COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA GAME COMMISSION

AGENDA
HARRISBURG, PENNSYLVANIA
September 24, 2013

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, September 24, 2013 at The Lamplighter Restaurant located at 6566 William Penn Highway, Delmont, PA 15626 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
James J. Delaney, Jr.
Ronald A. Weaner
Ralph A. Martone
Charles E. Fox
Timothy S. Layton

Approval of Minutes of Commission Meeting held June 25, 2013.
BUREAU OF ADMINISTRATION

ADOPTED RULE MAKING

A. Adoption of proposed amendments to Chapter 143, Subchapter B.

Commentary: To effectively manage the wildlife resources of this Commonwealth, the Game Commission (Commission) proposed at its June 25, 2013, meeting to amend Chapter 143, Subchapter B (relating to appointment of agents) to eliminate the late fees for late agent applications and also to make housekeeping amendments to related text.

Action:
EXHIBIT "A"

CHAPTER 143. HUNTING AND FURTAKER LICENSES

Subchapter B. APPOINTMENT OF AGENTS

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§ 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 for first year agents.

(a) An agent shall be entitled to a rebate based upon his 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) A rebate will not 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 each license year. Qualifying licenses, for the purpose of calculating 200 hunting licenses, will be the regular resident, nonresident hunting and furtakers 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.

A rebate will not be granted if the agent is delinquent in remitting moneys 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.

(2) Operate a bona fide sporting goods sales outlet where the public expects to find this service.

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

(4) Not operate on a seasonal or part-time basis.

(5) 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.

(6) 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 to be eligible for appointment as an issuing agent for the license year beginning the following July 1.

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

§ 143.29. (Reserved).

§ 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.

Commentary: In accordance with goals established in the Pennsylvania Bald Eagle Management Plan, 2010–2019, (hereafter, Plan), the bald eagle (Haliaeetus leucocephalus) has achieved a population level and geographical distribution that no longer meets the definition of a threatened species. As of the 2013 nesting season, bald eagle populations have reached all criteria set forth in the Plan to be removed from the state endangered and threatened species list, that is, we are sustaining a minimum of 150 nesting pairs, including successful pairs in at least 40 counties, with 60% of known nests successful and productivity of 1.2 eaglets fledged per successful nest, based on a five year running period. Delisting of the bald eagle can be accomplished by amending 58 Pa. Code, § 133.21 as outlined below. Upon delisting, bald eagles will continue to be a protected species under state statutes and will be continue to be afforded added protection under the federal Bald and Golden Eagle Protection Act. Pennsylvania Game Commission staff will continue to implement the plan and monitor bald eagle nests to ensure that this species does not regress toward endangerment.

CHAPTER 133. WILDLIFE CLASSIFICATION

Subchapter B. BIRDS

§ 133.21. Classification of birds.

The following birds are classified:

* * * * *

(2) Threatened.

[(ii) Bald Eagle (Haliaeetus leucocephalus)]

[(iii)] (ii) Northern Harrier (Circus cyaneus)

[(iv)] (iii) Long-eared Owl (Asio otus)

Action:

Commentary: Pennsylvania hunters have the opportunity to purchase their new hunting licenses from license issuing agents and the Pennsylvania Automated License System in early June each year. Ideally every hunter interested in also redeeming a Deer Management Assistance Permit (DMAP) coupon would be able to do so at the time of their general hunting license purchase. Unfortunately, due to the current DMAP application deadline and accompanying processing time, most DMAP permit applications are not available until late June or early July. To accommodate hunting license buyers and permit one-stop purchases for licenses and permits in early June the Commission is proposing to move up the DMAP application deadline to May 1. With this deadline date change DMAP applications would be made available to prospective applicants no later than February 15 each year. This change can be accomplished by amending 58 Pa. Code, § 147.673 as outlined below.

CHAPTER 147. SPECIAL PERMITS

Subchapter R. DEER CONTROL

DEER MANAGEMENT ASSISTANCE PROGRAM PERMITS

§ 147.673. Eligibility and application for DMAP.

* * * * *

(1) Applications shall be submitted to a regional office by [June] May 1 immediately preceding the first fall deer season and include the name of the owner, lessee, political subdivision or government agency that is applying for the DMAP and the name and address of the contact person for the DMAP as well as other information required on the application.

