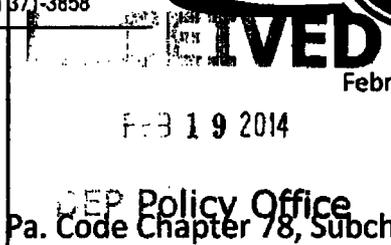


# OPEN FLOW GAS Supply Corp.

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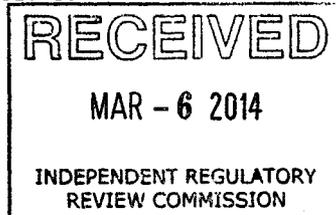


3042



February 6, 2014

Comments to the Amendments to 25 Pa. Code Chapter 78, Subchapter C.



Dear Board Members;

I am writing to urge you to VOTE NO to the proposed changes to Chapter 78 regulations.

I am a manager at a Conventional oil and gas company in western Pennsylvania. We are trying to stay afloat in these trying economic times. These proposed changes would virtually wipe-out the Conventional, (shallow/vertical), oil and gas industry in PA.

The justification used to modify the Oil and Gas Act was that Unconventional (deep/horizontal) Gas Well Development had changed the process for oil and gas extraction of the industry. This change vastly increased; site sizes, pit sizes, water utilized, gas production, waste production, road use, and general disturbances.

The Conventional oil and gas industry has had no substantial changes to its process for about 60 years. With the Conventional industry having no increased impact on the environment, I do not see the need for these increased regulations and burdens. The Conventional Oil and Gas Industry is comprised primarily of small business, family oriented operations. Most are multigenerational Pennsylvania companies that have provided jobs and energy for the Commonwealth for a long time, some for over 100 years.

These proposed revised regulations will further burden the Conventional Oil and Gas Industry with increased costs and paperwork. These increases will impact our industry immensely. With many Conventional, (shallow/vertical), operators being squeezed by a flooded gas market, unnecessary and costly regulations will push these previously stable companies to the brink. Remember that the small Conventional operators receive the same commodity prices for their oil and gas production as the large Unconventional operators.

Below are listed several of the major concerns I have with the Amendment;

- 1) Since the onset of Unconventional gas well drilling, well applications have morphed from a two page application to a ten plus page application which must be applied for electronically to the DEP website.
- 2) Within 1,000 feet of a well bore or lateral, the operator must locate abandoned or orphaned wells. Some of these wells were drilled in the 1800's (with wood conductor pipe). In the early 1900's, thousands of wells were abandoned with the casings pulled to provide steel for World War II. As a result, it is virtually impossible to locate these wells.

- 3) Operators would be required to replace a water supply that may have been affected, with a supply that meets the Safe Drinking Water Act (SDWA) standards regardless of whether the original water supply met those standards in the first place.
- 4) The pit regulation changes, which are clearly targeted for the unconventional drillers if applied to the shallow conventional drillers, will actually MAKE THE PITS MUCH LARGER and the costs unaffordable.
- 5) Buffer strips of 200 feet around all state properties. This has the potential for any public agency involved to stop or at least greatly slow the permitting process down.

I am asking you as a board member to vote "NO" to these proposed regulations. They will surely have a devastating impact on all small Conventional (shallow/vertical) oil and gas producers within the Commonwealth.

Sincerely,



Dave Radzavich  
Manager, Compliance and Development

