit the enforcement authority of any classification of officer.

CHAPTER 131. PRELIMINARY PROVISIONS

§ 131.3. Enforcement.

In addition to [~~Game Commission~~] Wildlife Conservation Officers or Deputy [~~Game Commission~~] Wildlife Conservation Officers, the Director designates and empowers the following persons to enforce the act and this part while acting within the scope of their employment and jurisdiction.

* * * * *

(4) Pennsylvania Department of [~~Environmental Resources~~] Conservation and Natural Resources personnel with enforcement powers.

* * * * *

Action:

F. Amend 58 Pa. Code § 135.2.

Commentary:

Unauthorized all-terrain vehicle (ATV) operation on State Game Lands and hunter access cooperator properties continue to be one of the top 10 violations Wildlife Conservation Officers (WCO) encounter each year. Illegal ATV operation has been identified as a major source of wildlife habitat destruction across the landscapes of these lands and waters. These usage violations are very often accompanied by ATV classification offenses (registration, insurance, etc.) as set forth in the Vehicle Code (Title 75). Under current law, WCOs do not have authority to enforce Title 75 summary offenses. The Commission normally forwards these violations to other enforcement authorities. This practice typically ends in mixed results. Often delays and jurisdictional problems result in significant challenges in the processing of these cases successfully. The Commission is proposing to amend § 135.2 to create a regulatory violation to possess, maintain, operate, occupy or travel by ATV or snowmobile in a manner not in accordance with the standards set forth in Title 75. This amendment will ensure safe and effective enforcement of these requirements occurring on lands and waters under Commission ownership, lease, agreement or control.

CHAPTER 135. LANDS AND BUILDINGS

Subchapter A. GENERAL PROVISIONS

§ 135.2 Unlawful actions.

In addition to the prohibitions in the act on lands, waters or buildings under Commission ownership, lease, agreement, control or jurisdiction, it is unlawful, except with the permission of the person in charge of the lands, or the written permission of the Director to:

* * * * *

(12) Possess, maintain, operate, occupy or travel by snowmobile or all-terrain vehicle in a manner not in accordance with the standards set forth in 75 Pa. C.S., CH. 77 (relating to snowmobiles and all-terrain vehicles).

Action:

G. Amend 58 Pa. Code § 141.18.

Commentary:

Each year the Commission is asked to review the potential use of certain devices for hunting or trapping purposes that are otherwise prohibited by statute or regulation. As part of the review process the Commission generally reviews to what degree use of a given device might negatively impact principles of resource conservation, equal opportunity or public safety. The Commission has recently been requested to review the use of electronic crow decoys for use in the hunting of crows. After thoughtful review, the Commission has determined that use of these devices for crow hunting purposes would be acceptable due to their negligible impacts to the abovementioned principles.

CHAPTER 141. HUNTING AND TRAPPING

Subchapter A. GENERAL

§ 141.18. Permitted devices.

The following devices may be used to hunt or take wildlife:

* * * * *

(5) Electronic crow decoys used solely for harvesting crows.

Action:

H. Amend 58 Pa. Code §§ 147.724 and 147.724a.

Commentary:

Each year the Commission processes a few hundred Nuisance Wildlife Control Operator's applications. The application process ends with an examination that must be passed with a minimum score of 80% before a permit will be issued. In numerous instances, applicants never take the examination or contact the Commission after an extended period of time and request the opportunity to take the examination. Currently, § 147.724 does not limit an applicant from taking the examination months or even years after their initial application. This deferral in time often results in unreasonable administrative difficulties for the Commission in its attempt to accommodate the delayed testing for these applicants. The Commission is proposing to amend § 147.724 to require applicants to take the required examination within 180 days of the final approval of their application by the Bureau of Wildlife Protection.

The Nuisance Wildlife Control Operator's examination has a high failure rate. This is normally the result of the applicant not reviewing or studying the materials provided by the Commission. The Commission has recently identified a significant rise in the number of applicants retesting, sometimes multiple times in a single year, in an attempt to 'learn' the material from the test and ultimately pass the examination. Currently, § 147.724 does not limit the number of times an approved applicant can take the required examination. The Commission is also proposing to amend § 147.724 to limit approved applicants to a total of two opportunities to take the examination each permit year.

Lastly, the Commission is proposing to remove § 147.724a and relocate its requirements to § 147.724. This amendment is non-substantive and does not create or remove any regulatory requirements.

CHAPTER 147. SPECIAL PERMITS

Subchapter T. NUISANCE WILDLIFE CONTROL OPERATOR

§ 147.724. Nuisance wildlife control operator examination.

(a) New agents [~~shall be~~] are required to obtain a minimum score of 80% on a supervised written examination approved by the Director.

(b) The examination [~~shall include~~] must cover the following subject matter [-] ;

* * * * *

(5) Public relations.

(c) New or existing agents seeking certification to control white-tailed deer are required to pass an additional separate examination after passing the basic examination. This examination is subject to the same examination subject matter and minimum score standards under subsections (a) and (b).

(d) New or existing agents applying for certification must take the required examination within 180 days of final approval of their application by the Bureau of Wildlife Protection.

(e) New or existing agents are eligible to take each certification examination a maximum of two times each permit year.

§ 147.724a. [~~Nuisance deer control examination.~~] (Reserved).

~~[(a) — New agents shall be required to obtain a minimum score of 805 on a supervised written examination approved by the Director.~~

~~(b) — The examination must include the following subject matter:~~

~~(1) — Biology, life history and habits of white tailed deer.~~

~~(2) — Control methods, care and handling and euthanasia.~~

~~(3) — Laws and regulations.~~

~~(4) — Diseases and parasites.~~

~~(5) — Public relations.]~~

Action:

BUREAU OF WILDLIFE HABITAT MANAGEMENT

REAL ESTATE

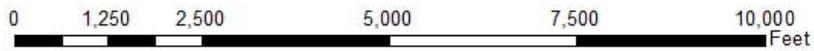
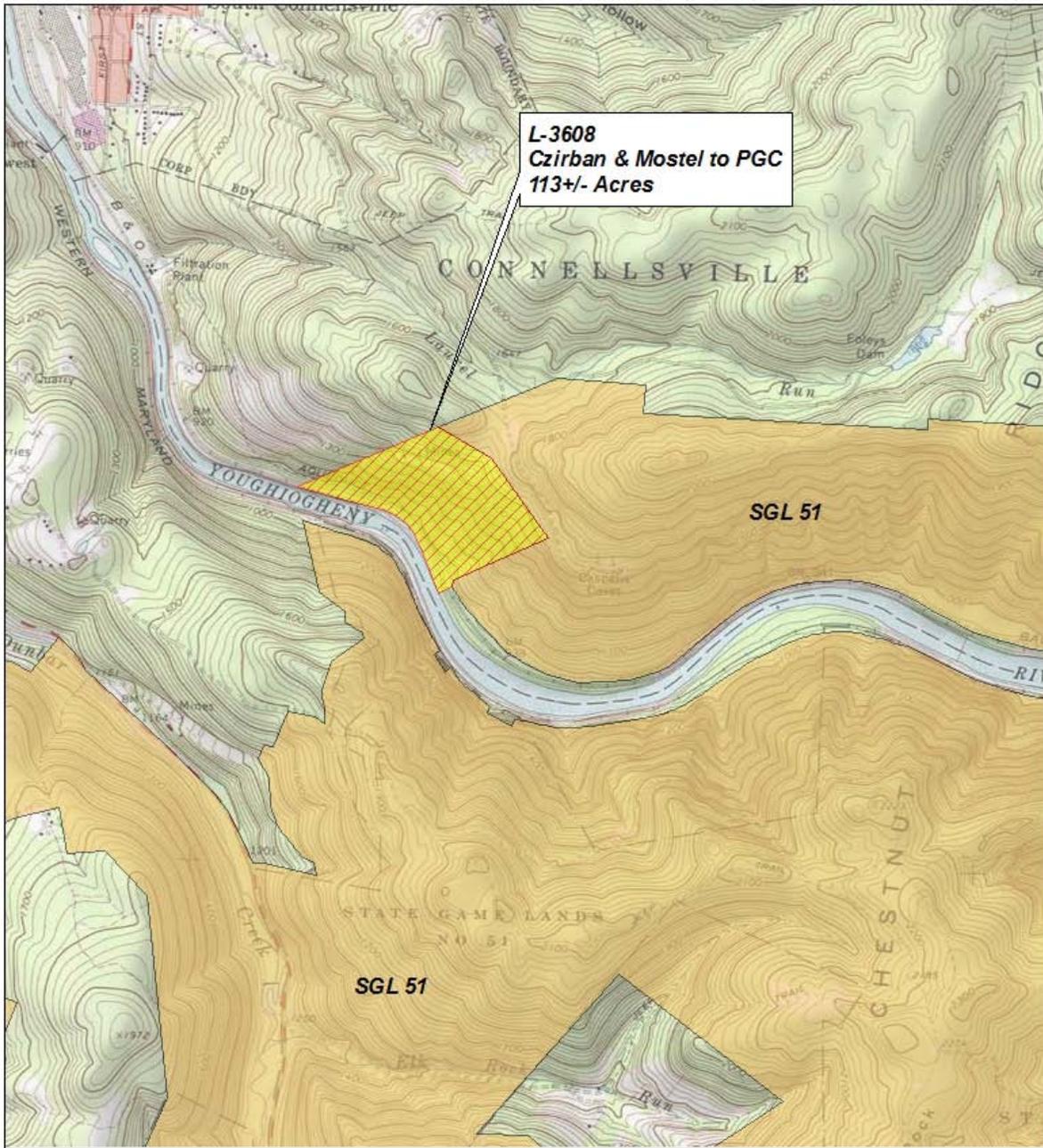
A. Acquisition

