

# Natural Gas Development and State Forests

## Shale Gas Leasing Statistics

December 2012

### Fact Sheet



### Visit our website

DCNR maintains a comprehensive website about natural gas development on state forest lands. Visit [www.dcnr.state.pa.us/forestry](http://www.dcnr.state.pa.us/forestry) and click on "Natural Gas Drilling on State Forests."

For more information about natural gas development and state forest lands, call (717) 787-2703 or email [paforester@pa.gov](mailto:paforester@pa.gov).

The Department of Conservation and Natural Resources (DCNR) Bureau of Forestry manages Pennsylvania's 2.2 million-acre state forest system for many uses and values, including pure water, recreation, scenic beauty, plant and animal habitat, sustainable timber and mineral resources.

Natural gas extraction has been a use of the state forest system since 1947. This fact sheet offers a look at the current statistics on state forest lands as well as recent Marcellus Shale activity.

### Acreage Summary

- Marcellus Shale underlies approximately 1.5 million of the 2.2 million-acre state forest system.
- Approximately 700,000 acres of the 1.5 million in the Marcellus gas play are available for natural gas development.
- Leases issued by the Commonwealth total approximately 385,400 acres.
- Natural gas development occurs on approximately 290,000 acres through private leases where the Commonwealth does not own the subsurface rights (severed rights). The Commonwealth does not receive rents and royalties from these acres.
- The remaining acres in the Marcellus gas play include designated Wild Areas, Natural Areas, and sensitive ecological and recreation areas that are not available for natural gas development involving surface disturbance per DCNR policy and executive order.

### Shale Gas Leases

- DCNR has issued three shale gas-specific leases totaling 138,866 acres. Together they have generated \$413 million in "bonus-bid" revenue for the Oil and Gas Lease Fund.
- The first shale gas lease occurred in 2008, consisted of 74,023 acres, and generated \$163 million in revenue.
- The second lease sale was held in January 2010, consisted of 31,947 acres, and generated \$130 million.
- The third lease occurred in May 2010, consisted of 32,896 acres, and generated \$120 million.
- Shale gas extraction (deep drilling) is allowed on areas previously leased for shallow gas drilling.

### Shale Gas Wells

- DCNR has approved 211 well pads and 842 shale gas wells since 2008 (2008, 21; 2009, 179; 2010, 284; 2011, 315 2012, 55). Each well pad can host 6 to 24 wells.
- Approximately 276 wells have been drilled and are capable of producing natural gas. They have generated approximately \$100 million in royalty revenue since 2008.