Table of Contents

Call to Order ....................................................................................................................................... 1
Pledge of Allegiance .......................................................................................................................... 1
Roll Call of Commissioners ............................................................................................................ 1
Approval of Minutes of Meeting held April 15, 2013 .................................................................. 1

BUREAU OF WILDLIFE PROTECTION

ADOPTED RULE MAKING
A. Adoption of proposed amendments § 137.35 ................................................................ 2-4

BUREAU OF ADMINISTRATION
PROPOSED RULE MAKING
A. Amend 58 Pa. Code, Chapter 143, Subchapter B ........................................................... 5-8

BUREAU OF WILDLIFE HABITAT MANAGEMENT

REAL ESTATE
A. Acquisition
   Contract No. 3635, State Game Land No. 314, Erie County
   Contract No. 3636, State Game Land No. 148, Lawrence County ......................... 9-11
   Contract No. 3637, State Game Land No. 284, Lawrence County
   Contract No. 3638, State Game Land No. 247, Armstrong County ...................... 12-14

B. Land Exchange
   Contract No. 3639, State Game Land Nos. 184 and 108, Cambria County ............ 15-20
   Contract No. 3640, Southeast Region Office, Berks County ................................. 21-22

C. Purchase of Properties at Auction
   Contract No. 3641, State Game Land No. 322, Huntingdon County ..................... 23-24
   Contract No. 3642, State Game Land No. 310, Wayne County ............................. 25-26

OIL/GAS & MINERALS
A. Restricted Surface Use Oil and Gas Cooperative Agreement,
   Tract 117A-13, State Game Land No. 117, Washington County ......................... 27-28

B. Restricted Surface Use Oil and Gas Cooperative Agreement,
   Tract 175A-13, State Game Lands No. 175, Susquehanna County ..................... 29-30
C. Restricted Surface Use Oil and Gas Cooperative Agreement,
   Tract 035A-13, State Game Land No. 35, Susquehanna County .............................. 31-32

D. Surface Coal Mining and Relocation Agreements and Land Exchange
   Tracts 79A-13 and 79B-13, State Game Land No. 79, Jackson township and
   Vintondale Borough, Cambria County

   Tracts 276A-13, 276B-13, and 276C-13, State Game Land No. 276, Burrell, Brush
   Valley, Center and West Wheatfield Townships, Indiana County ...................... 33-39

E. Bituminous Surface Coal Mining Agreement
   Burgess Estate Coal Tract A-13, Beccaria Township, Clearfield County .......... 40-41

Other New Business .................................................................................................................... 42

The September Commission Date ............................................................................................ 42

Executive Session, if necessary, will be held immediately following the close of the
Commission Meeting ................................................................................................................. 42

Adjournment ............................................................................................................................. 42
Commonwealth of Pennsylvania
Pennsylvania Game Commission

Agenda

The Commission Meeting of the Pennsylvania Game Commission will be held on Tuesday, June 25, 2013 at 2001 Elmerton Avenue, Harrisburg, Pennsylvania beginning at 8:30 a.m.

Call to Order

Pledge of Allegiance

Roll Call of Commissioners

Robert W. Schlemmer, President
David J. Putnam, Vice President
Brian H. Hoover, Secretary
David W. Schreffler
James J. Delaney, Jr.
Ronald A. Weaner
Ralph A. Martone
Charles E. Fox

Approval of Minutes of Commission Meeting held April 15, 2013.
A. Adoption of proposed amendments § 137.35.

Commentary: To effectively manage the wildlife resources of this Commonwealth, the Game Commission proposed at its January 29, 2013, meeting to amend § 137.35 (relating to feral swine and wild boar eradication) to remove protection for feral swine and wild boar statewide, wherever found, and also to prohibit the importation, possession and release into the wild of feral swine and wild boar.

Action:
§ 137.35. Feral swine and wild boar eradication.

(a) Protection removed. Protection on feral swine and wild boar is removed statewide, except in those areas designated as containing broad scale official eradication trapping operations as designated by Executive Order of the Director.