Contract No. 3608, State Game Land No. 51, Fayette County

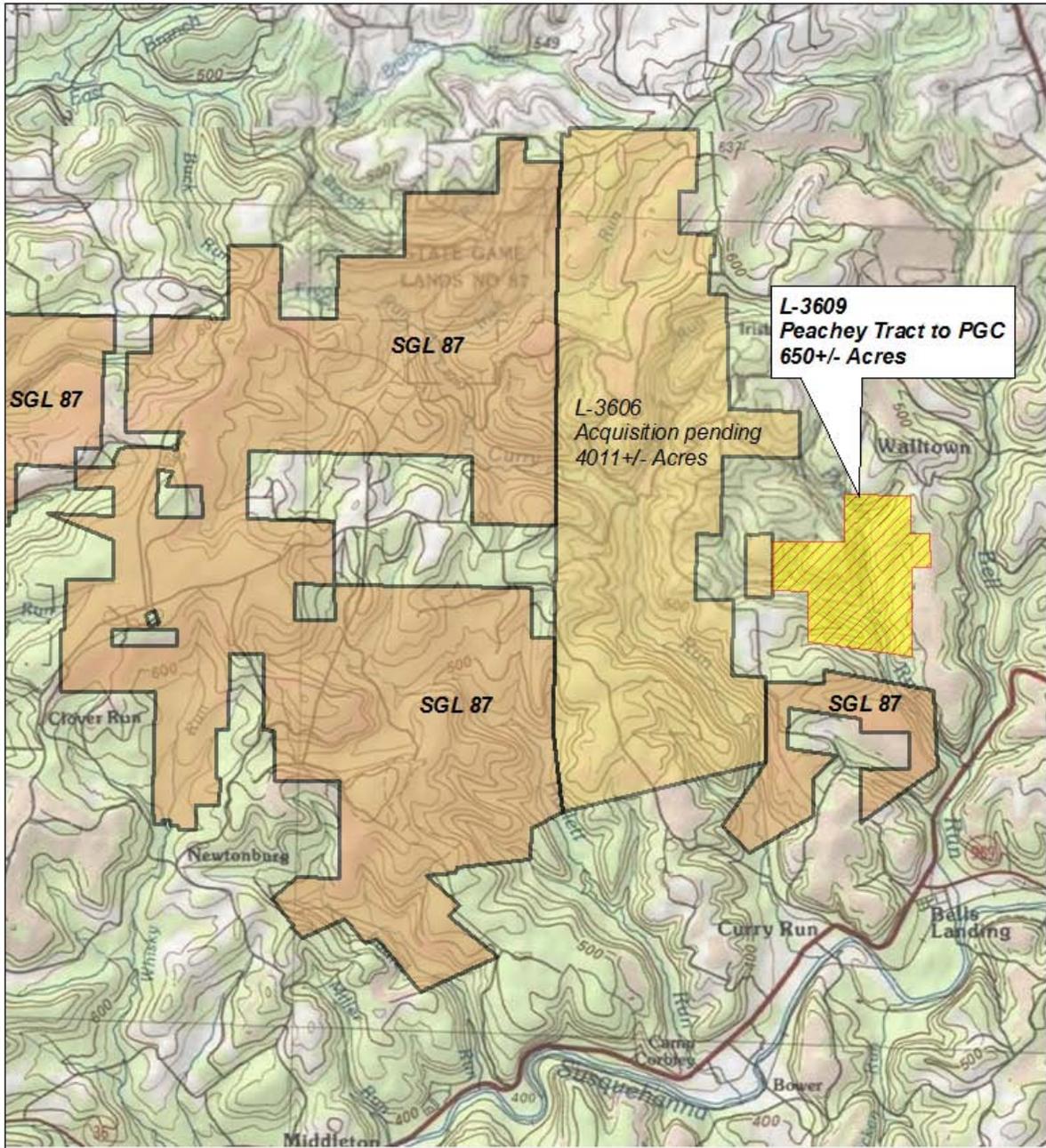
Commentary: Bonnie K. Czirban and Debbie L. Mostel are offering for sale 113 +/- acres of land in Connellsville Township, Fayette County adjoining State Game Land No. 51 (Exhibit RED 1). The option price is \$127,000 lump sum. The property fills an indenture in State Game Land No. 51 where it is bordered on the south and east by State Game Land No. 51 and on the west by the Youghioghenny River. The property is forested with mixed northern hardwoods and lies within an Important Mammal Area, which supports the existence of both state and federally listed species. The property will be purchased with funds from third party commitments for compensation of habitat and recreational losses which occurred on State Game Lands from previously approved projects and may also be funded by habitat mitigation commitments for impacts to state and federally listed species.

Contract No. 3609, State Game Land No. 87, Clearfield County

Commentary: Aquillas J. and Sallie A. Peachey are offering for sale 650 +/- acres of land in Penn Township, Clearfield County adjacent to State Game Land No. 87 (Exhibit RED 2). The option price is \$485,000 lump sum to be paid with funds from third party commitments for compensation of habitat and recreational losses which occurred on State Game Lands from previously approved projects. The majority of the property is forested with mixed hardwoods and has an 80 acre reclaimed surface mine covered with grassland and regenerating trees seedlings. Poplar Run and unnamed tributaries flow through the property. Many spring seeps are located on the hillsides and small riparian wetlands are associated with Poplar Run. The Peachey's are excepting and reserving all timber 13" or greater DBH until November 11, 2026, not to include any hickory and conifer trees, except for larch. All reclamation, seeding and infrastructure development supporting timber operations will be in coordination with the Game Commission. Settlement shall be held no later than September 1, 2012.



RED 1
State Game Land No. 51
 Czirban & Mostel to PGC
 L-3608
 113+/- Acres
 Connellsville Township
 Fayette County
 Southwest Region



RED 2
State Game Land No. 87
 Aquillas J. & Sallie A. Peachey to PGC
 L-3609
 650+/- Acres
 Penn Township
 Clearfield County
 Northcentral Region

Contract No. 3610, State Game Land No. 129, Carbon and Monroe Counties

Commentary: Yamulla Trucking & Excavating Company, Inc. is offering for sale 165 +/- acres of land in Kidder Township, Carbon County and Tunkhannock Township, Monroe County adjoining State Game Land No. 129 (Exhibit RED 3). The option price is \$1,100 per acre to be paid with funds from third party commitments for compensation of habitat and recreational losses which occurred on State Game Lands from previously approved projects. The property is predominately hemlock with mixed oaks transitioning to northern hardwoods on the east side. A 25-acre wetland is located on the property as well as a small tributary to Tunkhannock Creek which bisects the property. Route 903 runs along the northern boundary and will provide access into this portion of State Game Land No. 129.

