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Cooper, Kathy

**From:** cogent121@gmail.com on behalf of Emily Krafjack <ekrafjack@cogentpa.org>  
**Sent:** Thursday, September 26, 2013 4:08 PM  
**To:** EP, RegComments  
**Subject:** Public Comment - Oil & Gas Well Fee Amendments  
**Attachments:** Public Comment - Oil & Gas Well Fee Amendments.pdf; Public Comment - Oil & Gas Well Fee Amendments for EQB Packet 09262013.pdf

Greetings!

Attached please find two documents, one being our submitted public comment and the other our one page summary for the EQB packets.

If you are unable to open the documents, please reply.

Thank you.  
Emily

*Connection for Oil, Gas & Environment in the Northern Tier, C.O.G.E.N.T.* is a resource for those seeking reliable, objective information regarding all aspects relative to the development of unconventional shale resources. *C.O.G.E.N.T.* is a resource for landowners and communities alike striving to find and advocate for a balance that supports public health and safety, community and the environment balanced with the needs of industry.

Emily E. Krafjack | President  
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September 26, 2013

Environmental Quality Board  
PO Box 8477  
Harrisburg PA 17101-2301  
[RegComments@pa.gov](mailto:RegComments@pa.gov)

RE: Oil and Gas Well Fee Amendments

Environmental Quality Board:

Connection for Oil, Gas and Environment in the Northern Tier, Inc., focuses on the five county region of Bradford, Sullivan, Susquehanna, Tioga and Wyoming Counties. C.O.G.E.N.T. is a resource for landowners and communities alike striving to find and advocate for a balance that supports public health and safety, community and the environment balanced with the needs of industry. Three of our counties, Bradford, Susquehanna and Tioga are in the top five counties for unconventional drilled wells, with Bradford (1), Tioga (3) and Susquehanna (4). All five of our counties are in the top ten counties for unconventional well violations; Bradford (1), Susquehanna (2), Tioga (4), Wyoming (7) and Sullivan (8). There are approximately 183,000 souls in the five county 3,987 square mile region. Many of us and our families, now live near unconventional gas well sites, and have them within and around our rural, farmland and forested communities. We also have unconventional gas well sites located near our children's schools. Because of these facts, we take a keen interest in adequate funding for the Department of Environmental Protection's Oil and Gas Program. We want to see an efficient, modernized, robust program with adequate staffing levels to ensure that the areas we love most and live within, are adequately protected for public health and safety, the environment and our communities at large. It is therefore the reason that we write to support the Department's Office of Oil and Gas

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Management proposed rulemaking to increase unconventional oil and gas permit fees.

**The Fee**

The Department's proposed rulemaking establishes flat permit fees of \$5,000 and \$4,200 regardless of the total length of the well. This is a good idea. It provides industry with the predictability and consistency they desire, the fee becomes a fixed cost. It also provides the Department with the ability to adequately forecast budgetary needs to meet program obligations. The Department has provided the accounting schedule which indicates this is a most reasonable approach and fee. Lacking this fee modification and increase, the Program will be seriously limited in how the program is administered and regulations are enforced, which is an extremely important issue to Northern Tier residents who live in the gas fields and may find themselves or their properties impacted by some unfortunate incident.

**Streamlined Electronic Review**

In many areas, the Department has lagged behind with utilization of electronic technology. The industry will certainly benefit with more electronic reporting options. The Department and the public will benefit as well. While the Department has made headway with the interactive reporting of spud wells, violations, production and other reports, there are still reports and information that are needed for transparency and easy access. For example, the industry has well noted that they are reporting every drop of water and its movement from withdrawal source to disposal, but there is no easy way for the Department to track this data. This is necessary for many reasons, including compliance issues and enforcement. The Department, due to growing pains primarily has no way to query how many impoundments, fresh or flowback are within the state, a region or county. This is important and needed information for compliance issues and enforcement, as well as, the need for such relevant public information. The Department needs to move forward with mapping so the public can readily see the well pads, impoundments, pipelines and pipeline facilities located within their areas of concern. Many counties

are attempting to map such information. It makes more sense to have one centralized mapping entity statewide, and since DEP issues all the permits and has the GIS data, they need to do the mapping and have it accessible for the public. This will also assist with planning issues when well pads, pipelines and facilities are located near/on/over county borders.

Another issue that streamlining electronic review may solve is assisting field staff to be more productive. Field staff will be in the field where we need and most want them to be. The public also is very interested in seeing the plat maps for wells. Making the permit applications available online, will solve yet another issue and reduce the need for the Department's clerical staff to spend so much time pulling files for file reviews. The more information available online, the more time the File Room Staff will have to do more clerical duties and less public interaction.