Action:
Commentary: The Commission has historically permitted the use of small open fires on State game lands by licensed hunters, trappers or fishermen and through hikers within the corridor of the Appalachian Trail and continued support for the use of small open fires by these users has not diminished. However, the Commission has identified an increasing number of fires being set and maintained by persons using the State game lands for other than their intended uses. In an effort to discourage and reduce the occurrence of these unintended uses, the Commission is proposing to limit the availability of the fire exception located in § 135.41(a) to only licensed hunters, trappers or fishermen and through hikers within the corridor of the Appalachian Trail.

CHAPTER 135. LANDS AND BUILDINGS
Subchapter B. PROTECTION OF WILDLIFE HABITAT

§ 135.41. State game lands.

* * * * *

(a) Restrictions limited. The following exceptions to § 135.2 (relating to unlawful actions) pertain to lands and waters designated as State game lands:

* * * * *

(2) [Small open fires for cooking or warming purposes are permitted only at places where adequate precautions are taken to prevent the spread of fire which may damage adjacent areas and shall be attended at all times and completely extinguished before leaving the site of the fire. Open fires are prohibited when the fire index rating used by the Department of Conservation and Natural Resources, is high, very high or extreme.] Small open fires for cooking or warming purposes may be kindled, used and maintained by persons exercising the privileges of a valid hunting, furtaking or fishing license and through hikers within the corridor of the Appalachian Trail as is defined in § 135.42 (relating to Appalachian Trail). This exception to the prohibition on fires in § 135.2(8) is applicable only where the small fires are located at places where adequate precautions are taken to prevent the spread of fire and the small fires are attended at all times and completely extinguished before leaving the site of the fire. This exception shall not apply when the fire index rating used by the Department of Conservation and Natural Resources is high, very high or extreme for that area. A person causing a wildfire, in addition to possible criminal penalty, is liable for all damages, cost of extinguishing and fines.

Action:
BUREAU OF WILDLIFE HABITAT MANAGEMENT

REAL ESTATE

A. Acquisition

Contract No. 3646, State Game Land Nos. 54 and 87, Jefferson and Clearfield Counties

Commentary: The Ideal Foundation of Sykesville is offering for sale seven tracts of land totaling 852.51 +/- acres in Warsaw Township, Jefferson County and Brady Township, Clearfield County. The Jefferson County tracts adjoin State Game Land No. 54 and the Clearfield County tracts are near State Game Land No. 87 (Exhibits RED 1 and 2). The option price is approximately $1,258,575 lump sum which has been determined by the Ideal Foundation’s representation of their oil and gas ownership interests, with the final consideration amount to be determined after title work has been completed and the oil and gas ownership verified on all described tracts. The consideration is based on $1,100 per acre for the property that includes the oil and gas rights. Specifically, the two parcels (305 +/- acres) that adjoin State Game Land No. 54 include oil and gas rights. The remaining tracts are being offered at $750 per acre as it is believed the oil and gas estate has already been excepted and reserved. The consideration 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 timber is valued at $514,100. The Jefferson County parcels are forested with northern hardwoods with approximately 20 acres in reverting old fields. Small spring seeps and tributaries are located on the tracts which are part of the headwaters to South Branch North Fork Creek. Large wetlands associated with Beaver Meadow Run makes up the eastern part of the Jefferson County tracts. The largest of the Clearfield County tracts is known as “Five Ponds” because five small fishing ponds have been created on the property. The Laurel Branch of Beech Run flows through the property which is mostly forested with mixed northern hardwoods. Access is provided from Beech Run Road as well as Rimer Road and Keller Road on the north. Approximately half of the smaller Clearfield County tract is planted in grasses and conifers with the other half forested with northern hardwoods, primarily chestnut oak and maple. The Ideal Foundation shall reserve all red maple until September 24, 2016.
RED 2
State Game Land No. 87

L-3648
Ideal Foundation of Sykesville
547.51+/- Acres

Brady Township
Clearfield County
Northcentral Region
Contract No. 3647, State Game Land No. 87, Clearfield County

**Commentary:** Rorabaugh Lumber Company (RLC) is offering for sale 97.17 +/- acres of land in Greenwood Township, Clearfield County which will connect a 700-acre detached parcel to existing of State Game Land No. 87 (Exhibit RED 3). The option price is $82,594.50 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. RLC reserves the right to cut and remove all trees greater than 16” DBH until November 1, 2016 with the pulp wood to be removed upon mutual consent. RLC’s timber reservation shall be limited to one timber harvesting operation period. At completion of harvest, RLC shall provide a written release stating the reservation shall terminate. The property is forested and Poplar Run bisects the property.

