



Pennsylvania Grade Crude Oil Coalition  
 P.O. Box 211  
 Warren, PA 16365  
 Phone: (814) 230-3033  
 Email: [admin@pagcoc.org](mailto:admin@pagcoc.org)  
[www.pagcoc.org](http://www.pagcoc.org)

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FEB 21 2014

DEP Policy Office

The PA Department of Environmental Protection (DEP) has proposed new rules to regulate the production of oil and gas. The new rules will regulate both the shallow "conventional" wells, and the new shale "unconventional" wells that are now being drilled across the state. The new rules take a one-size-fits-all approach that will result in new and expensive burdens on our conventional wells.

Our disagreement is not with the unconventional industry. These new unconventional shale wells are a marvel of technology; the oil and gas the unconventional shale wells bring to market are helping our country produce the energy we need. But the unconventional wells are very different. The one-size-fits-all approach of the new regulations will have a chilling effect on our conventional oil and gas production. For example, the proposed regulations impose very expensive industrial-like burdens when even a small amount of production water or oil is discharged (monitoring wells, soil removal, etc.). The proposed regulations impose technical requirements, such as slopes for pits, that make no sense in our industry, and that have an extraordinary cost. The list is long, and when the new requirements are added to recently enacted changes in casing and well reporting requirements, the cumulative burden becomes so expensive that the conventional oil and gas industry is in grave trouble. The impact on our company will ultimately have a significant impact on your company as well.

These are the reasons that we formed the Pennsylvania Grade Crude Oil Coalition. PGCC's members are refineries, suppliers and oil and gas producers from all across the conventional oil and gas footprint in PA. We are opposed to the one-size-fits-all regulations. The Mission of the Pennsylvania Grade Crude Oil Coalition is to advance local economies and energy independence by promoting shallow oil and gas production in a safe and environmentally sound manner.

The founding members believe that PGCC fills a unique niche, namely, a laser focus on the issues associated with the development of new conventional oil and gas wells in Pennsylvania. PGCC's focus is different than other organizations. Many of the PGCC founding members are also members of PIPP, and PIPP continues its valuable work in the "patch"—especially with regard to legacy wells. The majority of PIPP's membership is not involved in new well development. PIOGA's work in the patch is also valuable and many PGCC members are also members of PIOGA. However, much of PIOGA's effort is devoted to unconventional oil and gas issues. With greater well pressures, much larger site and resource needs, different development and production techniques, etc., unconventional wells are very different than conventional, and should be thought about and regulated differently.

**WE NEED YOUR HELP!** Comments opposing the new regulations **MUST BE SUBMITTED BEFORE FEBRUARY 12<sup>th</sup>, 2014**. Enclosed is a suggested comment letter. Please feel free to make as many copies as needed and encourage as many representatives from your company to sign and submit this letter to the Environmental Quality Board to the following addresses: Environmental Quality Board, P.O. Box 8477, Harrisburg, PA 17105-8477 or submit by email to [RegComments@pa.gov](mailto:RegComments@pa.gov).

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