



# pennsylvania

DEPARTMENT OF CONSERVATION  
AND NATURAL RESOURCES

Mailing date: January 6, 2012

Brian G. Glass, Esquire  
Law Staff Chair  
Citizens for Pennsylvania's Future  
1500 Walnut Street, Suite 502  
Philadelphia, PA 19102

**RE: Right-to-Know Law Request # 11-1044**

Dear Mr. Glass:

On December 2, 2011, the Department of Conservation and Natural Resources ("DCNR") received your revised request, on behalf of Citizens for Pennsylvania's Future ("PennFuture"), for information concerning the DCNR's projections or estimates of how much money will be coming into the Oil and Gas Lease Fund in the future.

Specifically, PennFuture requested copies of the following records:

Any memoranda, reports, emails or correspondence containing projections of future rents and royalties from oil and gas leases of any land owned by the Commonwealth, sent after November 18, 2010, to any of the following: the Bureau of Forestry or any office or section therein, The Secretary of the Department, the Deputy Secretary for Parks and Forestry, the Director of the Bureau of Forestry, the Governor's Office, the Governor's Budget Office, the Governor's Energy Executive, members of the General Assembly or their staff, the Deputy Secretary for Administration, the Acting Secretary for Administration, the Deputy Secretary for Conservation and Technical Services, the Acting Chief Counsel for the Department, or the Policy Director of the Department.

Under the RTKL, a written response to your request was due on or before December 9, 2011. On December 6, 2011, under the provisions of 65 P.S. §67.902(b)(2), DCNR provided an interim response, not a final response, to your request, notifying you that because of the need for legal review to determine whether the requested records are subject to access under the RTKL, the Department would require up to an additional thirty (30) days, i.e., until January 9, 2012, in which to respond to your request.


In responding to a RTKL request, an agency is not required to create a record which does not currently exist or to compile, maintain, format or organize a record in a manner in which the agency does not currently compile, maintain, format or organize the record. [65 P.S. § 67.705].

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In addition, under the provisions of 65 P.S. §67.708(b)(10), (hereafter referred to as "Exception 10"), the following information would be exempt from disclosure:

The internal, predecisional deliberations of an agency, its members, employees or officials or predecisional deliberations between agency members, employees or officials and members, employees or officials of another agency, including predecisional deliberations relating to a budget recommendation, legislative proposal, legislative amendment, contemplated or proposed policy or course of action or any research, memos or other documents used in the predecisional deliberations.

The records covered include predecisional deliberations relating to budget or legislative actions or to a:

- contemplated or proposed policy, or
- course of action; or
- any research, memos; or
- other documents used in the predecisional deliberations.

Furthermore, the exemption also includes predecisional deliberations between different agencies, as well as within an agency. Predecisional deliberative communications between an agency and the Governor's Office or any other agency, are exempt, as well as such communications within the agency. This includes deliberations between an agency's "members, employees or officials" or between such individuals and the "members, employees and officials" of another agency.

In addition, the RTKL also excludes from the definition of a "public record" documents protected by a privilege. [65 P.S. §67.102]. "Privilege" is defined as "[t]he attorney-work product doctrine, the attorney-client privilege, the doctor-patient privilege, the speech and debate privilege or other privilege recognized by a court interpreting the laws of this Commonwealth."

Therefore, in response to your request, please be advised that after a legal review your request is **granted in part** and **denied in part**. After a diligent search of the currently available records regularly kept in the ordinary course of business by DCNR, it has been determined that some of the records you have requested are "public records" for purposes of the RTKL, and, thus, are subject to disclosure and have been provided to you with this response numbered pages one (1) to six (6). However, pursuant to Exception 10 [65 P.S. §67.708(b)(10)], DCNR has withheld the information described below that has been determined to be properly exempt from disclosure under the RTKL:

The internal, predecisional deliberations of DCNR, its members, employees or officials or predecisional deliberations between DCNR members, employees or officials and members, employees or officials of another agency, including predecisional deliberations relating to a budget recommendation, legislative proposal, legislative amendment, contemplated or proposed policy or course of action or any research, memos or other documents used in the predecisional deliberations regarding and/or containing projections of future rents and royalties

from oil and gas leases of any land owned by the Commonwealth, sent after November 18, 2010.