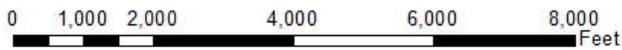
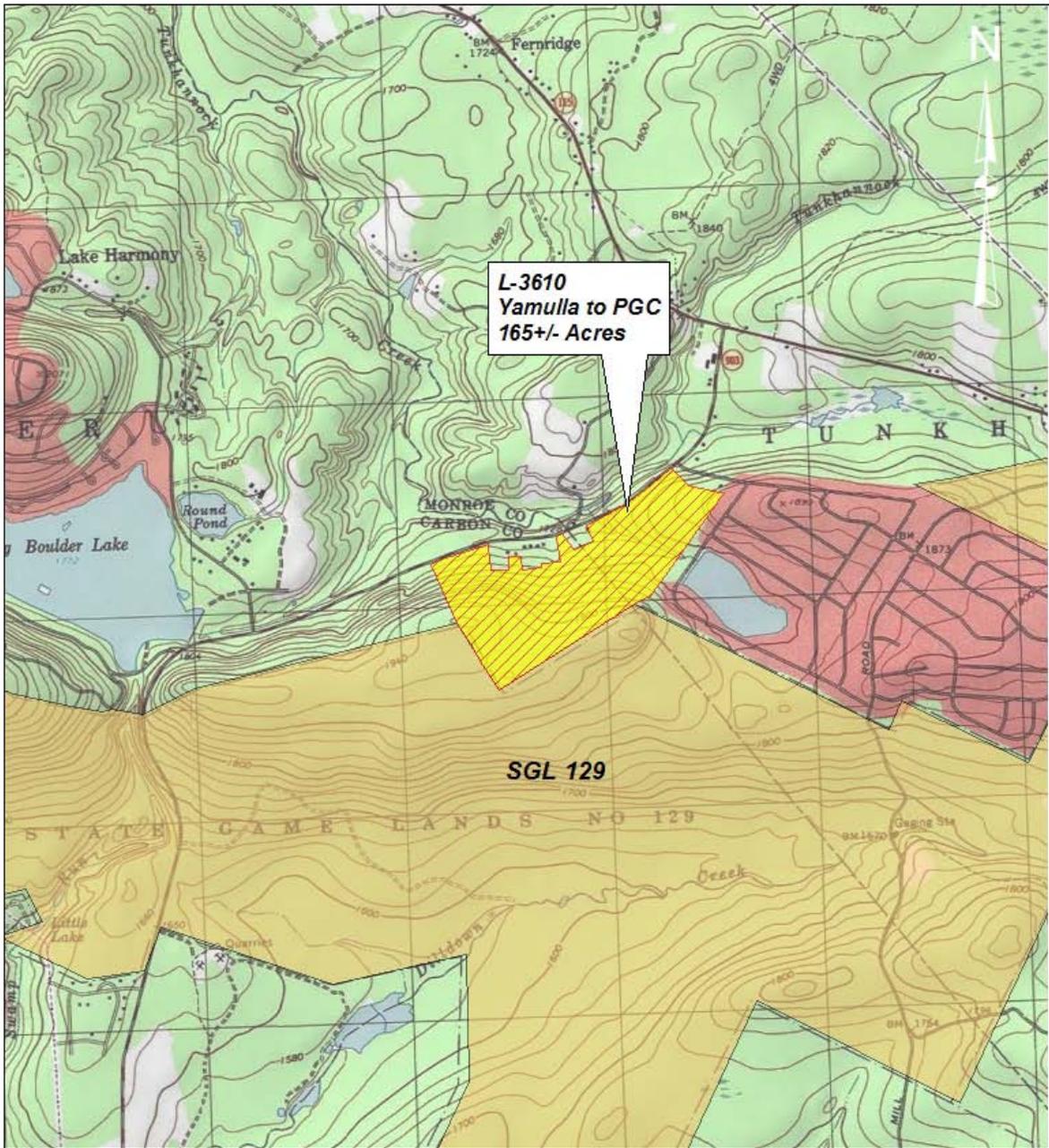
Contract No. 3611, State Game Land No. 207, Luzerne County

Commentary: Earth Conservancy is offering for sale 8.35 +/- acres of land in Hanover Township and Ashley Borough, Luzerne County adjacent to State Game Land No. 207 (Exhibit RED 4). The option price is \$4,800 lump sum to be paid with funds from third party commitments for compensation of habitat and recreational losses which occurred on State Game Lands from previously approved projects. The option reserves all coal, oil, gas and other minerals but not including uranium or any other radioactive minerals. Earth Conservancy shall not enter into any sale or lease for the removal of coal, oil, gas or other minerals through the surface without written consent of the Commission. After January 1, 2032, the coal, oil, gas and other minerals shall revert to the Commission with 50% of any future revenue received by the Commission being allocated for Earth Conservancy. The property has been timbered resulting in early successional forested habitat.

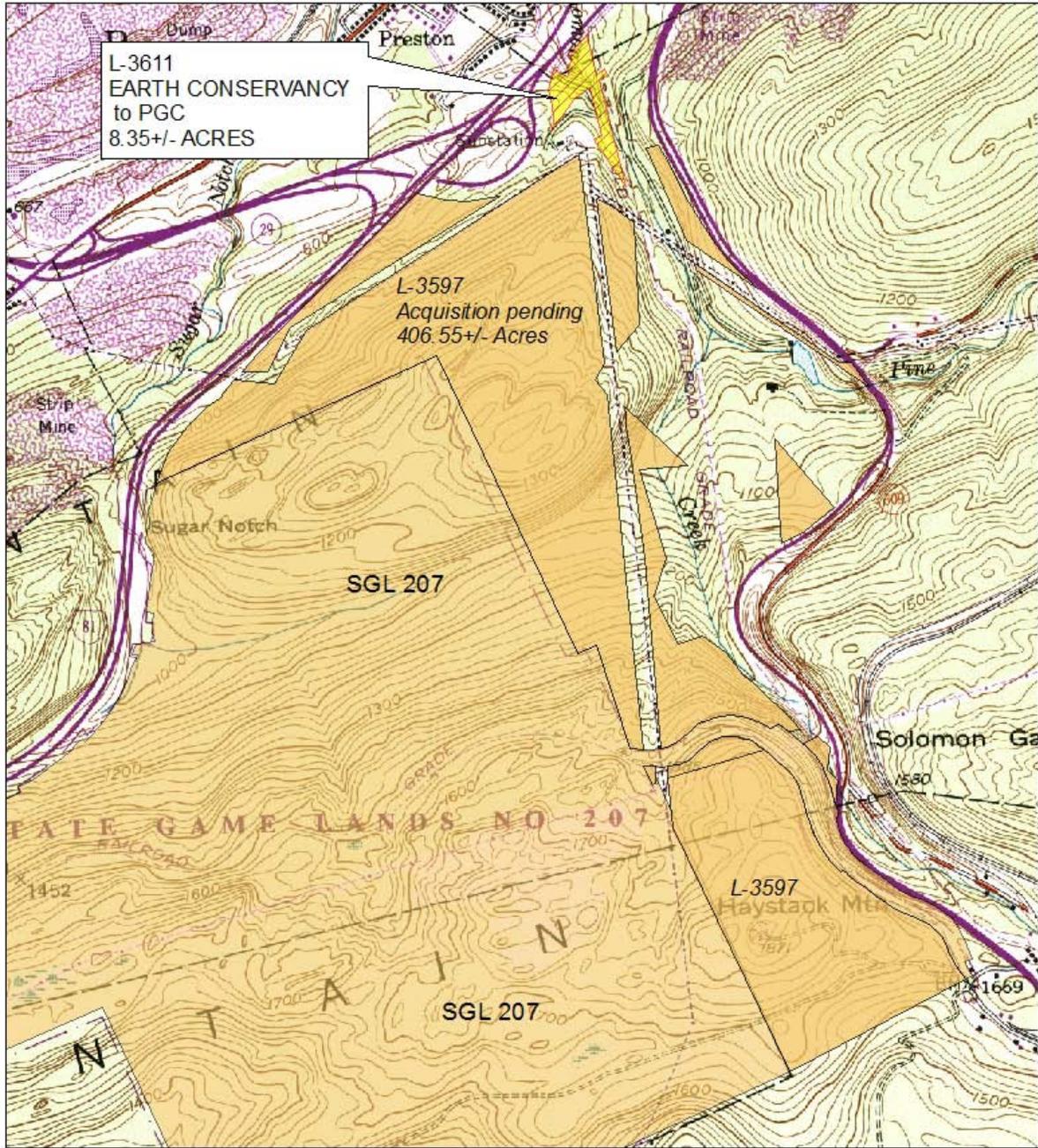
Contract No. 3612, State Game Land No. 168, Northampton County and State Game Land No. 217, Lehigh County

Commentary: Wildlands Conservancy is offering for sale 32.43 +/- acres of land close to State Game Land Nos. 168 and 217 (Exhibit RED 5, 6, 7 and 8). There are seven (7) small tracts, each between approximately one and nine acres. The largest, a tract of 9.11 acres, adjoins State Game Land No. 168. Wildlands Conservancy is offering these tracts to the Commission for \$28,000 lump sum to be paid with funds from third party commitments for compensation of habitat and recreational losses which occurred on State Game Lands from previously approved projects. Each of these wooded tracts was acquired by Wildlands Conservancy with the intent to transfer them to the Commission.