Contract No. 3648, State Game Land No. 87, Clearfield County

**Commentary:** The Estate of Martin L. Bearer is offering for sale four tracts of land totaling 259 +/- acres in Bell Township, Clearfield County. One of the tracts is an interior to State Game Land No. 87 and the remaining three tracts are indentures into State Game Land No. 87 (Exhibit RED 4). The option price is $259,000 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. Portions of the property located off Troutville-McGees Mills Road are currently being reclaimed as per an Amfire mining permit. Headwaters of Laurel Run traverse the property with good woodcock habitat located along the stream bottom. License to enter the property shall be granted to comply with a governmental order, judgment, decree, law, ordinance, or other legal mandate associated with any post mining activity. There is good access to the tracts from township roads.
Contract No. 3649, State Game Land No. 87, Clearfield County

Commentary: Thomas R. Lanager is offering for sale 60 +/- acres of land in Penn Township, Clearfield County. The property is an interior to State Game Land No. 87 (Exhibit RED 5). The option price is $39,000 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. Approximately a third of the property is forested with maple, birch, fire cherry, and aspen. The second third of the property is grassland and the rest of the property is a surface mine with some acres already reclaimed. The Northern Harrier, a state-listed threatened species, is seen frequently in the area. Mr. Lanager is excepting and reserving coal, coal bed methane and related solid hydrocarbons. Unless coal is being produced in payable quantities and/or an active mining permit exists, the reservation ends January 1, 2024.

Contract No. 3650, State Game Land No. 87, Clearfield County

Commentary: Bell Run Properties, LLC is offering for sale six tracts of land totaling 1,124.39 +/- acres of land in Penn and Bloom Townships, Clearfield County (Exhibit RED 6). The option price is $1,000,000 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. Bell Run and tributaries to Bell Run exist on the property, as well as associated wetlands. The wetlands are considered an “Exceptional Value” by Pennsylvania Fish and Boat Commission due to a wild trout population. Hemlock with a light scattering of hardwoods can be found along Bell Run and its tributaries. The hemlock provides excellent winter thermal cover and protection for the streams. A good mix of other hardwood species provides a variety of mast for wildlife. There is a good wildlife travel corridor on the property. Bell Run Properties, LLC is excepting and reserving coal, coal bed methane and related solid hydrocarbons. Unless coal is being produced in payable quantities and/or an active mining permit exists, the reservation ends January 1, 2024.
RED 5
State Game Land No. 87

L-3649
Thomas Lanager Tract
60+/- acres

Penn Township
Clearfield County
Northcentral Region
Contract No. 3651, State Game Land No. 71, Huntingdon County

Commentary: Mr. and Mrs. Earl Ritzman and Mr. and Mrs. James Shallenberger are offering for sale the timber rights on 193 +/- acres of land in Union Township, Huntingdon County (Exhibit RED 7). The option price is $299,999, half of which is to be paid no later than December 31, 2013 and the other half to be paid no later than January 3, 2014. This timber purchase comes from a 99-year timber reservation held by the Ritzmans and Shallenbergers on property the Game Commission purchased from U.S. Silica on November 21, 2000 known as the Dougherty tract, Contract No. L-3385. The timber being offered is high habitat value oak-hickory forest with a uniquely high percentage of hickory and also contains vernal wetlands.