In closing, you have a right to appeal this decision and denial of Predecisional deliberative communications and Predecisional deliberative information in writing to Terry Mutchler, Executive Director, Office of Open Records ("OOR"), Commonwealth Keystone Building, 400 North Street, 4<sup>th</sup> Floor, Harrisburg, Pennsylvania 17120. If you choose to file an appeal, you must do so within fifteen (15) business days of the mailing date of this response. In order to appeal, you must send to the OOR and simultaneously to me, in the same manner as the appeal is sent to the OOR (e-mail, fax, mail or hand delivery): (1) this response, (2) your request; (3) the appeal form that is available on the OOR website at: <https://www.dced.state.pa.us/public/oor/appealformgeneral.pdf>; (4) a statement of the grounds you assert for why your request should not have been denied; and (5) a statement that addresses any grounds for denial stated by the agency. The OOR requires that all of these items be submitted for your appeal to be valid.

Should you have any questions regarding this letter, please contact this office by telephone, facsimile or mail at the numbers and address set forth herein.

**Please be advised that this correspondence will serve to close this record with our office as permitted by law.**

Sincerely,



Connie Plonowski  
Agency Open Records Officer  
Department of Conservation and  
Natural Resources  
P.O. Box 8767  
Harrisburg, PA 17105-8767  
Phone: 717-772-4171  
[RA-DCNRRightToKnow@state.pa.us](mailto:RA-DCNRRightToKnow@state.pa.us)

**Novak, Christina**

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**From:** Novak, Christina  
**Sent:** Wednesday, September 14, 2011 11:38 AM  
**To:** 'Tim Puko'  
**Subject:** RE: oil and gas lease fund #s

**COPY**

Tim –  
Some answers below.  
Chris

**Christina Novak** | Press Secretary  
Department of Conservation and Natural Resources  
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**From:** Tim Puko [mailto:tpuko@tribweb.com]  
**Sent:** Tuesday, September 13, 2011 11:43 PM  
**To:** Novak, Christina  
**Subject:** RE: oil and gas lease fund #s  
**Importance:** High

Many thanks for all of that information. I'm sorry that it's taken me awhile to respond. It was trapped by my spam filter for several days, and then I was in Philadelphia for the Shale Gas Insight Conference.

I now have a few follow-up questions that I'm hoping you can answer Wednesday.

1. Do you have any projections on how much money these contracts will bring in future years?

The projection for this current fiscal year is \$63 million in to the Oil and Gas Lease Fund. We do not have anything beyond that as circumstances are constantly changing.

2. How much of the money is going to the Oil and Gas Lease Fund? I'm under the impression that the rules have been changed so that 100 percent of the money doesn't have to go to that fund any longer, but how exactly does it work?

All of the money goes in to the Oil and Gas Lease Fund. In several previous years, the General Assembly diverted dollars from the fund as part of the budget legislation but they were one time transactions.

3. This big boost in money over the past couple years, what has it been used on?

As I mentioned, some of the funds were diverted to the General Fund. Other than that, we use it for conservation and recreation purposes including state park and forest infrastructure projects, land acquisition, equipment, etc.

4. Do you have similar year-by-year information on the number of acres leased?

I need to check on this, it might take a little longer to get back to you.

5. I saw the website lists 692,000 acres under lease for natural gas production. Last year we noted 150,000 acres leased under the Rendell administration, and that included the Game Commission, too. How much of that difference came from historical leases?

I'm not sure I totally understand this question, but all of the difference would be from historical leases if I am getting your gist.

6. What's the update on the moratorium? I believe it ended in February. What has your directions on land leasing has DCNR received since then? How many potential leases are now under discussion?

The moratorium currently remains in place. We have not to date done any preparations for future leasing. The Marcellus Shale Commission recommended that any future leasing of state forest land be done with little or no surface impacts (such as accessing the area underground from an adjacent well on private lands). The governor is still considering all of the commission recommendations.

Timothy Puko  
The Pittsburgh Tribune-Review

Office: 412.320.7991  
Mobile: 724.787.1465  
Fax: 412.320.7965

D.L. Clark Building, third floor  
503 Martindale St.  
Pittsburgh, PA 15212

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**From:** Novak, Christina [mailto:cnovak@pa.gov]  
**Sent:** Wednesday, August 31, 2011 2:40 PM  
**To:** Tim Puko  
**Subject:** oil and gas lease fund #s

Hi Tim -- Attached is a document that outlines the dollars coming in to the Oil and Gas Lease Fund.