Action:

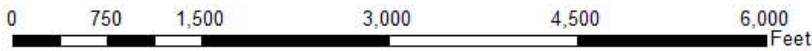
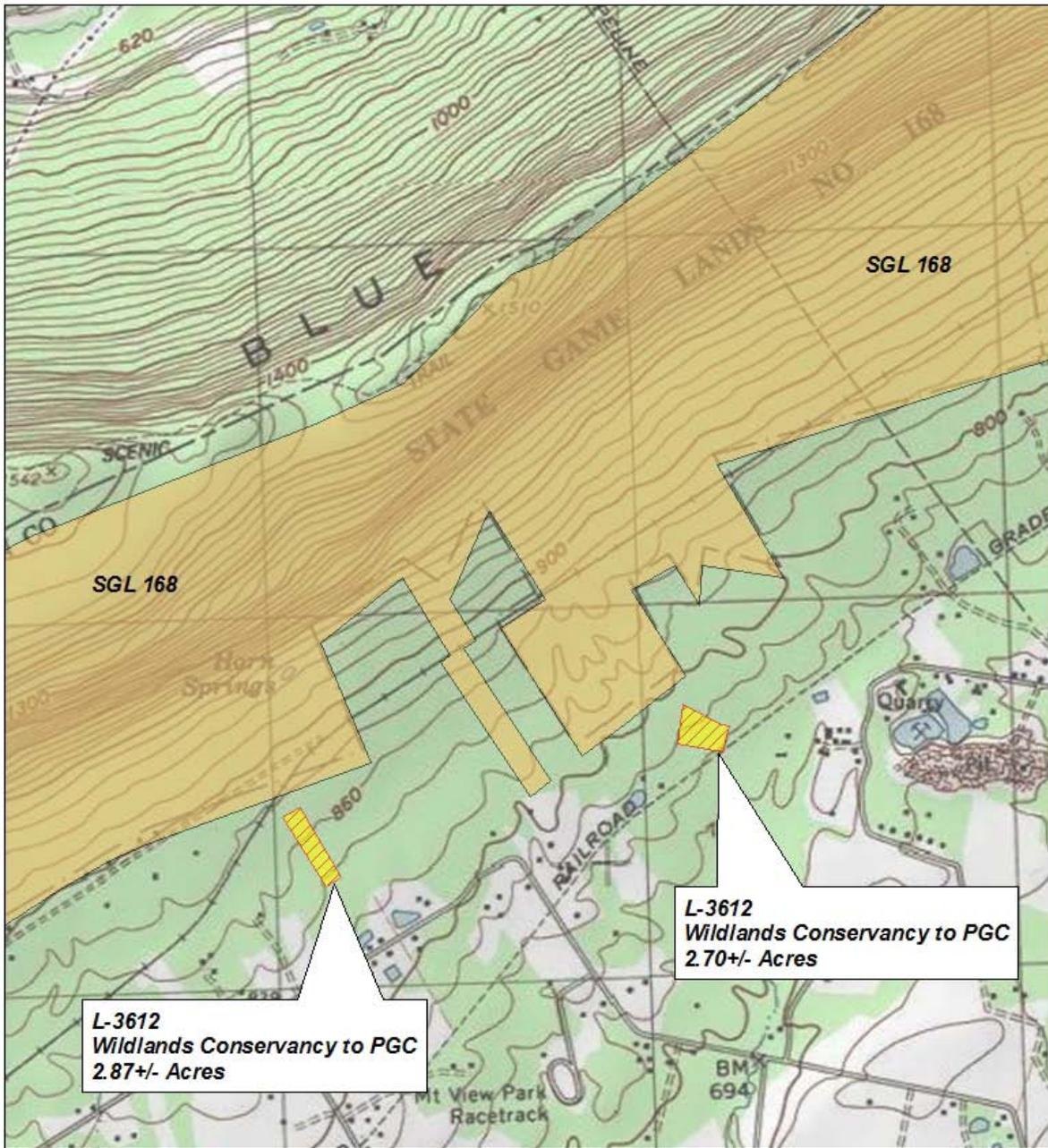


RED 3
State Game Land No. 129
 Yamulla to PGC
 L-3610
 165+/- Acres
 Kidder & Tunkhannock Townships
 Carbon & Monroe Counties
 Northeast Region

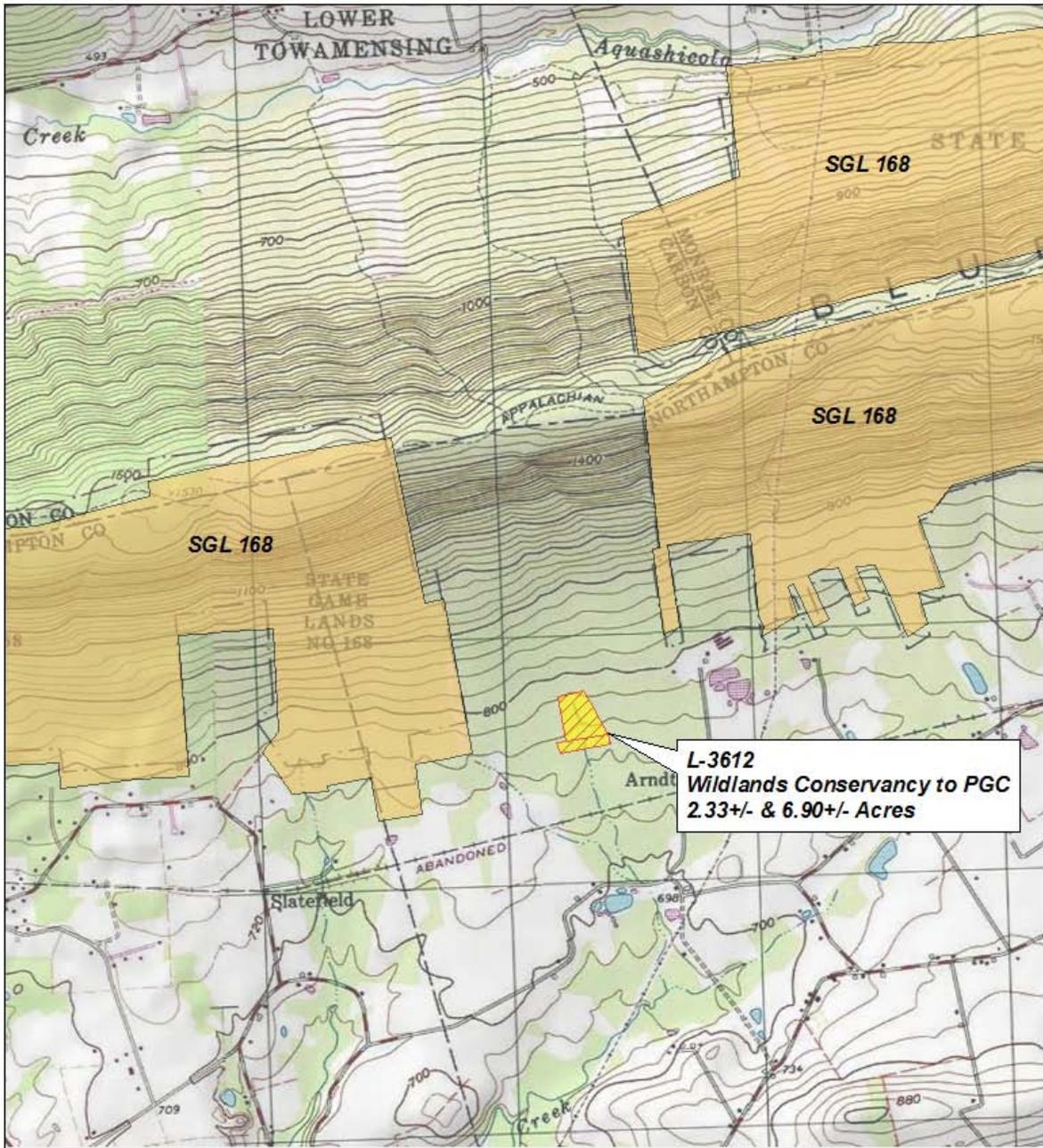


RED 4
State Game Land No. 207

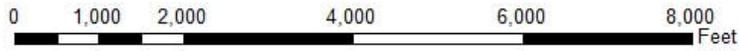
Earth Conservancy to PGC
 L-3611
 8.35+- Acres
 Hanover Township & Ashley Borough
 Luzerne County
 Northeast Region