Contract No. 3652, State Game Land No. 312, Wayne County

Commentary: Alexander Kldiashvili, Vartoush Marchese and Suren Vartanyan are offering for sale five tracts of land totaling 48.8 +/- acres of land in Lehigh Township, Wayne County. The tracts fill in an indenture into State Game Land No. 312 (Exhibit RED 8). The option price is $150,000 lump sum to be paid with funds from the Game Fund. A 12.73 +/- acre parcel shall be subdivided with the Game Commission acquiring 6.3 +/- acres with a 50’ right-of-way across the remaining 6.43 +/- acres being retained by the Sellers. Access to the property is from State Route 507 (Main Street). This property connects two parcels of the existing State Game Land No. 312. The property is forested with mixed beech and maple forest in early succession. Portions of the property include wetlands associated with Big Sampson Swamp which comprise a large wetland complex on existing State Game Land No. 312. Acquisition of this property will buffer the State game land from future development and safety zone issues, as well as provide snowshoe hare habitat.
Contract No. 3653, State Game Land No. 106, Schuylkill County

Commentary: Patricia Anthony is offering for sale 72.4 +/- acres of land in East Brunswick Township, Schuylkill County. The tract partially fills in an indenture into State Game Land No. 106 (Exhibit RED 9). The option price is $76,500 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 property is forested with birch and mixed oaks, with mountain laurel in the understory. The property is located on the north slope of Blue Mountain and runs to the top of the ridge. The Blue Mountain, also known as the Kittatinny Ridge, is a globally significant fall migration flyway and has been designated by Audubon Pennsylvania as the largest of the state’s “Important Bird Areas.” The property has no legal access. Access to the property will be through State Game Land No. 106.

Contract No. 3654, State Game Land No. 264, Dauphin County

Commentary: Charles Fogarty and Larry Miller are offering for sale two tracts of land totaling 9.6 +/- acres in Lykens Township, Dauphin County adjacent to State Game Land No. 264 (Exhibit RED 10). The option price is $50,000 lump sum. The one-acre tract is owned solely by Charles Fogarty. Mr. Fogarty will be compensated $14,000 for the tract. The other tract, an 8.6-acre tract is owned by both Mr. Fogarty and Mr. Miller and they shall be compensated $36,000 for this tract. The property is forested with dry oak mixed hardwoods. The sellers shall reserve the oil and gas for 25 years. This acquisition will also make moot and cause the settlement of an access dispute in the Court of Common Pleas of Dauphin County.

Action:
RED 9
State Game Land No. 106
L-3653
Patricia Anthony
Tract 72.4±/- Acres

East Brunswick Township
Schuylkill County
Southeast Region
OIL/GAS & MINERALS

B. Restricted Surface Use Oil and Gas Cooperative Agreement Amendment

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

Commentary: Range Resources Appalachia, LLC (Range) has requested to amend an existing Commission approved Restricted Surface Use Oil and Gas Cooperative Agreement for Tract 117A-13 in Smith Township, Washington County. Tract 117A-13 is located on a 62.6 acre portion of State Game Land No. 117. Range proposes to amend the Agreement by adding an additional 42.898 acres (Exhibit OGM 1).

Range has leased the privately owned oil and gas rights under the majority of State Game Land No. 117 and surrounding private lands and has 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 original 62.6 acre tract and the additional 42.898 acre tract.

The terms and conditions of the Agreement will remain consistent with the existing agreement, approved by the Commission in June 2013. 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 $107,245 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
Amendment to Restricted Surface Use
Oil & Gas Cooperative Agreement
Range Resources Appalachia, LLC
Tract 117A-13
42.898 +/- Acres
Smith Twp., Washington County
C. Restricted Surface Use Oil and Gas Cooperative Agreement

Tract 140A-13, State Game Land No. 140, Susquehanna County

Commentary: Talisman Energy USA Inc. (Talisman) requested that the Commission offer its oil and gas ownership under State Game Land No. 140 for oil and gas development. The proposed tract, containing approximately 91.44 acres, is located in Apolacon Township, Susquehanna County (Exhibit OGM 2).

Talisman has a strong privately owned oil/gas lease hold position surrounding this portion of State Game Land No. 140 and Talisman is the only company with the ability to unitize the Commission’s oil and gas reserve by horizontal drilling with no disturbance to the game land’s surface. The staff has negotiated the proposed terms of the agreement with Talisman 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. 140.