(b) Eligibility to take. Persons who possess a valid hunting or furtaking license or persons who qualify for license and fee exemptions under section 2706 of the act (relating to resident license and fee exemptions) are eligible to participate in the unlimited taking of feral swine and wild boar by firearm, bow or crossbow in any area where protection on feral swine and wild boar has been removed. All takings of feral swine and wild boar shall be conducted in conformance with the limitations of section 2308 of the act (relating to unlawful devices and methods) and §§ 141.4 and 141.20 (relating to hunting hours; protective material required).

(c) Eligibility to trap. Persons who possess a valid hunting or furtaking license or persons who qualify for license and fee exemptions under section 2706 of the act (relating to resident license and fee exemptions) are eligible to make application for a permit authorizing them to engage in feral swine and wild boar eradication trapping operations. All trapping of feral swine and wild boar shall be conducted in conformance with best management practices identified by the Commission and listed on the permit.

(d) Reporting. All takings of feral swine and wild boar resulting from authorized shooting or trapping operations shall be reported to the appropriate local Commission Regional Office within 24 hours of kill. Reports shall include:

1. Name, address and pertinent license or permit information.
2. Date, time and an accurate description of the location of kill.
3. Report number and sex of wild boar and feral swine.

(e) Surrender of carcass. The carcasses of feral swine and wild boar killed pursuant to the authorizations of this section shall be surrendered to the Commission for disease sampling and testing upon request.

(f) Importation prohibited. Effective July 1, 2013, it is unlawful to import feral swine or wild boar of any description or other name into this Commonwealth.

(g) Possession prohibited. Effective July 1, 2014, it is unlawful to possess feral swine or wild boar of any description or other name within this Commonwealth.
(h) Release into the wild prohibited. It is unlawful to release feral swine or wild boar into the wild.

(i) Inapplicability.

(1) This section shall not be construed in any manner to limit the applicability of sections 2121 and 2141 of the act (relating to killing game or wildlife to protect property; killing game or wildlife to protect person) and § 141.3 (relating to protection removed under certain circumstances).

(2) This section shall not be construed in any manner to extend to any member of the family suidae defined as a domestic animal by the Department of Agriculture and held as part of a commercial production agricultural operation regulated by the Department of Agriculture.

(j) Penalties. A person violating this section is subject to the penalties provided in the act.
BUREAU OF ADMINISTRATION

PROPOSED RULE MAKING

A. Amend 58 Pa. Code, Chapter 143, Subchapter B.

Commentary: The Commission has determined that the late fee of $100 that is assessed when an individual applies after the application period to become and issuing agent is no longer necessary. In the past, ample time was needed to create agents accounts and expedite shipment of hunting licenses before the start of the new license year. Since we now have an automated license system in place, we no longer ship licenses to agents and feel it is not necessary to burden applicants with the additional $100 late fee.

CHAPTER 143. HUNTING AND FURTAKER LICENSES

Subchapter B. APPOINTMENT OF AGENTS

Sec.
143.21. Appointment of agents.
143.22. Rebate schedule. Rebate for first year agents.
143.23. Minimum sales requirement.
143.24. Fee for reapplication.
143.25. Rebate restrictions.
143.26. Time for rebate.
143.27. Conditions for appointment.
143.28. Application period.
143.29. Fee for late applications. (Reserved).
143.30. Return of disapproved applications.
143.31. Agencies at separate locations.

§ 143.21. Appointment of agents.

A person desiring appointment as an agent shall apply to the Commission on the form provided. An application fee of $500 is required for each location, in the form of a negotiable check or money order payable to “Pennsylvania Game Commission.” The completed application, along with the application fee, shall be forwarded to: Pennsylvania Game Commission, 2001 Elmerton Avenue, Harrisburg, PA 17110-9797.

§ 143.22. Rebate schedule. Rebate for first year agents.

(a) An agent shall be entitled to a rebate based upon their first license year only sales as follows:
(1) Rebate $100 if 250 licenses are sold.
(2) Rebate $200 if 500 licenses are sold.
(3) Rebate $300 if 750 licenses are sold.
(4) Rebate $400 if 1,000 licenses are sold.

(b) No rebate will be given after the first license year of sales.

§ 143.23. Minimum sales requirement.