### **Staffing Needs**

Act 9 and Act 13 created more requirements providing for prompt response from the Department's Field Staff. Those of us who live in the gas fields are very pleased with these new requirements that provide for more oversight especially on well pads near our homes and schools. Many of us rely on private water supplies and the Department's astute attention to casing cementing procedures helps to ensure that our water supplies are being adequately protected. In Wyoming County earlier this year, the Yarasavage Well operated by Carrizo had a serious incident. During a hydraulic fracturing operation well over 200,000 gallons of fluids were uncontrollably released and later contained and trucked offsite. Our Department's Field Staff was pulled from every direction to come to the site and assist with water sampling and other emergency related tasks. These are qualified individuals who in some cases, hastened at a moment's notice to be onsite and monitor the situation in the interests of public health and safety and the environment. While we do not want such incidents to occur, we are very fortunate to have such qualified and devoted staff on the eco-beat on our behalf. As the drilling continues, there are more and

more pads, more and more wells to inspect and on occasion the need to be ready to swiftly spring into action. This increase in fees will provide in the future for our field staff to be ready and following their daily eco-beat or when the situation requires, respond to an emergency event such as Yarasavage.

Staffing needs in the Bureau of Oil & Gas Planning and Program Management must also be met. These are our regulators who take care to develop better regulations, policies and technical guidance documents pertaining to well construction and surface activities. C.O.G.E.N.T. has no desire to over-regulate the unconventional oil and gas drilling industry, but we continue to see where the industry needs to be encouraged to do better, and regulations are the tool to see that is done. Remember, these operators are not industry in the traditional sense of operating a factory at the edge of town. They are operating very near in some cases to our homes and schools. We therefore, need to be on top of the latest methods, procedures and latest breaks in technology in order that our Commonwealth's unconventional gas fields are adequately protected with reasonable public health and safety and environmental regulations.

### **Conclusion**

The new Oil and Gas Well Fee structure and increase is reasonable to ensure that public health and safety, the environment and our rural, farmland and forested communities are adequately protected by having an adequate amount of eco-cops on the beat to ensure regular policing in the gas fields and prompt response in the case of an emergency event. This rulemaking will also provide for a continual improvement for the Oil and Gas Program's IT needs. And, finally, the rulemaking will provide much needed funds for the Bureau of Oil & Gas Planning and Program Management to have adequate staffing in order to be responsive to the fluid nature of the unconventional oil and gas industry. Therefore, we advise that we support this rulemaking as written for adoption.

Thank you for the opportunity to submit a comment on a rulemaking that really does have the propensity to affect families within our rural, farmland and forested communities, the places where we live and raise our families which are now near and next to unconventional well sites.

Best Regards,

A handwritten signature in cursive script that reads "Emily E. Krafjack".

Emily E. Krafjack  
President



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[RegComments@pa.gov](mailto:RegComments@pa.gov)

RE: Oil and Gas Well Fee Amendments – Comment Summary

Please be advised we support the proposed rulemaking in its entirety as written for adoption. Our reasons are outlined as below noted.

- C.O.G.E.N.T. focus area includes Bradford, Sullivan, Susquehanna, Tioga and Wyoming Counties. Three of our counties are in the top five, Bradford (1), Tioga (3), Susquehanna (4) for drilled unconventional wells.
- All five counties are in the top ten for counties having unconventional gas well violations, Bradford (1), Susquehanna (2), Tioga (4), Wyoming (7) and Sullivan (8).
- Unconventional gas wells are located near homes, schools and within and around our rural, farmland and forested communities.
- We want to see an efficient, modernized, robust program with adequate staffing levels to ensure our Marcellus Shale region is adequately protected for public health and safety, the environment and communities at large.
- The new fee structure and increase is reasonable and provides industry with predictability and consistency.
- The fee increase provides for streamline review benefiting industry with more electronic IT options. This extends to benefiting DEP through database and other much needed improvements, such as greater field and clerical staff efficiencies. Benefits also extend to the public with right to know requests and other information hopefully available online.
- Act 9 and Act 13 requirements provides for prompt field staff response, this is extremely important to those of us living within the gas fields, with protection of water supplies and during emergency events,
- The industry continues to need encouragement to operate more safely near our homes and schools, the best way to encourage we have found is through reasonable regulations. We need the Bureau of Oil & Gas Planning and Program Management adequately staffed to initiate reasonable regulations, policies and technical guidance documents.

Best Regards,

Emily E. Krafjack  
President