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McKean County Planning Commission

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January 22, 2014

Environmental Quality Board
P.O. Box 8477
Harrisburg, PA 17105-8477



REF: Proposed Regulations for Oil and Gas Surface Activities

Dear Sir or Madam:

This correspondence is to provide comment on the proposed regulations for oil and gas surface activities. We understand the importance of protecting the environment and water resources in the State. However, in northwestern Pennsylvania, McKean County, we have had extensive experience with **conventional** oil and gas drilling for over 150 years. The industry operates successfully under the current regulations, provides many full time jobs to the region, and strives to maintain a balance between the environment and economic gain. Many of our companies are locally owned and family operated; classified as a small business by State definition (having less than 500 employees); and maintain a modest profit margin.

Imposing new, more stringent regulations on the **conventional** drilling industry will have an adverse economic impact on not only the company owners, but their employees and the communities where they live. Conventional wells do not produce the volume of product that the unconventional wells do. So the small companies are not seeing the economic gain experienced by the Marcellus and Utica shale drilling companies. If more regulation means an increase in the cost of drilling and production for the conventional well owners, they will not be able to remain in business. According to the DEP Regulatory Analysis Form - Environmental Protection Performance Standards at Oil & Gas Sites, **the estimated annual cost of this regulation on conventional operators is between \$5,389,360 and \$12,006,000.**

In McKean County, the conventional well drillers/owners supply the local refinery, American Refinery Group, with the product they need. The refinery supplies the market for the oil and gas drillers. It is a positive and profitable relationship that could be jeopardized if the local companies are forced to close up their drilling operations. We urge you to re-examine the proposed regulations carefully to assure that they apply to the unconventional drilling industry and will not impose a further hardship on the conventional oil and gas drilling industry.

Thank you for the opportunity to comment on the proposed regulations.



Sincerely,
Deborah L. Lunden
Deborah L. Lunden,
Director