To continue as an agent, a minimum of 200 hunting licenses shall be sold annually for each license year. Qualifying licenses, for the purpose of calculating 200 hunting licenses, will be the regular resident, nonresident hunting and furtakers licenses. Archery and muzzleloader are not included as qualifying licenses. Archery, muzzleloader, bear, special wild turkey, migratory game bird and replacement licenses are not included as qualifying licenses. In addition, an agent shall continue to meet the requirements in § 143.27 (relating to conditions for appointment).

§ 143.24. Fee for reapplication.

If an agent sells less than the required 200 qualifying licenses in a given license year, and is removed by the Commission, or if an agent voluntarily withdraws, a subsequent reapplication requires payment of the application fee.

§ 143.25. Rebate restrictions.

Rebate will not be granted if the agent is delinquent in reporting and remitting license reports and monies as required.

§ 143.26. Time for rebate.

Rebate to the agent will be credited to his account at the beginning of the license year following his first year as an agent.

§ 143.27. Conditions for appointment.

A person desiring consideration for appointment as an agent shall meet the following conditions:

(1) Be a resident of this Commonwealth or an entity registered to do business in this Commonwealth.
Operate a bona fide sporting goods sales outlet where the public expects to find this service.

Be open to the public during reasonable daylight and evening hours.

Not operate on a seasonal or part-time basis.

Agree to and demonstrate ability to provide full license service and cooperation to the public throughout the entire license sales period, and keep records required by the Commission and by statute.

Provide security to the Commission in an amount of at least $18,000.

§ 143.28. Application period.

(a) A person requesting appointment as an agent shall submit the appropriate completed application form to the Commission in Harrisburg during the period November 1 through March 31 of the following year in order to be eligible for appointment as an issuing agent for the license year beginning the following July 1. [Exceptions to this period may be considered due to changes of ownership of business establishments who are agents.]

(b) Applications received outside of the application period are not guaranteed to be processed by the Commission before the start of the license year beginning July 1.

§ 143.29. Fee for late applications. [Reserved]

[An application, other than a change of ownership application, received during the period April 1 through October 31 may be accepted if the applicant includes an additional nonreturnable fee of $100. A late applicant shall be bound by this subchapter. Nothing contained in the section may be construed to guarantee approval of a late application.]

§ 143.30. Return of disapproved applications.

Disapproved applicants will be notified in a timely manner, and the entire $500 application fee will be returned.

§ 143.31. Agencies at separate locations.
An agent desiring to operate an agency at additional locations shall meet the requirements in this subchapter.

Action:
BUREAU OF WILDLIFE HABITAT MANAGEMENT

REAL ESTATE

A. Acquisition

Contract No. 3635, State Game Land No. 314, Erie County

Commentary: James W. Whipple is offering for sale 14 +/- acres of land adjacent to State Game Land No. 314, Springfield Township, Erie County (Exhibit RED 1). The option price is $138,000 of which up to $100,000 towards the total costs of the acquisition project is available from a Coastal Zone Management Grant from the National Oceanic and Atmospheric Administration (NOAA). The grant is provided as a 50/50 match with 50% coming from the state and 50% coming the NOAA. The Whipple property is mainly forested with northern hardwoods including forested wetlands and two small impoundments. An unnamed tributary to Raccoon Creek flows through the tract. Infrastructure currently on the property will serve as an auxiliary Food and Cover Corps (FCC) Headquarters for Northwest Region Land Management Group 5 which will allow for temporary storage of equipment and reduce travel time from the nearest FCC located 36 miles away at State Game Land No. 218. Access to the property is from Ellis Road.

Contract No. 3636, State Game Land No. 148, Lawrence County

Commentary: Pennsylvania Coal Company, LLC is offering 209 +/- acres of land in Wayne Township, Lawrence County located approximately 1.5 air miles east of State Game Land No. 148 (Exhibit RED 2). The property is being offered through the U.S. Fish and Wildlife Service (USFWS) as mitigation for impacts to Indiana Bats from mining activities at no cost to the Game Commission for bat hibernacula, including Indiana Bat and Eastern Small-footed Myotis are evident on the property. Approximately 100 acres are forested with mixed hardwoods in seedling/sampling age class and there are nine acres of forest openings. The remaining property is reverting old fields with some shrub component. An unnamed tributary flows through the property to the Beaver River. Access to the property is from State Route 288, Wampum Road. Management of the property is to be in accordance with an Indiana Bat management plan or land management plan developed cooperatively by the Pennsylvania Game Commission and the USFWS.
Exhibit RED 1
State Game Land No. 314
L-3635
James W. Whipple
Tract 14+/-. Acres
Springfield Township
Erie County
Northwest Region
Exhibit RED 2
State Game Land No. 148
L-3636
Pennsylvania Coal Co., LLC Tract
209+/- Acres