You will see different columns for leases, rents, royalties, etc. and will note that the largest amounts in the recent years were related to leases to extract gas from the Marcellus Shale.

These numbers are obviously for a calendar year.

Let me know if you have any questions.  
Chris

**Christina Novak** | Press Secretary  
Department of Conservation and Natural Resources

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**OIL AND GAS LEASE FUND**  
**INFLATION ADJUSTED HISTORICAL INCOME STREAM**  
*January 1, 2011*

<u>Year</u>	<u>Gas Storage</u> <u>Rentals</u>	<u>O &amp; G Lease</u> <u>Rentals</u>	<u>O &amp; G Lease</u> <u>Royalties</u>	<u>O &amp; G Lease</u> <u>Total</u>	<u>Total</u> <u>Income</u>
1947	\$0	\$1,022	\$0	\$1,022	\$1,022
1948	\$0	\$2,016	\$119,328	\$121,344	\$121,344
1949	\$0	\$1,633	\$288,105	\$289,738	\$289,738
1950	\$0	\$143,561	\$237,969	\$381,530	\$381,530
1951	\$0	\$189,473	\$204,660	\$394,133	\$394,133
1952	\$0	\$723,225	\$1,143,385	\$1,866,610	\$1,866,610
1953	\$0	\$817,535	\$1,879,386	\$2,696,921	\$2,696,921
1954	\$0	\$469,023	\$5,887,370	\$6,356,393	\$6,356,393
1955	\$0	\$228,275	\$4,158,730	\$4,387,005	\$4,387,005
1956	\$39,700	\$208,928	\$4,427,055	\$4,635,983	\$4,675,683
1957	\$83,113	\$279,963	\$1,685,703	\$1,965,666	\$2,048,779
1958	\$84,966	\$360,604	\$1,356,979	\$1,717,583	\$1,802,549
1959	\$84,172	\$333,377	\$793,399	\$1,126,776	\$1,210,948
1960	\$100,202	\$219,191	\$651,082	\$870,273	\$970,475
1961	\$113,853	\$189,360	\$476,858	\$666,218	\$780,071
1962	\$114,861	\$230,360	\$1,672,554	\$1,902,914	\$2,017,775
1963	\$114,861	\$277,046	\$429,122	\$706,168	\$821,029
1964	\$114,861	\$230,546	\$377,151	\$607,697	\$722,558
1965	\$114,861	\$198,845	\$294,604	\$493,449	\$608,310
1966	\$114,861	\$25,035	\$224,740	\$249,775	\$364,636
1967	\$114,861	\$56,719	\$202,923	\$259,642	\$374,503
1968	\$115,192	\$213,121	\$195,644	\$408,765	\$523,957
1969	\$116,399	\$59,946	\$165,071	\$225,017	\$341,416
1970	\$116,383	\$65,108	\$155,570	\$220,678	\$337,061
1971	\$118,525	\$267,188	\$139,658	\$406,846	\$525,371
1972	\$118,646	\$751,659	\$129,224	\$880,883	\$999,529
1973	\$121,846	\$358,802	\$120,378	\$479,180	\$601,026
1974	\$230,293	\$355,160	\$357,150	\$712,310	\$942,603
1975	\$275,772	\$150,160	\$75,247	\$225,407	\$501,179
1976	\$360,763	\$96,783	\$246,426	\$343,209	\$703,972
1977	\$417,492	\$166,600	\$88,688	\$255,288	\$672,780
1978	\$489,157	\$2,912,824	\$37,628	\$2,950,452	\$3,439,609
1979	\$607,064	\$670,732	\$41,099	\$711,831	\$1,318,895
1980	\$668,212	\$3,259,679	\$53,596	\$3,313,275	\$3,981,487
1981	\$720,040	\$5,782,264	\$55,207	\$5,837,471	\$6,557,511
1982	\$740,970	\$4,096,289	\$63,401	\$4,159,690	\$4,900,660
1983	\$733,494	\$1,770,915	\$409,421	\$2,180,336	\$2,913,830
1984	\$927,993	\$2,596,954	\$1,051,065	\$3,648,019	\$4,576,012
1985	\$935,426	\$2,780,875	\$1,282,461	\$4,063,336	\$4,998,762
1986	\$966,932	\$1,661,590	\$1,442,148	\$3,103,738	\$4,070,670
1987	\$970,508	\$1,733,042	\$1,360,171	\$3,093,213	\$4,063,721
1988	\$988,362	\$1,231,895	\$1,800,408	\$3,032,303	\$4,020,665
1989	\$1,041,656	\$1,005,234	\$2,707,610	\$3,712,844	\$4,754,500
1990	\$1,048,531	\$1,588,668	\$2,513,166	\$4,101,834	\$5,150,365
1991	\$1,100,705	\$1,325,086	\$2,187,643	\$3,512,729	\$4,613,434
1992	\$1,103,538	\$744,043	\$2,108,048	\$2,852,091	\$3,955,629
1993	\$1,124,917	\$481,886	\$1,619,350	\$2,101,236	\$3,226,153
1994	\$1,185,549	\$321,717	\$1,327,362	\$1,649,079	\$2,834,628
1995	\$1,197,003	\$295,306	\$976,654	\$1,271,960	\$2,468,963
1996	\$1,625,090	\$721,927	\$1,010,017	\$1,731,944	\$3,357,034
1997	\$1,628,117	\$189,629	\$1,003,610	\$1,193,239	\$2,821,356
1998	\$1,628,278	\$131,879	\$1,104,162	\$1,236,041	\$2,864,319
1999	\$1,557,019	\$170,891	\$975,496	\$1,146,387	\$2,703,406
2000	\$1,493,019	\$44,381	\$1,528,179	\$1,572,560	\$3,065,579
2001	\$1,910,493	\$183,905	\$1,540,417	\$1,724,322	\$3,634,815
2002	\$1,794,620	\$1,653,644	\$1,048,710	\$2,702,354	\$4,496,974