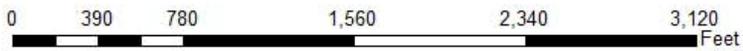
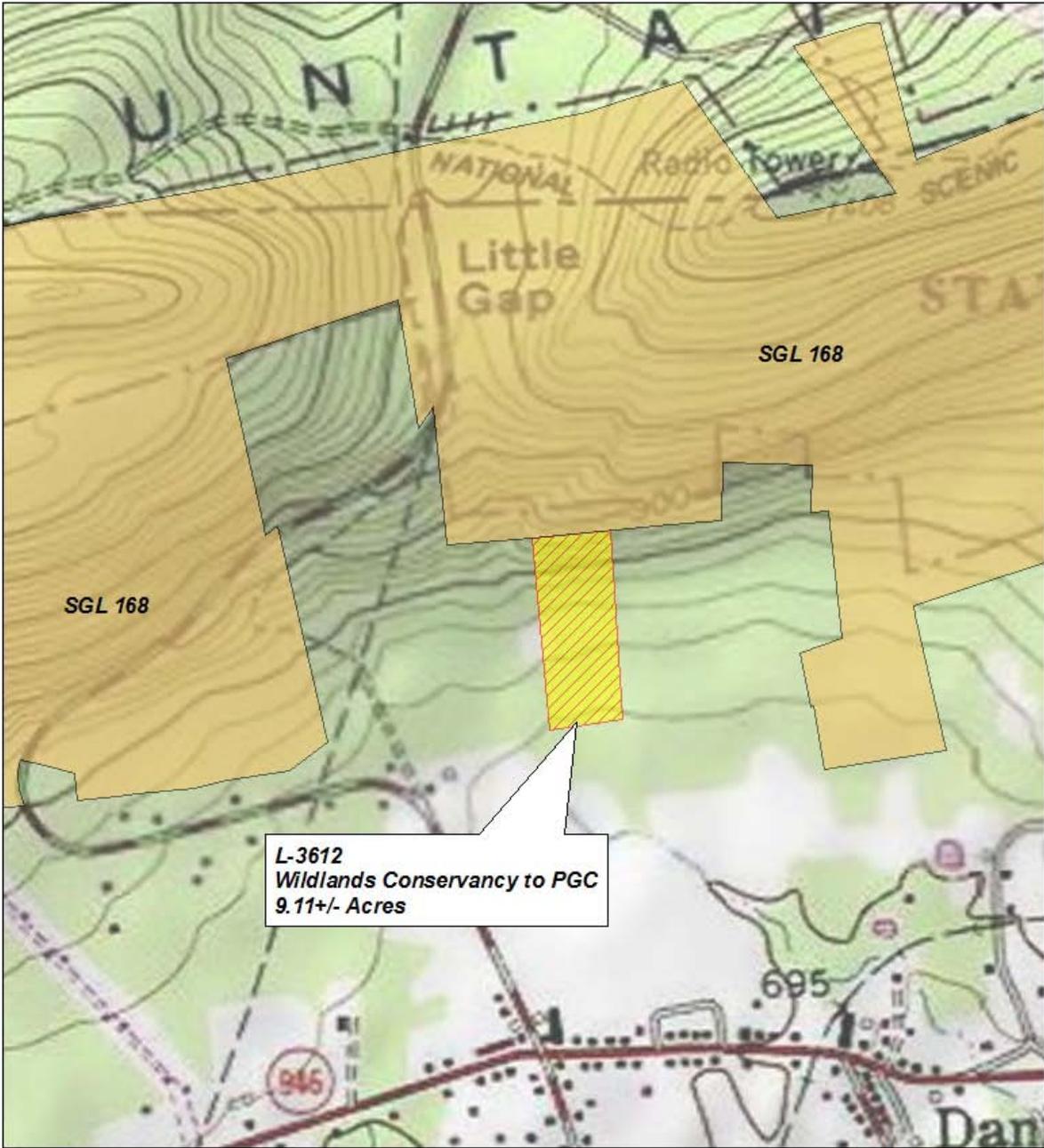
RED 5
State Game Land No. 168
 Wildlands Conservancy to PGC
 L-3612
 2.87+/- Acres & 2.70+/- Acres
 Bushkill Township
 Northampton County
 Southeast Region



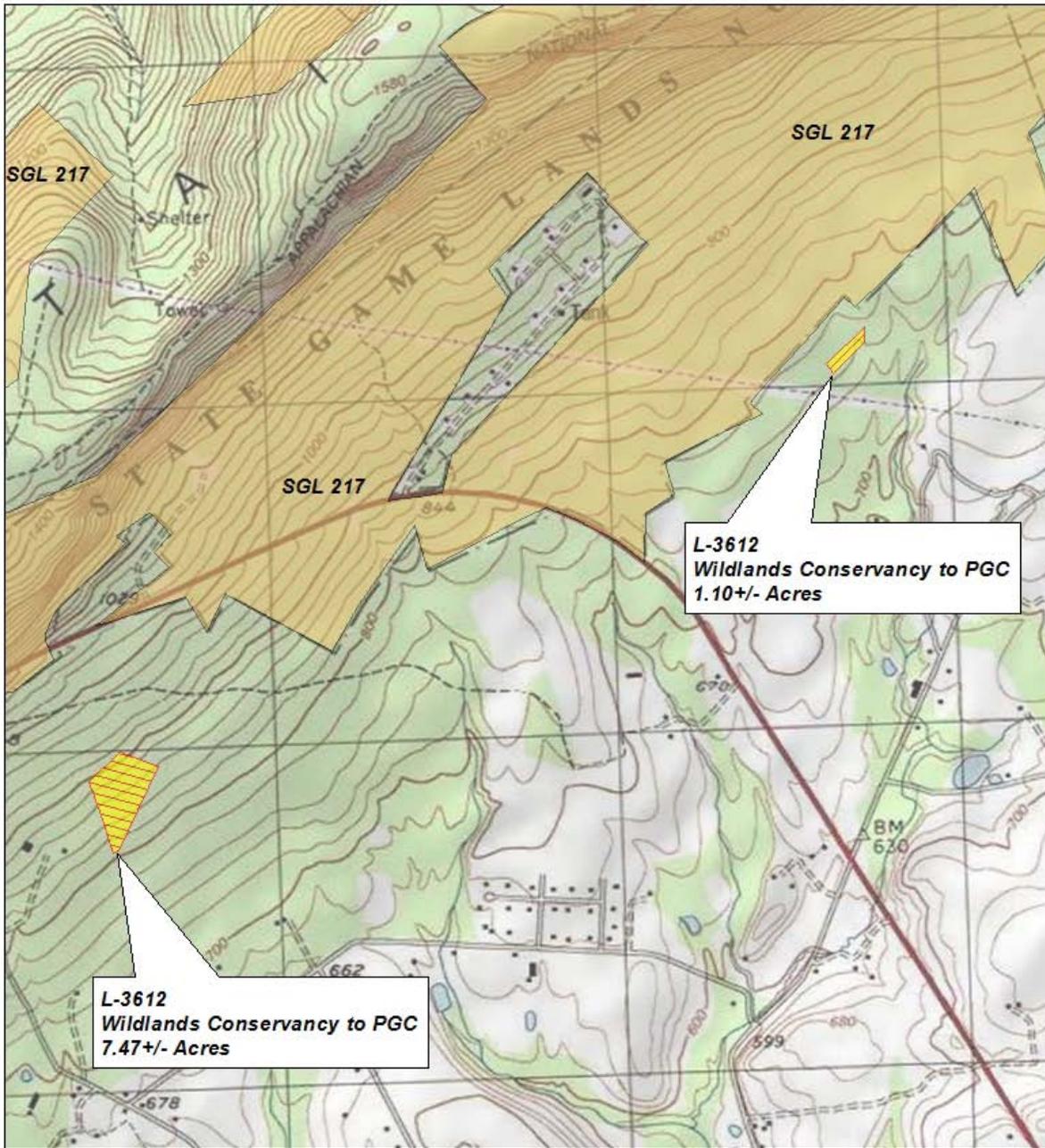
L-3612
Wildlands Conservancy to PGC
2.33+/- & 6.90+/- Acres



RED 6
State Game Land No. 168
Wildlands Conservancy to PGC
L-3612
9.23+/- Acres
Moore Township
Northampton County
Southeast Region



RED 7
State Game Land No. 168
 Wildlands Conservancy to PGC
 L-3612
 9.11+/- Acres
 Lehigh Township
 Northampton County
 Southeast Region