Wayne Township
Lawrence County
Northwest Region
Contract No. 3637, State Game Land No. 284, Lawrence County

Commentary:  The Pennsylvania Turnpike Commission is offering 191 +/- acres of land adjacent to State Game Land No. 284, Washington Township, Lawrence County (Exhibit RED 3).  The property, known as the Booher Tract is being offered at no cost to the Game Commission for terrestrial mitigation to compensate for impacts to grassland habitat, especially impacts to Short-eared Owl habitat (PA Endangered) resulting from the PA 60 to U.S. 22 and U.S. 22 to I-79 highway construction projects.  The property is mainly reclaimed surface mine land documented to provide habitat suitable for grassland bird species including the Short-eared Owl.  There is also a one-acre wetland on the property.  Access is from Nelson Road (T-496) and Coopertown Road (T-627).

Contract No. 3638, State Game Land No. 247, Armstrong County

Commentary:  Hanson Aggregates BMC, Inc. is offering at no cost to the Game Commission an island complex of 41 +/- acres in Manor Township, Armstrong County approximately 2 air miles east of State Game Land No. 247 (Exhibit RED 4).  The property is being offered in coordination with the Pennsylvania Fish & Boat Commission as mitigation for impacts to two state-listed threatened fish species, the Bluebreast darter and Tippecanoe darter from authorized commercial sand and gravel dredging locations in the Ohio River.  The property is located in Pool 6, Allegheny River, west of Manorville and Ford City.  The island is forested with sycamore, silver maple, willow, and cottonwood, with a thick understory.  Portions of the island are seasonally inundated.

Action:
Exhibit RED 3
State Game Land No. 284

L-3637
Pennsylvania Turnpike Commission
"Booher Tract" 191+/- Acres

Washington Township
Lawrence County
Northwest Region
Exhibit RED 4
State Game Land No. 247

L-3638
Hanson Aggregates BMC, Inc.
Island Tract
41 +/- Acres

Manor Township
Armstrong County
Southwest Region
B. Land Exchange

Contract No. 3639, State Game Land Nos. 184 and 108, Cambria County

Commentary: E.P. Bender Coal Company, Inc. is causing to convey 68.5 +/- acres of land in Dean Township, Cambria County adjacent to State Game Land No. 184 (Exhibit RED 5) in exchange for several outstanding projects with the Commission as denoted as follows:

(1.) E.P. Bender entered into an agreement dated March 15, 2005 for surface mining of bituminous coal on State Game Land No. 108, Reade Township, Cambria County. In exchange, E.P. Bender was to provide certain consideration in land, habitat work and cash value. The Commission agreed to take the remaining $42,000 cash value still owed in land equaling 42 acres. (2.) E.P. Bender has requested a permanent right-of-way to upgrade an existing electric line across State Game Land No. 108 to supply electricity to a new acid mine discharge treatment plant in Dean Township, Cambria County (Exhibit RED 6). In exchange for the right-of-way E.P. Bender has agreed to convey 19 acres. (3.) The Glendale Valley Municipal Authority has requested two permanent right-of-ways through State Game Land No. 108 for a new 8-inch water main pipeline measuring 20 feet by 1,300 feet (Exhibit RED 7) and a new 8-inch gravity main and 4-inch force main sewer pipelines within the same right-of-way measuring 20 feet by 100 feet (Exhibit RED 8). In exchange for the right-of-ways, Glendale Valley Municipal Authority working through E.P. Bender has agreed to convey five acres of land. (4.) McClellan Trucking desires to settle a boundary line dispute on State Game Land No. 108. By working through E.P. Bender, McClellan will convey 2.5 acres in exchange for 0.48 acres of State Game Land No. 108 (Exhibit RED 9).