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 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 $228,600 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. 140
Restricted Surface Use
Oil & Gas Cooperative Agreement
Talisman Energy USA Inc.
Tract 140A-13
91.44 +/- Acres
Apolacon Twp., Susquehanna County
D. Restricted Surface Use Oil and Gas Cooperative Agreement

Tract 245A-13, State Game Land No. 245, Washington County

Commentary: CNX Gas Company LLC (CNX) requested that the Commission offer its oil and gas ownership under a portion of State Game Land No. 245. The proposed tract, containing approximately 1,692.48 surface acres and 1,297.99 net oil and gas acres, is located in East Finley, Morris, and South Franklin Townships, Washington County (Exhibit OGM 3).

CNX has a strong privately owned oil/gas lease hold position on the perimeter of this portion of State Game Land No. 245 and has initiated well drilling and development programs on adjacent private lands. CNX also has the ability to unitize the Commission’s oil and gas reserve by horizontal drilling with no surface disturbance to this portion of State Game Land No. 245. The staff has negotiated the proposed lease terms with CNX 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. 245.

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 $3,893,970 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. 245
Restricted Surface Use
Oil & Gas Cooperative Agreement
CNX Gas Company LLC
Tract 245A-13
1,692.48 +/- Acres
East Finley, Morris, & South Franklin Twps. Washington County
E. Surface Coal Mining and Reclamation Agreement

Tract 77A-13 State Game Land No. 77, Sandy Township, Clearfield County

Commentary: P&N Coal Company (P&N) of Punxsutawney, PA is pursuing a Government Financed Construction Contract (GFCC) through Pennsylvania Department of Environmental Protection in order to facilitate the reclamation of existing abandoned mine land (AML) features such as highwalls and strip pits and to recover coal resources on State Game Land No. 77 west of Slab Run. P&N proposes to reclaim nearly 6,250 linear feet of highwall that range from about 30 feet to 80 feet in height. Total surface area of mining/reclamation impact is approximately 93 acres (Exhibit OGM 4). Recoverable coal is principally from the Lower Kittanning seam and to a lesser degree the Middle Kittanning and Lower Freeport seams. P&N estimates approximately 137,400 tons total recoverable coal. The Commission is considered the owner of the coal and surface rights.

P&N is currently reclaiming and recovering incidental coal under a separate GFCC and Game Commission lease agreement dated June 12, 2009 for an area east of Slab Run, and anticipates completing that project in October 2013 at which time they propose to transition to the Slab Run West project.

The term of the agreement shall be for a period of five years from the date a necessary and acceptable mining permit is issued. In order to replace any habitat or recreational impacts during the temporary use of the gamelands, P&N will deposit $350,000 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. Upon recouping the initial advance payment value, P&N will then make monthly royalty payments to the PGC according to the following rates.

P&N will pay the Commission at a rate of 12% of the then current F.O.B. pit price per ton, or $3.50 per ton, whichever the greater, of coal with a BTU value greater than 9,500, and 10% per net ton, or $2.50 per ton, whichever the greater, of coal with a BTU value less than 9,500 or coal cleanings mined and removed from the lease area for the term of the lease agreement. All timber to be impacted as a result of the proposed projects will be assessed by the Game Commission forestry staff and assessed at double stumpage. The second stumpage rate may be offset by mine reclamation or other habitat improvement projects approved by the Commission.
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. 77
Surface Coal Mine/Reclamation Agreement
P&N Coal Company, Inc.
Tract 77A-13
93 +/- Acres
Sandy Township, Clearfield County
Northcentral Region
F. Restricted Surface Use Cooperative Agreement

Tract 12A-13, State Game Land No. 12, Bradford and Sullivan Counties

Commentary: Chief Exploration and Development, LLC (Chief), of Dallas, Texas requests the Commission to offer its surface use and an opportunity to develop and produce Commission owned oil and gas on a portion of State Game Land No. 12 located in LeRoy, Canton, Franklin and Overton Townships, Bradford County and in Fox and Elkland Townships, Sullivan County. The proposed Tract 12A-13 containing approximately 19,133 acres of Commission owned surface. The vast majority of oil/gas interests contained within the tract is either owned by the Commission or has already been privately leased to Chief Oil & Gas. The tract and claimed leasehold ownership of Chief is shown on Exhibit OGM 5.

