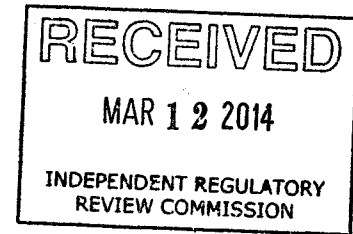


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CURTIS WELL SERVICE

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My name is Jay Curtis. My four sons and I own and operate Curtis and Son Oil, Inc. and Curtis Well Service Company.

Curtis & Son Oil, Inc. was started in 1939, 85 years ago by my grandfather Howard Curtis in Warren County. He and my father Bud worked around the clock drilling wells with a cable tool rig. I remember going out on the night shift with my father as a kid trying to dress a bit with a hammer. I could hardly pick it up; I might have gotten two swings to his six.

In those days after the well was drilled they used nitroglycerin to blow up the oil and gas formation to give up more oil with not the best results. In 1961 my grandfather and father hydrofractured their 1st oil & gas well in the Sugar Grove area.

Being new technology it was an expensive gamble. It worked so well my father decided it would be more economical to build his own fracturing equipment. He bought two piston pumps and six 1964 Ford cement mixers that were used to build the Kinzua Dam. Three of the trucks were stripped to build the frac trucks, two pump trucks and one blender. The other mixers were used to haul the silica sand; this was the start of Curtis Well Service Company.

Our companies, in addition to me and my four sons, employ twenty men and women. The salaries we pay are very competitive in our area and we also provide health insurance.

Other than employment in natural resources such as oil and gas or timber there are not a great many local opportunities for a young man or woman growing up in Warren County. Our county population is shrinking and we don't have the road network or other infrastructure to attract large businesses.

Thus I am proud that Curtis Well Service has grown over the years. We need to appreciate that those jobs cannot be easily replaced. We need to remember that each job supports someone's family.

I am very worried about the proposed changes to Chapter 78. The new regulations will impose huge compliance costs. I am a member of PGCC and we are studying those costs. Our calculations show that initial compliance will likely cost over a billion dollars to the conventional industry. Every year thereafter will be several hundred million dollars more.

I work for dozens of small conventional oil and gas producers. I can tell you that all of them are small businesses and many run on a shoestring. These costs will harm everyone in the industry and the result will be fewer new wells and the retirement of existing wells. For my company that will mean layoffs.

Why is this happening? The conventional oil and gas industry has been consistently regulated for over 30 years and these proposed changes are not due to problems. The changes are happening because the DEP mixed up the conventional industry with all the changes that are happening in the unconventional industry.

That is a sad mistake. I ask that you fix that mistake.