The 68.5 +/- acres the Game Commission is acquiring is forested with mixed northern hardwoods with mountain laurel, dogwood and witch hazel in the understory. Multiple springs and seeps, associated with Little Laurel Run, are found on the property. Hemlock and white pine are along the stream bottom.
Exhibit RED 5
State Game Land No. 184
L-3639
Land Exchange
E.P. Bender Coal Company, Inc. to PGC
Tract 68.5 +/- Acres
Duan Township
Cambria County
Southwest Region
Exhibit RED 6
State Game Land No. 108

L-3639
Easement
Electric Powerline granted by PGC to Glendale Valley Municipal Authority

Dean Township
Cambria County
Southwest Region
Exhibit RED 7
State Game Land No. 108

L-3639
Easement
8" Water Main Pipeline
20' x 1,300' Right-of-Way
granted by PGC to
Glendale Valley Municipal Authority

Dean Township
Cambria County
Southwest Region
Exhibit RED 9
State Game Land No. 108

L-3639
Land Exchange
PGC to McClellan
Tract 0.48+/-. Acre

Reade Township
Cambria County
Southwest Region
Commentary: Walter T. Greth has offered for exchange a commercial building on 2.226 +/- acres of land in Maidencreek Township, Berks County located at 253 Snyder Road, Reading, (Exhibit RED 10). In exchange, the Commission shall convey the current Southeast Region Office Building (Exhibit RED 10) and $1,350,000 which shall 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 Greth building is a two-story detached office building with warehouse space totaling 24,168 square feet and will become the regional office for the Southeast Region. The current Southeast Region Office Building, is a one story detached office building totaling 7,796 square feet, with two garages, one being 4,062 square feet and the other being 2,100 square feet located on ten acres in Ontelaunee Township, Berks County. Settlement shall be held on or before August 15, 2013. The exchange will provide the Commission with much needed office and storage space and improved administrative operation capabilities for the entire Southeast Region.

Action:
L-3640
Walter T. Greth to PGC
253 Snyder Road
Purposed SERO
2.226+/- Acres

PGC to Walter T. Greth
448 Snyder Road
Current SERO
10+/- Acres

Exhibit RED 10
Southeast Regional Office

L-3640
Walter T. Greth to PGC
253 Snyder Road
2.226+/- Acres
PGC to Walter T. Greth
448 Snyder Road
10+/- Acres
Ontelaunee & Maldon North Townships
Berks County
Southeast Region
C. Purchase of Properties at Auction

Contract No. 3641, State Game Land No. 322, Huntingdon County

Commentary: At the April 15, 2013, Commission Meeting the Board gave the Executive Director specific authority to bid on real estate at a public auction above the limitations as established in §135.241 of 58 Pa. Code. As a result of this Board approval, the Commission was the successful bidder at a public auction held on May 4, 2013, for two properties located in Oneida Township, Huntingdon County adjacent to State Game Land No. 322. The two tracts, totaling 285.48 +/- acres (Exhibit RED 11) were purchased for $3,550 per acre, which shall be paid with escrowed funds from a prior land exchange on State Game Land No. 176, Centre County, with the Pennsylvania State University and required approval from the U.S. Fish and Wildlife Service (USFWS). Approval was received from the USFWS on April 18, 2013 to acquire these tracts and to use this funding source if the Commission was successful at the auction. Parcel 1 is 150.14 +/- acres and is mostly forested with mixed oaks, hickory and white pine. There are some reverting old agricultural fields on the property. The successful bid for Parcel 1 was $532,997. Parcel 2 is 135.34 +/- acres and is forested by mixed oak hardwoods. The property includes a portion of Standing Stone Creek a trout stocked fishery as well as a large diverse wetland complex. There is a historically significant warm spring on the property that maintains temperature of approximately 63 degrees. The successful bid for Parcel 2 was $480,457. The properties provide critical public access into State Game Land No. 322 from Cold Springs Road (SR 1009).
Exhibit RED 11
State Game Land No. 322
L-3641
Laney Parcel 1
150.14 +/- Acres
Laney Parcel 2
135.34 +/- Acres

Onieda Township
Huntingdon County
Southcentral Region
Contract No. 3642, State Game Land No. 310, Wayne County

Commentary: Subject to certain limitations, §135.241 of 58 Pa. Code authorizes the Director to bid on real estate, oil, gas or mineral rights at auction or tax sale and to request down payment checks to bid on property at auction. Successful bids must be made known to the general public at the next regularly scheduled meeting of the Board of Commissioners. On May 1, 2013, the Game Commission was the successful bidder at a Sheriff’s Sale on 63 +/- acres adjacent to State Game Land No. 310, Lake Township, Wayne County (Exhibit RED 12). The purchase price was $130,000 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 part of Silkmans Swamp. Jones Creek, a high quality stream, flows through the center of 44 acres of wetlands. The remaining 19 acres is regenerating maple and ash forest. Access is provided along State Route 3019.