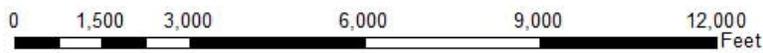
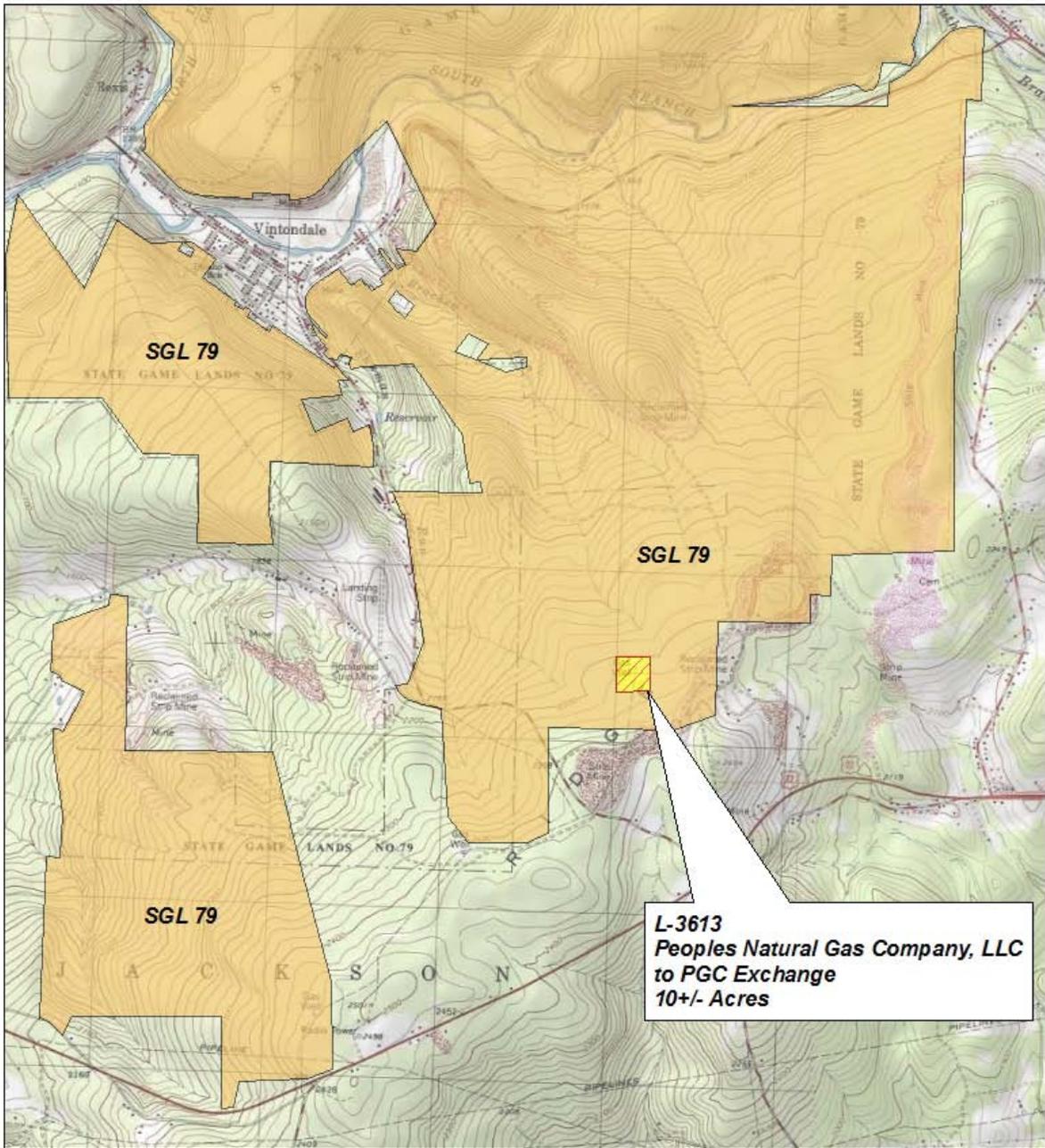
RED 8
State Game Land No. 217
 Wildlands Conservancy to PGC
 L-3612
 7.47+/- Acres & 1.10+/- Acres
 Lynn Township
 Lehigh County
 Southeast Region

B. Land Exchange

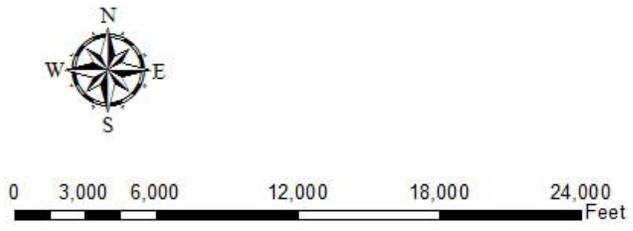
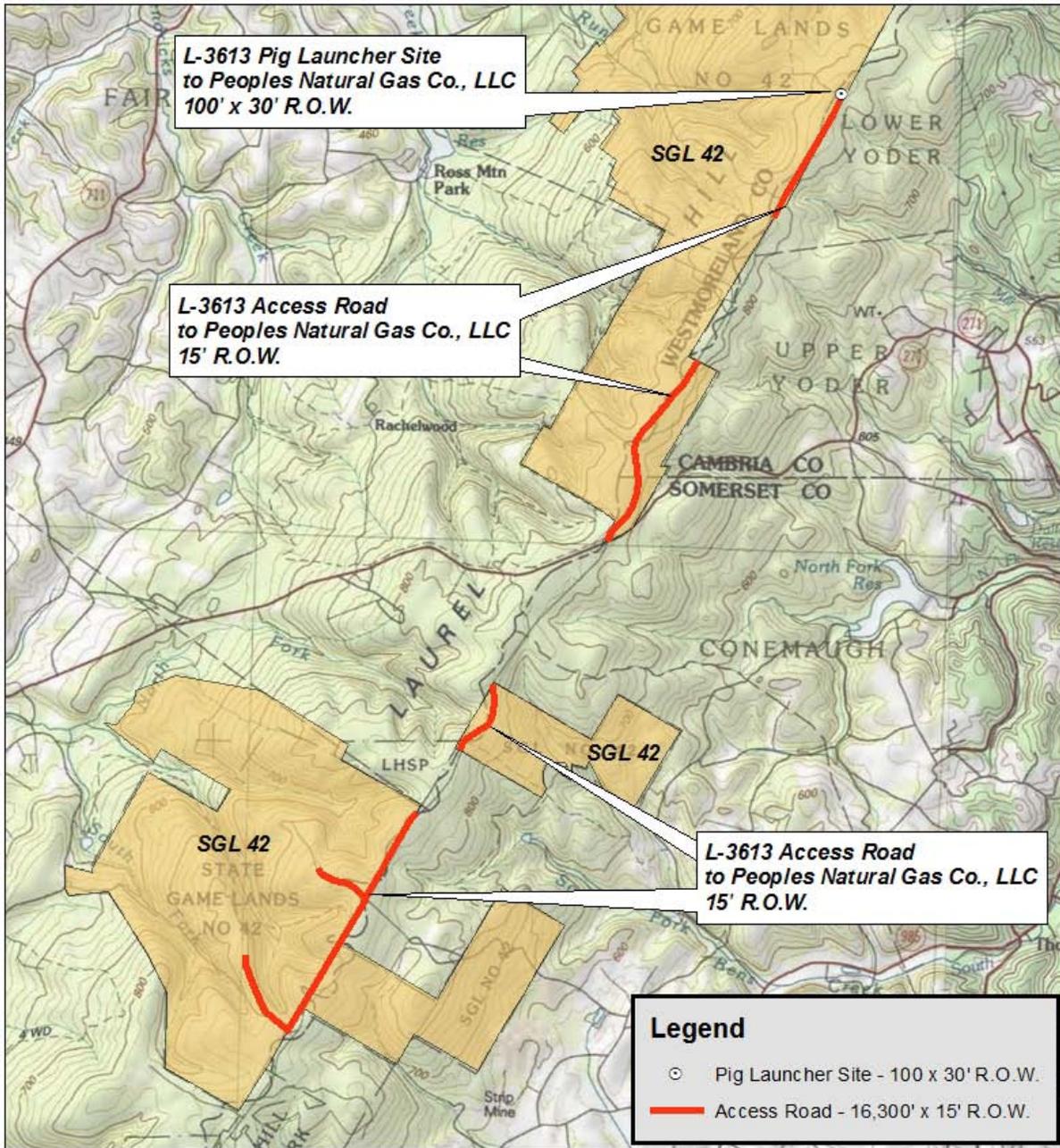
Contract No. 3613, State Game Land Nos. 42 and 79, Cambria County

Commentary: Peoples Natural Gas Company, LLC is offering 10 +/- acres of land in Jackson Township, Cambria County (Exhibit RED 9) in exchange for issuing a License For Right-of-Way without fee for the privilege of constructing, operating, and maintaining a pig launcher on State Game Land No. 42 situate in Lower Yoder Township, Cambria County (Exhibit RED 10) on a site approximately 100' x 30' along with the use of approximately 15' x 16,300' of existing administrative road located in Cambria, Somerset and Westmoreland Counties to access the site. A pig launcher is generally a funnel-shaped Y section in a pipeline which extends above the ground and allows for a "pig" or maintenance/inspection device to enter the pipeline without stopping the flow of product in the pipeline. The 10-acre tract is an interior on State Game Land No. 79 which has a one-acre clearing from a plugged well site surrounded by an early successional forest.

