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April 5, 2016

The Honorable John F. Mizner, Esq., Chairman
Independent Regulatory Review Commission
333 Market Street, 14th Floor
Harrisburg, PA 17101

Re: Environmental Protection Performance Standards at Oil and Gas Well Sites (25 Pa. Code Chapters 78 and 78a)

Dear Chairman Mizner:

Cabot Oil & Gas Corporation (“Cabot”) is one of the largest producers of natural gas in Pennsylvania’s Marcellus Shale and has invested billions of dollars into the Commonwealth’s economy. Our employees are members of the community, and we strive to be a good neighbor in our areas of operations. In addition to its lessors, contractors and the many small businesses that have profited from its operations, Cabot employs hundreds of Pennsylvania workers and has partnered with dozens of community organizations in an effort to leave a lasting legacy for our future generations.

Please consider this letter our opposition to the proposed 25 Pa. Code Chapters 78 and 78a which make extensive revisions to the current regulations for oil and gas operations in Pennsylvania.

The Marcellus Shale Coalition (MSC), of which Cabot is a board member, recently submitted a letter detailing the many issues, inconsistencies and oversteps these rules seek to propagate. Cabot fully agrees with their comments and has included a copy of this letter with its own submission. Nevertheless, it is important to summarize some of the most glaring critiques below.

- The Department of Environmental Protection’s (“DEP”) rulemaking process is in direct violation to the Regulatory Review Act (“RRA”).
- The proposed rules lack clarity and practicality, which is compounded by missing or vague definitions and confusing and contradictory parameters.
- A failure to provide the forms, which would be required by these new regulations, violates the requirements of the RRA. A failure the DEP acknowledged and stated is a common occurrence in its rulemaking process.
- The implementation of these required rule changes will add substantial costs to operations, yet the DEP conducted little outreach or research to determine the true cost analysis in further violation of the RRA.

- The expansive overreach of the term “public resources” not only violates the enabling statute, but it was expressly enjoined by the Pennsylvania Supreme Court in *Robinson Township v. Commonwealth*.
- Both the Oil & Gas Technical Advisory Board and the Conventional Oil & Gas Advisory Committee issued resolutions denouncing these regulations.

Even more troubling is the fact that the DEP has acknowledged many of these shortcomings at its town halls and even before the Environmental Quality Board. Laws and regulations are meant to be intelligible, clear and predictable. The DEP has admitted that it intends to interpret many of these provisions in a manner that is inconsistent with the drafted language. This will force operators, like Cabot, into the precarious situation of either complying with the drafted language or with what the DEP claims is its interpretation.

While Cabot supports strong, consistent environmental standards, the above issues coupled with the price environment would unnecessarily force further reductions on our budgets, and ultimately, on the supporting workforce, and in most instances with little environmental benefit beyond the current regulations. We ask IRRC takes these concerns, in addition to the expansive list submitted previously in this rulemaking process, into account during your final rulemaking.

Sincerely,



George E. Stark
Director, External Affairs

cc: Commissioner George D. Bedwick
Commissioner W. Russell Faber
Commissioner Murray Ufberg, Esq.
David Sumner, Executive Director, IRRC
House Environmental Resources & Energy Committee
Senate Environmental Resources & Energy Committee