Action: These are information items. No action is required.
Exhibit RED 12
State Game Land No. 310
L-3642
Harris Tract
63+/- Acres
Lake Township
Wayne County
Northeast Region
OIL/GAS & MINERALS

D. Restricted Surface Use Oil and Gas Cooperative Agreement

Tract 117A-13, State Game Land No. 117, Washington County

Commentary: Range Resources Appalachia, LLC (Range) requested the Commission offer its oil and gas ownership under a 62.6 acre portion of State Game Land No. 117 for oil and gas development. The proposed tract is located in Smith Township, Washington County, (Exhibit OGM 1).

Range has a strong privately owned oil/gas lease hold position in and around the majority of State Game Land No. 117. Range has also initiated unconventional well drilling and development programs in the vicinity of the proposed tract and has the ability to unitize the Commission’s oil and gas reserve by horizontal drilling with no surface disturbance to the proposed state game land tract. The staff has negotiated the terms of the proposed agreement with Range in an effort to safeguard the prudent development of the Commission’s oil/gas reserve and simultaneously protect the wildlife resources and recreational use of State Game Land No. 117.

The terms of the agreement are a five year paid up non-surface use oil and gas agreement, a $2,500 per acre bonus payment and 19% royalty for all oil/gas and other liquids or condensates produced and sold from the proposed tract which are owned by the Commission. The bonus payment of $156,500 may be deposited into the Game Fund or into 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 owed the Commission shall be directly 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 cooperative agreement.

Action:
EXHIBIT OGM 1
State Game Land No. 117
Restricted Surface Use
Oil & Gas Cooperative Agreement
Range Resources Appalachia, LLC
Tract 117A-13
62.6 +/- Acres
Smith Twp., Washington County
E. Restricted Surface Use Oil and Gas Cooperative Agreement

Tract 175A-13, State Game Land No. 175, Susquehanna County

Commentary: Southwestern Energy Production Company (SWN) of Houston, TX requested the Commission offer its oil and gas ownership under State Game Land No. 175 for oil and gas development. The proposed tract, containing approximately 736.2 acres, is located in New Milford Township, Susquehanna County (Exhibit OGM 2).

SWN has a strong privately owned oil/gas lease hold position surrounding State Game Land No. 175 and has initiated a well drilling and development program on adjacent private lands. SWN has the ability to unitize the Commission’s oil and gas reserve by horizontal drilling with no disturbance to the Game Lands surface. The staff has negotiated the proposed terms of the agreement with SWN in an effort to safeguard the prudent development of the Commission’s oil/gas reserve and simultaneously protect the wildlife resources and recreational use of State Game Land No. 175.

The terms of the agreement are a three year paid up non-surface use oil and gas agreement, a $3,000 per acre bonus payment and 20% royalty for all oil/gas and other liquids or condensates produced and sold from the proposed tract which are owned by the Commission. The bonus payment of $2,208,600 may 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 owed the Commission shall be directly 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 cooperative agreement.

Action:
EXHIBIT OGM 2
State Game Land No. 175
Restricted Surface Use
Oil & Gas Cooperative Agreement
Southwestern Energy Company
Tract 175A-13
736.2 +/- Acres
New Milford Twp., Susquehanna County
F. Restricted Surface Use Oil and Gas Cooperative Agreement

Tract 035A-13, State Game Land No. 35, Susquehanna County

Commentary: Southwestern Energy Production Company (SWN) of Houston, TX requested the Commission offer its oil and gas ownership under a portion of State Game Land No. 35. The proposed tract, containing approximately 774 acres, is located in Great Bend and New Milford Townships, Susquehanna County (Exhibit OGM 3).

