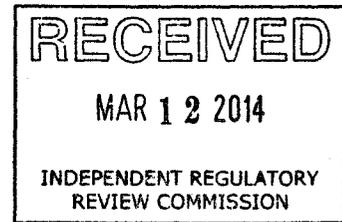


3042



February 12, 2014

Environmental Quality Board

P.O. Box 8744

Harrisburg, PA. 17105-8477

Dear board members,

My name is Eric Clark, I present this on behalf of Gas and Oil Management, of Warren, Pennsylvania. I want to address just a few of the issues surrounding the DEP's proposed chapter 78 regulations. Upon review, it is apparent that one simply cannot fit the needed regulations for both conventional and unconventional drilling into the same box.

I have spent most of my life working around our shallow oil and gas wells. Through high school, I worked summers, as much as possible, doing whatever tasks I could. I now work full time in areas of drilling, stimulation and maintenance. Our small family business, and dozens of others just like it have maintained a tract record of environmental stewardship, proving our dedication to protecting our environment, communities and homes.

Regarding the idea of separating regulations of the conventional from the unconventional, one has to ask why it is necessary, and how they differ. The two industries have striking differences, such as, the amount of ground disturbed, the vast difference in production pressures and volumes, even the drilling and stimulation techniques are very different. There are also significant differences in the area of controlling any integrity problems that could possibly arise. We all remember BP's Macondo well that blew out in the Gulf of Mexico in 2010, as I read these proposals, it appears that a catastrophe of this nature is trying to be avoided. Everyone involved must know, that if the Macondo well was like the World Trade Center of oil wells, than the unconventional wells being drilled in our state would be like our capitol building, and the shallow conventional wells something like an amish shed. Obviously, the same building codes are not needed, nor applicable for each. Economically, the proposed regulations would be nothing less than crippling to our industry. The costs associated with complying could not be absorbed by many, if any, of our conventional producers. This would be a "game changer" for the way we have done business for 150 years, and continue to do it today. If these regulations come into effect, it would mean the unnecessary and premature plugging of many existing legacy wells. These wells truly make up the backbone of our industry. The expense involved in complying with the proposals is not justifiable, meaning tens of thousands of wells would have to be eliminated. Similar to the idea that no one would pay \$3,000 to insure a \$3,000 car. If producers determine that even 25% of leases are not economically worth reworking infrastructures to come into compliance, approximately 32,500 wells will be filled with concrete¹. For no other reason than because operations that were deemed safe even a few years ago, have now been deemed unsafe and illegal. Regardless of evidence to

¹ DEP inventory shows an estimated 130,000 permitted conventional wells.

the contrary. This idea alone, of waisting the millions of dollars already invested into infrastructure, the thousands of acres of ground disturbance, the hundreds of thousands of trees already cut, and the countless man hours involved is grossly unethical at best. It seems that if the dollars have already been invested, the trees have been cut, the ground disturbed and the well drilled, that it would be poor stewardship of the highest magnitude to do anything other than to continue to produce these wells for as long as feasibly possible. As environmental protectors, it must be among the departments top priority that this goal is accomplished. Otherwise, we would all experience the epitome of the end, in no way, justifying the means.

The question then arises that perhaps it is the department's intent to knowingly force producers to plug these conventional oil and gas wells, and over time, be a state solely producing from the larger, higher paying unconventional wells. If this is the case, and I hope it is not, we must ask ourselves what the future could possibly hold for the unconventional drilling industry over the next several years. With the increased success of producing the more valuable liquids from the wet gas in the Midwest and northern plains, the struggling gas prices of the past years and the threat of increased regulation, we must remember that these larger companies can move out of our state just as quickly as they moved in. Unlike the family owned businesses that make up our industry, the large unconventional drillers hold no allegiance to any particular geographic area. It would be a tragedy for our children, communities and state, if at this point in history, we chose not to work together to protect both the conventional and unconventional producers within the commonwealth, while striving to maintain a clean and safe environment in which to raise our families.

As a state, we are presented with the option of "out with the old, in with the new", or, of treading slowly and cautiously, while preserving two industries that represent billions of dollars to our area of the country. Please consider the impact we could have and the precedents we could set by demonstrating what is possible in allowing two very different industries to thrive side by side. It is imperative that you vote "no" to these proposals, while we work on alternatives that allow everyone involved to operate at their full potential.

A handwritten signature in black ink, appearing to read "Eric [unclear]". The signature is stylized and cursive, with a large initial "E" and a large "C" or "Q" following it.