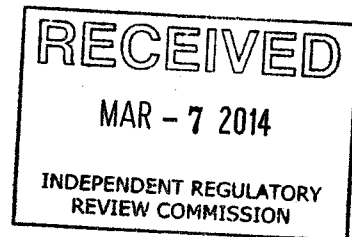


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January 16, 2014

Environmental Quality Board
PO Box 8477
Harrisburg PA 17105-8477

RE: Comments to Proposed Regulation 25 PA Code Chapter 78 - Presented at the Public Hearing held in Williamsport

To Whom It May Concern,

My name is Teresa McCurdy and I am here today to testify on behalf of myself and as a member of the PA Grade Crude Oil Association or PGCC regarding the proposed rulemaking of Chapter 78 under the Oil and Gas.

I have a one person public and government relations firm that also provides business development services to a natural gas wastewater treatment provider. Through that client I am a member of PGCC and the PA Independent Oil and Gas Association (PIOGA). As a member of PIOGA, I serve as the Subcommittee Chair on Water, Waste Management and Recycling as part of the Environmental Committee and have had the honor of attending the Oil and Gas Technical Advisory Board (TAB) Workgroup public hearings on Chapter 78 on behalf of PIOGA.

I have great respect for both DEP and the industry and commend them both on the thousands of man hours that have gone into this proposed regulation to get it to this point.

PGCC was formed last summer in 2013 by ~20 producers and refiners of conventional oil and gas to advance local economies and energy independence by promoting shallow oil and gas production in a safe and environmentally sound manner. Why form a new coalition, especially when there already other associations? The founding members were concerned about burdensome regulations being proposed and implemented by the DEP. The regulations make no sense in the context of conventional oil and gas development; the cumulative financial burden of the regulations will drive most conventional operators out of business.

Most folks know that oil was first discovered in PA, but what they don't know is what all PA Grade Crude Oil can be used for.

According to Wikipedia:

"Pennsylvania Grade Crude Oil is a type of sweet crude oil (sweet crude oil). It is found primarily in the Appalachian basin in the states of New York, Pennsylvania, Ohio, and West Virginia, and takes its name for the state of Pennsylvania, where it was first extracted.

Pennsylvania grade crude oil can be broken down into gasoline, kerosene, fuel oil, gas oil, wax distillate, cylinder stock (or bottoms) and other refined products such as white oil and paraffin. Pennsylvania grade crude oil when seen in reflected sunlight has a green color and under ultraviolet light looks fluorescent.

Pennsylvania grade crude oil is thermally stable and has a high viscosity index. It is generally free of asphalt and has only trace amounts of sulfur and nitrogen. It is also high in paraffin and other waxes making it highly desirable for refinement into petroleum lubricants such as motor oil. Its products are also valuable for use in certain hydraulic applications. By-products are commonly found in consumer goods such as cosmetics, and topical ointments.

Products refined from this type of oil are particularly prized as lubricants and many oil companies prominently display the fact that they use Pennsylvania Grade crude oil in their products.

Bradford, Pennsylvania is major center for the refining of Pennsylvania grade crude oil.”
(*Emphasis added*)

How many folks know that paraffin can be used in chocolate candy and is the coating on M&Ms so they don't melt in your mouth.

When Act 13 of 2012 was being adopted by the legislature, most of the conventional operators were under the impression that very little of Act 13 would affect them. However, these regulations will have a major impact on these small, family companies.

Here are a few of the impacts:

1. Cost. The Independent Regulatory Review Commission (IRRC) released Regulatory Analysis Form that outlined some of cost associated to both conventional and unconventional operators. The industry feels that this report and DEP's cost analysis are very low and in some cases state that there are no costs. For example,
 - a. The IRRC RAF states that the identification of abandoned and orphan wells would be zero. The industry feels that it not true due to having to compile reports and possibly gain access to landowners to conduct surveys which all cost something, including man hours.
 - b. The report also allocates approximately \$2,000 to replace old buried tanks; whereas industry estimates cost could reach possibly \$75,000 depending on the situation.
2. Size and scope: The size of a conventional operation is much smaller than unconventional operations; such as a few water trucks instead of thousands, small pits versus large pits; well sites that are a fraction of the size of large 5 acre well sits.

PGCC Plans on submitting more formal comments. In summary, I want to thank the EQB and DEP for holding these hearings and the opportunity to present testimony.

Sincerely,

Teresa Irvin McCurdy
Citizen,
Member of PA Grade Crude Oil Coalition