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Environmental Quality Board

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ENVIRONMENTAL QUALITY BOARD

2009-12-15

#2806

SUBJECT: Marcellus regulations -- Chapter 95

My name is Bill McLroy. I live in the Ross Township and have my offices in south Butler County.

I am the principal owner of an industrial business that has been manufacturing products for the drilling of oil and gas wells for 90 years. During the 1980s industrial North America shut down and the steel industry in Western Pennsylvania all but disappeared. We served that industry, and barely survived. In 1991 we moved the remnant business to Alberta. The products we make are used to tap into Canadian geologic structures similar to the Marcellus shale.

In the 1990s I could have easily moved to anywhere in North America, but I chose to stay in this area because of the beauty of Western Pennsylvania -- the trails and streams, the woodlands and ponds.

The natural gas trapped in the Marcellus Shale and similar structures represents an incredible opportunity for both the industry of North America and the environment.

Industry. 1) The quantities of natural gas in tight shale deposits are vast. It was only a few years ago when investors were trying to line up money to build Liquefied Natural Gas terminals along our coast lines to import LNG to North America. That has largely stopped and some consortiums are thinking about using the terminal sites for export. 2) Industries that depend on huge quantities of energy -- steel, aluminum, fertilizers and plastics -- need stable sourcing. Marcellus can give that to them. Electricity transmitted through wires is far more expensive than natural gas as a direct energy source into a furnace/smelter or chemical plant. 3) Natural gas as a direct feed stock making steel, plastics, fertilizer, etc. will enable the US to undersell China in non-labor intensive industries and create solid middle class jobs here.

Natural gas can be a game changing event for industry in North America.

Environment. 1) Natural gas emits about 50% of the airborne pollutants of coal. 2) 50% of the electricity generated in the US is coal sourced. Natural gas could be used to transition from coal to newer technologies at a huge saving of airborne pollutants. (These new technologies are interesting, but largely unproven when one is looking at the massive scale needed to address the current and coming energy needs of this country.) 3) The single worst point source of air pollution in western PA is the Clairton coke works. USSteel has announced plans to install clean technology at a price of \$1B. Cleaner, but it is still coked coal. Perhaps a stable source of Marcellus gas would be a better option economically and environmentally. 4) Duke Energy and Progress Energy in the southeast have recently announced the closing of 29 small coal fired electrical generation stations. Most will be converted to natural gas.

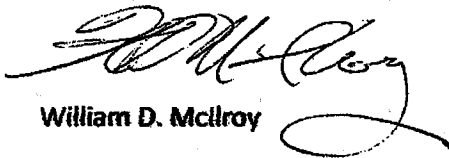
Natural gas can be a game changing event for the environment of North America.

DEP is examining proposed changes to Chapter 95, Wastewater Treatment requirements.

- 1) DEP has proposed a strong discharge standard for Total Dissolved Solids. Do not weaken it.
- 2) The permitting process should follow the regulation process, not precede it.
- 3) Chemicals used in the drilling process should have appropriate standards set by DEP.
- 4) DEP should assure that there is a Record of Responsibility for each drilling permit issued that delineates the quantities and makeup of the frackwater used and its disposal.

You are charged with examining the need for appropriate regulations to protect the surface and sub surface of Pennsylvania. I do not believe that the concerns of industry and environment are, or need to be, mutually exclusive. Industry should be held to a high standard. Well run businesses know that it is much easier and less expensive to do job correctly in the first instance than it is to go back and clean up mistakes later. Low standards tend to invite the less competent, those who see a quick buck and leave the problems for others. Pennsylvania has seen its share of those. Just take a walk along the main trail at Oil Creek State Park and look at the historical pictures along the way. What was once an industrial hell hole is now a beautiful valley – but it took 100 years to bring it back.

Let's do the job correctly the first time and skip the clean up. Thank you.



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