SWN has a strong privately owned oil/gas lease hold position on the perimeter of this portion of State Game Land No. 35 and has initiated well drilling and development programs on adjacent private lands. SWN also has the ability to unitize the Commission’s oil and gas reserve by horizontal drilling with no surface disturbance to the Game Lands. The staff has negotiated the proposed lease terms with SWN in an effort to safeguard the prudent development of the Commission’s oil/gas reserve and simultaneously protect the wildlife resources and recreational use of State Game Land No. 35.

The terms of the agreement are a paid up, three year, non-surface use oil and gas agreement, a $3,000 per acre bonus payment and a 20% royalty for all oil/gas and other liquids or condensates produced and sold from the proposed tract, which are owned by the Commission. The bonus payment of $2,322,000 may 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 owed the Commission shall be directly 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 cooperative agreement.

Action:
EXHIBIT OGM 3
State Game Land No. 35
Restricted Surface Use
Oil & Gas Cooperative Agreement
Southwestern Energy Company
Tract 035A-13
774 +/- Acres
New Milford & Great Bend Twps., Susquehanna County
G. Surface Coal Mining and Reclamation Agreements and Land Exchange

Tracts 79A-13 and 79B-13, State Game Land No. 79, Jackson Township and Vintondale Borough, Cambria County

Tracts 276A-13, 276B-13, and 276C-13 State Game Land No. 276, Burrell, Brush Valley, Center and West Wheatfield Townships, Indiana County

Commentary: Laurel Sand & Stone, Inc. (LSS) of Ligonier, PA has requested five surface coal mining agreements on five project areas on portions of State Game Land Nos. 79 and 276. The Commission owns the surface mining support rights but not the coal for all five proposed mining areas.

LSS proposes to conduct surface mining and reclamation operations on approximately 248.8 acres of State Game Land No. 79 on 2 mining areas designated as Goat Hill North and Cochenour Ridge (Exhibit OGM 4). The Goat Hill North operation entails approximately 114.3 acres and the removal of approximately 236,000 tons of coal. The Cochenour Ridge operation entails approximately 134.5 acres and the removal of approximately 109,000 tons of coal. Additionally, 13.5 acres of abandoned mine lands will be reclaimed and revegetated and 1,700 linear feet of abandoned highwall will be reclaimed.

LSS also proposes to conduct surface mining and reclamation operations on approximately 476 acres of State Game Land No. 276 on three surface mining project areas designated as Palmerton, Mt. Tabor, and Heshbon (Exhibit OGM 5). The Palmerton operation entails approximately 190 acres and includes the removal of approximately 241,000 tons of coal. The Mt. Tabor operation entails approximately 162 acres and the removal of approximately 145,000 tons of coal. The Heshbon operation is approximately 124 acres and includes the removal of approximately 182,000 tons of coal. Additionally, 10.4 acres of abandoned mine land will be reclaimed and revegetated with up to 75 acres of coal refuse may be removed and reclaimed.

The initial term of each agreement will be 5 years. LSS will pay the Commission for surface support rights at a rate of 6% F.O.B. for all coal mined and sold from the premises with a btu of 11,500 and greater, 5% F.O.B. for all coal with a btu value from 8,500 to 11,499, and 4% for all coal with a btu value of less than 8,500. All timber to be impacted as a result of the proposed projects will be assessed by the Game Commission forestry staff at a double stumpage rate. The second stumpage rate may be offset by mine reclamation or other habitat improvement projects approved by the Commission.
In exchange for the surface mining agreements, LSS will convey three tracts of land to the Commission totaling approximately 2,413 acres. The 346 acre Tiche Tract is located in Venango Township, Butler County and adjoins State Game Land No. 95 (Exhibit OGM 6). The Tiche Tract consists of a reclaimed surface mine area with open fields and wildlife food plots, as well as varied early successional habitat improvement projects. The 36 acre Wagner Road Tract, located in Jackson Township, Cambria County, adjoins State Game Land No. 79 (Exhibit OGM 7). The Wagner Road Tract is forested and has public road frontage which will provide additional public access to this portion of the gameland. The 2,031 acre Driscoll Hollow Tract is located in Susquehanna and Elder Townships, Cambria County, and will be designated as a new State Game Land No. 334 (Exhibit OGM 8). This tract is mostly forested with both reclaimed and active surface mine operations, interspersed with winter thermal cover, early successional habitats, and small wetlands complexes.

