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George Lazusky 40 Mechanic Street Eldred, PA 16731

January 20, 2014

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INDEPENDENT REGULATORY
REVIEW COMMISSION



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

Dear Board Members:

I am not an oil or gas producer but my job is one that is dependent on the oil and gas industry. I work at Lang Surveying, a small Surveying company that provides professional services for about 15 small conventional oil well drilling companies. I am writing to express my concern about the proposed changes to Chapter 78 Regulations affecting the oil and gas business.

Shallow (Conventional) oil and gas wells have been produced in our area for over 150 years. The proposed changes to Chapter 78, while applicable to 'unconventional' operations, may put small 'conventional' operations out of business. The proposed regulations will result in increased costs for oil and gas companies. The conventional oil companies that I work with will suffer significantly from these added costs. The profit margins in conventional oil and gas wells are low. The difficult economics are reflected in shrinking conventional oil and gas production; new conventional well completions have dropped from nearly 5000 wells six years ago to less than 1000 this past year. The conventional oil and gas industry is already in difficulty due to over-regulation.

As conventional oil and gas activity shrinks, Lang Surveying is hurt. In turn, the cost of the proposed regulations will further hurt Lang Surveying. The state has not done an adequate job of analyzing this harmful impact. Sadly, the harmful impact is being proposed even though the conventional oil and gas industry has had a very small impact on the environment. The proposed regulations do not take into account the small footprint, the minimal truck traffic, and small volumes of fluids involved in the conventional oil and gas industry. The cost of the proposed regulations is not justified.

Every day I see how important the oil and gas business is to our local economy. The proposed regulations are going to unnecessarily hurt our local economy. It is important that these new regulations not be passed in their current form. Please vote "NO" to the current regulations until their harmful economic impact is property analyzed and until the regulations are altered to support the economic well-being of the Commonwealth.

Sincerely,

george@langsurveying.com