2003	\$1,838,959	\$112,409	\$1,519,285	\$1,631,694	\$3,470,653
2004	\$1,785,640	\$141,247	\$1,545,974	\$1,687,221	\$3,472,861
2005	\$1,828,472	\$90,494	\$1,783,592	\$1,874,086	\$3,702,558
2006	\$2,238,026	\$173,434	\$2,402,583	\$2,576,017	\$4,814,043
2007	\$2,224,935	\$75,426	\$2,069,163	\$2,144,589	\$4,369,524
2008	\$2,245,823	\$6,064,636	\$3,128,586	\$9,193,222	\$11,439,045
2009	\$2,331,670	\$163,303,356	\$1,596,962	\$164,900,318	\$167,231,988
2010	\$2,288,064	\$262,796,706	\$11,821,463	\$274,618,169	\$276,906,233
	\$48,154,765	\$477,783,227	\$83,298,796	\$561,082,023	\$609,236,788

**Novak, Christina**

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**From:** Novak, Christina  
**Sent:** Thursday, February 17, 2011 10:29 AM  
**To:** 'tbarnes@post-gazette.com'  
**Subject:** rents and royalties

**COPY**

Tom –  
See info below for the past two calendar years.

As you can see, the royalties are beginning to increase as we have more wells come on line. This is expected to continue.

The column that says “bonus” is the one-time-only slug of money that we get when we do a competitive bid on leasing new lands. The large amount represents the first year’s rent. Following that the rents are all the same at \$25 an acre for years 2 through 5. So, we would not see another big slug of money like this for 2011 unless we would do another lease sale.

These rents and royalties are generated from leases on state forest lands where we own the mineral rights. Where we do not own the rights, we would not get any rents or royalties.

All of these monies currently go to the Oil & Gas Lease Fund.

Let me know if you have questions,  
Chris

**Christina Novak** | Press Secretary  
Department of Conservation and Natural Resources  
Phone: (717) 772-9101 | Fax: (717) 772-9106  
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2009	All Royalties \$1,596,961	Bonus \$ 163,303,356	Rentals \$1,215,900
2010	All Royalties \$11,818,451	Bonus \$261,149,171	Rentals \$1,647,535