Action:



RED 9
State Game Land No. 79
 Peoples Natural Gas Co., LLC to PGC
 L-3613
 10+/- Acres
 Jackson Township
 Cambria County
 Southwest Region



RED 10
State Game Land No. 42
 PGC to Peoples Natural Gas Co., LLC
 L-3613
 Pig Launcher & Access Road R.O.W.'s
 Upper & Lower Yoder Townships
 Conemaugh, Jenner & Ligonier Townships
 Cambria, Somerset & Westmoreland Counties
 Southwest Region

OIL/GAS & MINERALS

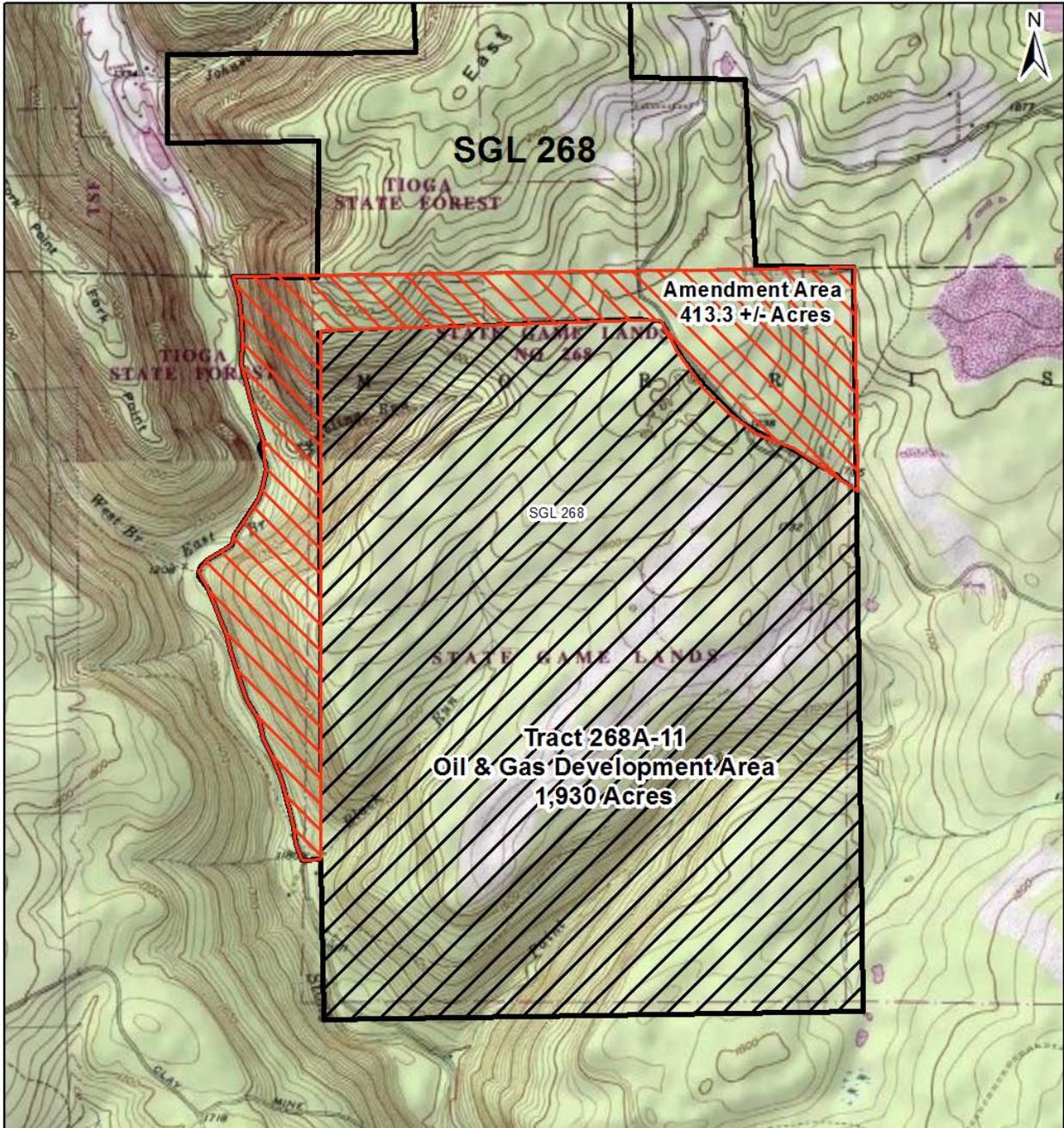
- A. Restricted Surface Use Oil and Gas Cooperative Agreement Amendment, Tract 268A-11, State Game Land No. 268, Tioga County

Commentary: Endless Mountain Energy proposes to amend the acreage under a Restricted Surface Use Oil and Gas Development Cooperative Agreement for Tract 268A-11 in Morris Township, Tioga County. Tract 268A-11 is located on a portion of State Game Land No. 268 and currently consists of 1,930 acres. Endless Mountain Energy proposes to include an additional 413.3 acres for non-surface use and will not require any additional surface impacts on Tract 268A-11 on State Game Land No. 268 (Exhibit OGM-1).

The terms of the amendment will remain consistent with the existing agreement, approved by the Commission in April 2011, which includes a paid up, 5 year, oil and gas agreement, a \$3,500 per acre bonus payment, \$25 per acre rental, and a 20% royalty. The total bonus payment will be approximately \$1,446,550 and shall be deposited into the Game Fund or an interest bearing escrow account for the future purchase of wildlife habitats, lands, or other uses incidental to hunting, furtaking and wildlife resource management.

Oil and gas development will be regulated by the Commonwealth's oil and gas regulations and the Commission's standard Oil and Gas Development Agreement which is currently in place.

Action:



-  Tract 268A-11 Amendment Area (413.3 +/- Acres)
-  Tract 268A-11 Agreement Area (1,930 Acres)
-  Gameland Boundary



OGM-1
State Game Lands No. 268
Endless Mountain Energy (EME)
Amendment Area Map
Tract 268A-11
413.3 +/- Acres

Morris Township, Tioga County, PA

B. Restricted Surface Use Oil and Gas Cooperative Agreement Offering, Tract 36A-12, State Game Land No. 36, Bradford County

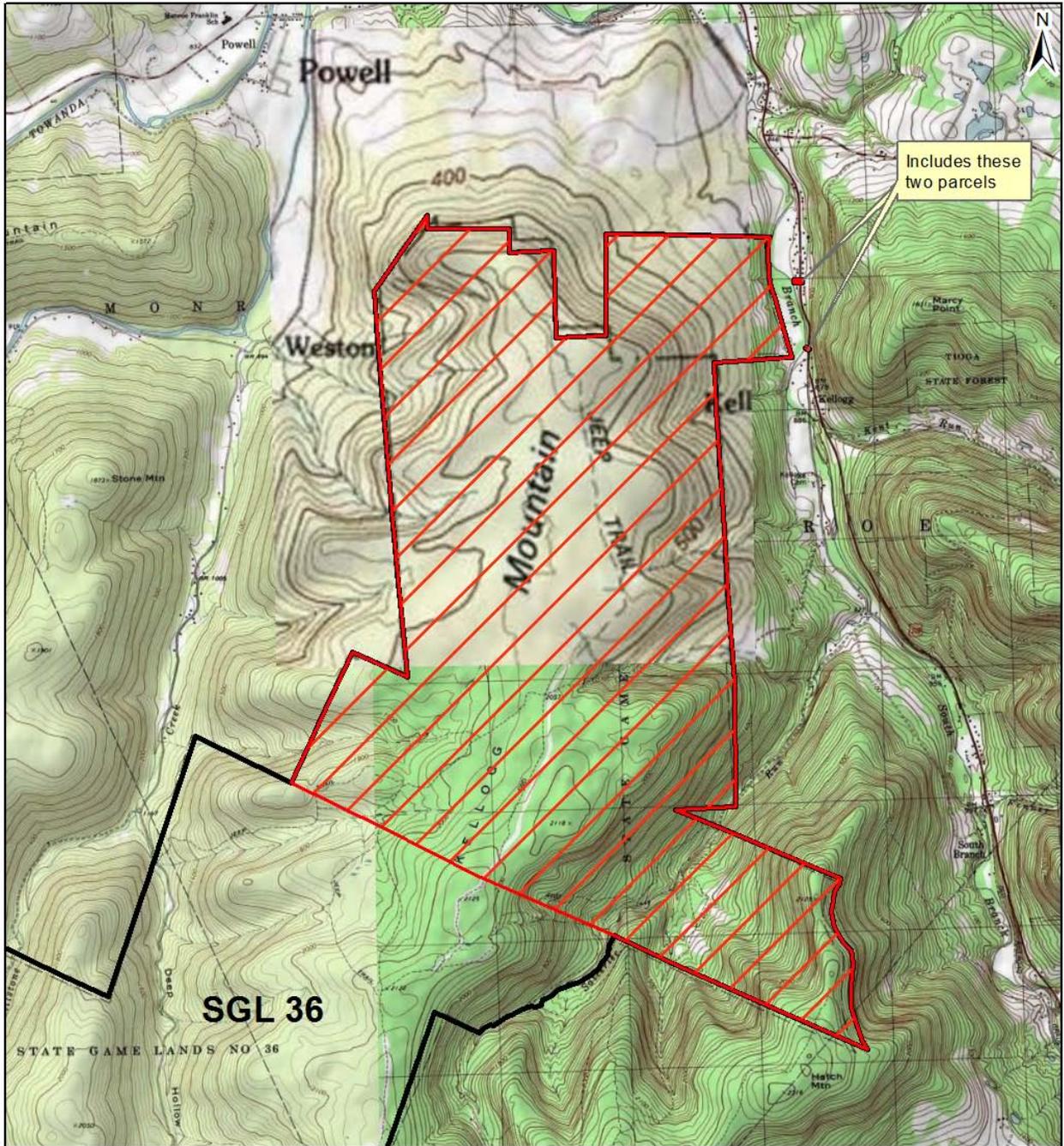
Commentary:

Chesapeake Appalachia, L.L.C. of Oklahoma City, OK requested the Commission offer its oil and gas ownership under a portion of State Game Land No. 36. The proposed tract, containing a total of 3,710.33 acres, is located in Albany and Monroe Townships, Bradford County (Exhibit OGM-2).