The Driscoll Hollow Tract has been valued at $2 million. The Commission will credit the first $2 million of accumulated coal royalty value from the leases towards the Driscoll Hollow Tract. The agreement will include an option for the Commission to purchase the Driscoll Hollow Tract, for the remaining balance, after 2 years from the start of surface mining from any of the aforementioned agreements. The Driscoll Hollow acreage will be transferred incrementally on an annual basis as mining progresses and coal royalty accumulates. However, the entire tract will be entered into the Commission’s Hunter Access program immediately upon execution of the lease agreements. Once LSS accrues the royalty value to offset the land value, LSS will make monthly royalty payments to the Commission which shall be directly deposited into the Game Fund. The Tiche and Wagner tracts will be transferred to the Commission immediately upon signing the agreements.

Mining will be regulated by the Commonwealth’s Mining Regulations and the Commission’s standard surface coal mining agreement. In addition, the agreements will include a wildlife habitat reclamation and re-vegetation plan developed by the local Land Management Group Supervisor.

Action:
EXHIBIT OGM 4
State Game Land No. 79
Surface Coal Mining Agreement
Laurel Sand & Stone, Inc.
Tracts 79A-13 and 79B-13
248 +/- Acres

Jackson Twp. and Vintondale Borough, Cambria Co.
EXHIBIT OGM 5
State Game Land No. 276
Surface Coal Mining Agreement
Laurel Sand & Stone, Inc.
Tracts 276A-13, 276B-13. and 276C-13
476 +/- Acres

Burrell, Brush Valley, Center and West Wheatfield Twps.,
Indiana Co.
EXHIBIT OGM 6

Tiche Tract
State Game Land No. 95
Surface Coal Mining Agreement - Land Exchange
Laurel Sand & Stone, Inc. to PGC
346 +/- Acres

Venango Twp., Butler Co.
Northwest Region
EXHIBIT OGM 7

Wagner Road Tract
State Game Land No. 79
Surface Coal Mining Agreement - Land Exchange
Laurel Sand & Stone, Inc. to PGC
36 +/- Acres

Jackson Twp., Cambria Co.
Southwest Region
EXHIBIT QGM 8
SGL 334
Driscoll Hollow Tract
Surface Coal Mining Agreement - Land Exchange
Laurel Sand & Stone, Inc. to PGC
2,031 +/- Acres
Susquehanna and Elder Twp., Cambria Co.
Southwest Region
H. Bituminous Surface Coal Mining Agreement

Burgess Estate Coal Tract A-13, Beccaria Township, Clearfield County

Commentary: Robindale Energy Service, Inc. (RES) of Armagh Pennsylvania has requested a lease to mine and remove approximately 64 acres of Upper and Lower Freeport coal rights owned by the Game Commission underlying private property. RES has already commenced a 217 acre surface coal mining operation on the privately owned surface property. The operation will not impact any Game Commission surface lands. The proposed lease tract is located in Beccaria Township, Clearfield County (Exhibit OGM 9).

The terms are a 5 year agreement, a royalty rate of 6% of the F.O.B. pit price for all coal mined and sold from the premises with a btu value of 10,000 or greater, or $2.50 per ton, whichever the greater. The royalty rate shall be set at 6% F.O.B. pit price for all coal mined and sold from the premises with a btu value of less than 10,000.

All coal royalty payments will be deposited in the Game Fund. Mining will be regulated by the Commonwealth’s mining regulations and the Commission’s standard surface coal mining agreement.

Action:
EXHIBIT OGM 9
Surface Coal Mining Agreement
Robindale Energy Services, Inc.
Burgess Estate Coal Tract A-13
Iraca Surface Mine
64 +/- Acres
Beccaria Twp., Clearfield County
Northcentral Region

PGC Coal Ownership Area  64 +/- Acres
Surface Mine Permit Area 217 Acres

PGC Coal Ownership only
Surface is not owned by PGC
Other New Business

The September Commission Meeting will be held on September 23 and 24, 2013 in the SW Region in Delmont, 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