Chief currently holds private leases on a large portion of State Game Land No. 12. Chief also maintains a lease position on private lands immediately adjacent to the State game lands and has already drilled several horizontal wells to the State game land boundary. Staff has negotiated with Chief in an effort to safeguard the prudent development of the Commission’s oil and gas reserve and to simultaneously protect and minimize the impacts to the wildlife resources and recreational use of State Game Land No. 12.

In exchange for the Cooperative Agreement, Chief will pay the Commission a bonus of $2,000 per net mineral acre for a five year paid up primary term agreement and a royalty rate of 23% per thousand cubic feet (mcf) for all oil, gas and liquid hydrocarbons produced and sold from the areas in which the Commission owns the oil and gas rights. The bonus payments will be made in two installments and will be deposited either into an interest bearing escrow account to be used for the future purchase of wildlife habitats and/or lands acceptable to the Commission or deposited into the Game Fund. The first payment totaling $3,000,000 will be due within 60 days of the execution of the agreement. The second installment will be due on the first anniversary of the agreement and will be in the amount of the balance of the bonus value due to the Commission. Chief has agreed to pay the Commission a well pad location fee for surface damages for each well pad developed on the Game Lands. Further, Chief has agreed to store only freshwater in any impoundment and to pay the Commission an impoundment fee for each impoundment. Chief will also pay the Commission a double stumpage rate for any timber impacted as part of its operations. In lieu of free gas, Chief will make an annual payment to the Commission in the amount of $1,400. All surface damage fees as noted above will be paid into an interest bearing escrow account or into the Game Fund.
Chief’s oil and gas development under this Agreement will be regulated by the Commonwealth’s Oil and Gas Regulations and the Commission’s Requirements for Protection and Conservation of State game lands with Respect to Oil, Gas, and Liquid Hydrocarbon Production. This Agreement will also include a $50,000 performance bond.

Action:
G. Surface Coal Mining Agreement

State Game Land No. 75, Northcentral Region, Lycoming County

Commentary: Fisher Mining Co., Inc. of Montoursville, PA requests agreements to conduct surface coal mining operations on portions of State Game Land No. 75 located in Pine Township Lycoming County (Exhibit OGM 6).

A 66 acre portion of State Game Land No. 75 is designated as Thomas Northeast Extension and is proposed for mining an estimated 485,800 ton of the Lower and Middle Kittanning coals. This project is an extension of and is immediately adjacent to Fisher’s Thomas Northeast Mine operation on State Game Land No. 75.

As part of the reclamation plan, Fisher Mining will also implement the Appalachian Reforestation Reclamation Initiative reclamation type plan in order to achieve a forested post mining land use. The mining and reclamation plan will consist of leaving a coal barrier in place, adding a minimum of 1200 tons/acre of alkaline addition material on the pit floor to ensure alkaline post mining water quality and to control post mining groundwater flow into the existing Thomas Northeast permit.

The estimated surface mining support and coal royalty value of the proposed additional mining on the 66 acre tract has been estimated to be approximately $3,200,000. Fisher has agreed to an advance surface mining support payment of $1,500,000 which, in addition to all merchantable timber values, will be deposited either 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; or as credit value from lands directly conveyed to the Commission owned by Fisher now or in the future, such payment contingent upon the final execution of the agreement and a valid surface mining permit issued by the Department of Environmental Protection. All merchantable timber, which is cut and/or impacted by this mining operation, will be assessed by the Commission’s Northcentral Regional forestry staff at a double stumpage rate.

The agreement would provide for an exclusive, non-transferable lease option to Fisher Mining, such that the Commission will entertain additional surface mining and abandoned mine reclamation and water quality abatement proposals from Fisher Mining on a 314 acre portion of State game lands at such terms and conditions yet to be negotiated in the future and deemed to be in the best interest of the Commission and the wildlife resources and recreational uses inherent to State Game Land No. 75. Any approval of additional mining/reclamation projects by Fisher
within the “option” area must be approved by the Board of Commissioners under a separate action.

Mining will be regulated by the Commonwealth’s Surface Mining Regulations and the Commission's standard surface mining agreement.

Action:
EXHIBIT OGM 6
State Game Land No. 75
Surface Coal Mining
Cooperative Agreement & Option
Fisher Mining Company

Pine Twp., Lycoming County
NorthcentralRegion
Other New Business

The January Commission Meeting will be held on January 26, 27 and 28, 2014. 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