The terms of the agreement are a paid up, 5 year, restricted surface use oil and gas agreement, a \$2,000 per acre bonus payment and a 20% royalty. Chesapeake Appalachia, L.L.C. has a strong lease position surrounding this portion of State Game Land No. 36 and has initiated well drilling and development programs on adjacent private lands. Chesapeake Appalachia, L.L.C. has the ability to unitize the Commission's oil and gas reserve by horizontal drilling with no disturbance to the State Game Land's surface. The staff has negotiated with Chesapeake Appalachia, L.L.C. in an effort to safeguard the prudent development of the Commission's oil and gas reserve and simultaneously protect the wildlife resources and recreational use of State Game Land No. 36.

The bonus payment of \$7,420,660 shall be deposited into the Game Fund or an interest bearing escrow account for the future purchase of wildlife habitats, lands, or other uses incidental to hunting, furtaking and wildlife resource management. Future rentals and royalties shall be deposited into the Game Fund. Oil and gas development will be regulated by the Commonwealth's oil and gas regulations and the Commission's standard Restricted Surface Use Oil and Gas Development Agreement.

Action:



 Tract 36A-12 (3710.33+/- Acres)

 SGL 36 Boundary



EXHIBIT OGM-2

State Game Land No. 36

**Restricted Surface/Non-Surface Use
Oil & Gas Production Agreement
CHESAPEAKE APPALACHIA LLC**

**Tract 36A-12
3,710.33 +/- Acres**

Albany & Monroe Townships, Bradford County

C. Restricted Surface Use Oil and Gas Cooperative Agreement Offering, Tract 36B-12, State Game Land No. 36, Bradford County

Commentary:

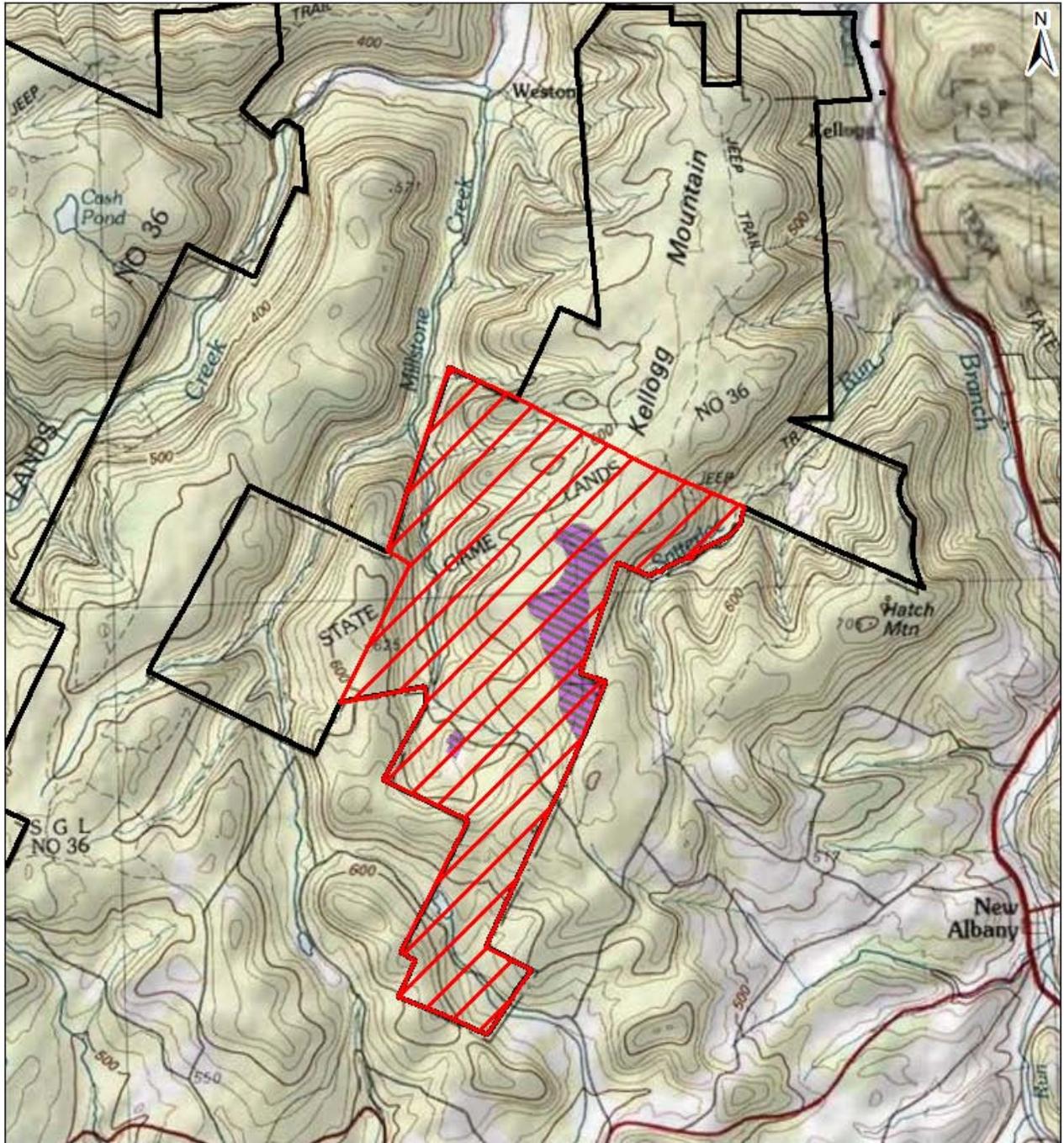
The Commission offered its oil and gas ownership under a portion of State Game Land No. 36 in Monroe and Overton Townships, Bradford County, for oil and gas development by a competitive royalty bid. Tract 36B-12 (Exhibit OGM-3), containing approximately 3,177.7 +/- acres, was announced for competitive royalty bid in May 2012, with a one-time bonus/rental payment of \$2,000 per acre for a 5 year paid up primary term, and a minimum bid of 20% royalty. Additionally, the bid provides the Commission a well pad location fee of \$250,000 per well pad if well pads are necessary on the State Game Land's surface. The agreement restricts surface use to a 260 acre area and a limit of two well pads for development (Exhibit OGM-3). The agreement will include a free gas provision for the Commission to use free of charge up to 350,000 cubic feet of gas annually or an annual payment for non-use of the free gas.

Oil and gas development will be regulated by the Commonwealth's oil and gas regulations and the Commission's standard restricted surface use oil and gas development cooperative agreement to include a \$50,000 performance bond. The agreement will include the Commission's standard wildlife and environmental protection measures. The bonus payment of \$6,355,400 shall be deposited into the Game Fund or an interest bearing escrow account for the future purchase of wildlife habitats, lands, or other uses incidental to hunting, furtaking and wildlife resource management.

Bids for this tract were opened on May 30, 2012, with Chesapeake Appalachia, L.L.C. of Oklahoma City, OK, submitting the highest royalty bid of 25.5% for each thousand cubic feet of gas (Mcf) produced and sold for the premises. The results of the royalty bid are listed below:

<u>BIDDER</u>	<u>BID ROYALTY</u>
Chesapeake Appalachia, L.L.C.	25.5%
Anadarko E&P Company LP	25.2%

Action:



-  Gameland Boundary
-  Tract 36B-12 (3,177.7 +/- Acres)
-  Pre-Approved Well Pad Location Areas



Exhibit OGM-3
 State Game Land No. 36
**Restricted Surface Use Oil & Gas
 Production Agreement**
Tract 36B-12
3,177.7 +/- Acres
 Monroe & Overton Townships, Bradford County, PA

:

Other New Business

The September Commission Meeting will be held on September 24 and 25, 2012 in Franklin, PA. Does the Commission wish to proceed with these dates?

Executive Session, if necessary, will be held immediately following the close of the Commission Meeting.

Adjournment