

Kathy Cooper

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From: Mark Cline <mark.cline@aol.com>
Sent: Sunday, April 17, 2016 3:29 PM
To: IRRC
Subject: April 21 meeting on Chapter 78& 78a
Attachments: PIPP Affidavit executed 3-24-16 (1).pdf; IRRC Mark Cline Sr..docx; IRRC Testimony of Mark Cline Jr. April 21, 2016.docx

The PIPP affidavit will be used by PGCC. My testimony and my sons are included. Thank you for the opportunity to testify. This is very important to us.

Mark Cline
Cline Oil, Inc.
mark.cline@aol.com

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RECEIVED
IRRC

AFFIDAVIT

COMMONWEALTH OF PENNSYLVANIA :
 : SS
COUNTY OF Mckean :

Mark Cline, President since October 1, 2014 and before that a member of the Board of Directors of the Pennsylvania Independent Petroleum Producers (PIPP), a trade group representing small oil and gas operators and businesses involved in or directly affected by Pennsylvania's conventional oil and gas industry, being duly sworn, deposes and says that:

1. As President and former Board Member of PIPP he is familiar with all correspondence sent and received by PIPP as well as all meetings conducted by PIPP;
2. In the course of formulating its final form rules relative to Chapter 78 (C) the Department of Environmental Protection (Department) did not reach out to PIPP to discuss costs of the final form rules, to ascertain actual costs of procedures and practices currently engaged in by PIPP members concerning conventional oil and gas operations, or to discuss potential alternatives for small businesses relative to the final form rules.
3. On March 5, 2015 PIPP submitted a 45 page document to the Environmental Quality Board (EQB) relative to proposed revisions to Chapter 78 (C), which showed PIPP's estimated costs of the new regulations. We showed the affects the cost would have on a small family run oil company, and how they would not be able to comply with the new regulations. Neither the EQB nor the Department thereafter consulted with PIPP concerning any matter contained in our document, yet financial estimates provided by the Department to the IRRC as contained in the 192 page Regulatory Analysis Form are inconsistent with financial information provided by PIPP.

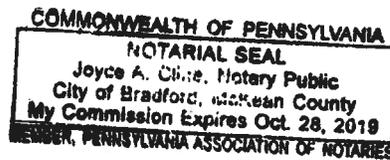
Pennsylvania Independent Petroleum Producers

Mark Cline

Mark Cline, President

Sworn to and subscribed
before me, a Notary Public,
this 24th day of March
2016.

Joyce A. Cline
Notary Public



Independent Regulatory Review Commission

April 21, 2016

Chairman and Committee members:

My name is Mark Cline Sr. I am President of PIPP, a member of PGCC and a member of COGAC. Today I am going to talk about how Act 2 clean ups do not work in our Industry for crude oil.

Federal Regulations specifically exempt crude oil and its associated materials as not "hazardous wastes". This means they are worst case, defined as Residual Waste and hence are not required to have laboratory analysis or manifesting.

Federal Register 40 CFR 261.4 B5 on Page 42 states section (b) Solid wastes which are not hazardous waste. Drilling fluids, produced waters, and other waste associated with the exploration, development, or production of crude oil, natural gas or geothermal energy.

Act 2 clean ups were designed to clean up large hazardous waste sites, not crude oil. Now I am going to show you how much environmental damage an Act 2 clean up does in our industry.

Pictures 1-4: Shows the tank battery and how the company had to dig up most of the secondary containment and haul away.

Picture 5: Shows the ditch beside the road leading to a culvert that runs under the road.

Pictures 6&7: Show the little creek that the company was allowed to flush with water, as we have always done. The water pushes the oil to an underflow dam where the oil is cleaned of the top.

Pictures 8-15: all the damage done by digging up the creek, and damage to surrounding areas from trying to get equipment near the creek to do the work.

The cleanup of this spill did so much environmental damage that it is easy to see that an Act 2 cleanup does not work in our industry. This is just one example. Every time the DEP has made some one use it there have been the same results.

This spill cost this company:

- 1) \$18,568 for consulting and lab work (which was done after the dirt was dug up and in the roll offs)
- 2) \$23,713 to put dirt in the landfill (which was a total waste of valuable space)
- 3) \$8,840 for use of Vac truck
- 4) \$71,240 for roll off rentals, trucking and an excavator
- 5) They spent \$155,000 without including the cost of labor for their own workers or equipment.
- 6) It took 1,436.5 man hours for this clean up.
- 7) The company hauled away 600.63 tons of dirt. (Which is 32 tractor trailer loads).

An Act 2 cleanup would put most small companies out of business.

Independent Regulatory Review Commission

April 21, 2016

Chairman and Committee members,

Thank you for the opportunity to testify today. My name is Mark Cline Jr. I am a member of PIPP and a 5th generation oilman. I am here today to try and save my job. I am going to talk about how an Act 2 cleanup has no place in our industry. Act 2 clean ups were designed for large hazardous waste sites. Let me repeat that. Act 2 clean ups were designed for large hazardous waste sites. Our production water is listed as a residual waste. According to the Departments 2015 Productions and Waste reports, 129,457 Barrels of production water were used for road spreading. This is a Dep approved process. A 2014 report from Penn Dot shows they used 1.2 million tons of salt on our highways. If we spill 5 gallons of our production water we have to report it, clean it up, and with these proposed regulations we will have to do Act 2 clean ups. How can the DEP justify us doing this when they let us road spread production water and have done studies to prove that it is safe. The Department has not shown any data that proves the way we cleaned up spills before, was not working.

Here are some more interesting facts that show why Act 2 clean ups should not be applied to our industry. Our production water weighs about 9 pounds per gallon, so 5 gallons weigh about 45 pounds which would be our reportable quantity. As I have already stated it is a residual waste.

The EPA list for Hazardous Materials is found at 49 CFR 172.101 Appendix A. On that list there are 717 hazardous materials that have a higher reportable quantity than our production water. Here are two examples:

- 1) Sulphuric Acid (Battery Acid)---Reportable Quantity 500 pds
 - a) North American Emergency Guide Book--- Guide #137 says about health: Toxic, inhalation, ingestion or contact with skin or eyes with vapor, dust or substance may cause severe injury, burns or death.
 - b) For a small spill isolate in all directions 200 feet. Keep people downwind during the day at least 0.01 miles and at night 0.05 miles
 - c) For cleanup wear Self Contained Breathing Apparatus.

2) Nitric Acid--- RQ 1,000 pds

- a) North American Emergency Guide Book---Guide #157 says about health: Toxic, inhalation, ingestion or contact with skin or eyes with vapors, dust or substance may cause severe injury, burns or death.
- b) For a small spill isolate in all directions for 200 feet. Keep people downwind during the day for at least 0.01 miles and at night 0.05 miles.
- c) For Cleanup wear Self Contain Breathing Apparatus.

These facts come from a Material Safety Data Sheet for our production water.

Section 2: Hazard Identification

This material is not considered hazardous according to OSHA criteria.

Section 3 Composition

Water 90%

Sodium Chloride (salt) 10%

Section 4: First Aid Measures

Skin Contact: First aid is not normally required

Inhalation: First aid is not normally required

Ingestion: First aid is not normally required

As I have shown our production water is harmless. The Dep lets us spread it on roads. Penn Dot spreads over a million tons of salt every winter. Why should we have to dig up an accidental spill and spend thousands of dollars on soil testing and hauling the material to a land fill? This regulation alone will put producers out of business with just one spill and will cause more environmental damage digging up the soil and filling up landfills. Please do not approve these regulations. Thank you.