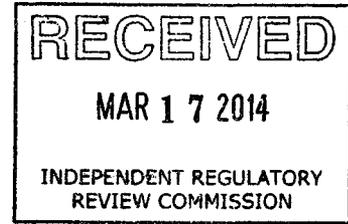


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Pennsylvania Farm Bureau

510 S. 31st Street, P.O. Box 8736 | Camp Hill, PA 17001-8736 | 717.761.2740 | www.pfb.com

March 14, 2014



E. Christopher Abruzzo, Chairperson
Environmental Quality Board
P.O. Box 8477
Harrisburg, PA 17105-8477

Re: Proposed rulemaking to amend 25 Pa. Code Ch. 78, regarding environmental protection performance standards at oil and gas well sites, published in the December 14, 2013 issue of the *Pennsylvania Bulletin* (43 Pa.B. 7377)

VIA EMAIL TRANSMISSION (RegComments@pa.gov)

Dear Chairman Abruzzo:

Pennsylvania Farm Bureau ("Farm Bureau") appreciates the opportunity to offer comments regarding the aforementioned proposed rulemaking.

Farm Bureau is a statewide general farm organization with a membership of more than 58,300 farm and rural families in the Commonwealth. We have fifty-three affiliated county farm bureau organizations that are active in sixty-three of Pennsylvania's sixty-seven counties. Farm Bureau and our member families are active participants in the consideration, shaping and determination of a wide range of public policy issues that directly and indirectly affect the welfare of agriculture. The positions taken by our organization on matters of state and national public policy are most often established through a comprehensive grass-roots process, in which position statements are initiated by individual members and initially adopted by an individual county farm bureau, and are then reconsidered, further refined and finally adopted by a delegate body of farmers representing each of the respective county farm bureaus.

Development of Pennsylvania's natural gas resources has the potential to be both a welcome blessing and a horrific nightmare for the Commonwealth's farm families. As business operators, farm families understand and appreciate the benefits that a vibrant local economy can provide to all local businesses. And the locations where abundant deposits of natural gas exist are mainly found in Pennsylvania's farming and rural areas. Numerous farm families have received significant financial benefits from leasing and royalty payments provided through natural gas development. The additional influx of income has provided these families a unique opportunity to more aggressively implement their long-term plans for capital improvements on their farms that enhance economic viability and improve environmental quality of their farming operations, which would otherwise be more challenging to implement through usual sources of income.

Farm families, however, are also keenly aware of the fragility of conditions that affect our natural resources and available water supplies, and the catastrophic effects that activities adversely affecting the quality of water supplies and natural resources will have on the future viability of their farms and the quality of life of rural residents. Groundwater continues to be the primary source of water supply for those who live in farm and rural areas. Once groundwater

resources become reduced in quantity or become contaminated by an action, condition or occurrence, it becomes extremely difficult and costly for those resources to be restored to their prior levels of quantity and quality.

Water is a critical resource for agriculture, both in the production of field crops and in animal production. Farmers cannot sustain an economically viable level of field crop or animal production, nor can they provide the type or quality of production that meets consumer demands for quantity and safety of our nation's food supply, without an available and reliable source of water supply.

While we are supportive of responsible efforts to enhance the production of natural gas in the Commonwealth, the extreme depths and specialized activities to be performed to drill and operate "unconventional" gas wells, as well as the substances used to induce natural gas extraction and waste products resulting inducement activities, give us a serious concern over the potential risk that the drilling and operation of these wells may pose for Pennsylvania farms and the future quantity and quality of water supplies, especially groundwater supplies.

Pennsylvania needs to be proactive and vigilant in its regulatory effort to establish thorough and effective protocols for quality control and prevention that will ensure to the highest degree reasonably possible adverse consequential effects of drilling, operation and gas extraction activities and handling and storage of substances used in and waste substances generated from these activities to water supplies and other natural resources do not occur. And where anomalies do occur in operational or conditional standards to protect water supplies and natural resources, these protocols need to include measures for immediate detection and response.

We do believe the Environmental Quality Board's proposed amendments to Chapter 78's well site standards are a significant improvement to existing regulations, and will largely help to accomplish the regulatory goals and objectives we see as vital to the future viability of Pennsylvania farms and the health and welfare of farm families and rural residents.

We would, however, make one observation and offer an important recommendation for further consideration and revision to the proposed amendments. We understand the primary motive behind the rulemaking's proposed changes is the establishment of regulatory standards that effectively respond to environmental risks posed by "unconventional" gas wells. But with some exceptions, the standards and requirements to be imposed under the proposed rulemaking would apply equally to deep wells that that utilize more "conventional" drilling and operational activities. The manner and scale of these activities – even fracturing and related activities to stimulate gas production – are not the same degree or concentration as activities performed in operation of unconventional gas wells, and in our opinion, do not pose the level of threat to natural resources as posed by unconventional gas wells.

It is our understanding that when compared to successful production of natural gas from unconventional wells, extraction of natural gas from conventional wells regularly provide a substantially lower level of profit margin. Numerous members of our organization who have leased subsurface interests only have and only receive royalties from conventional wells that operate on their properties. We are concerned that the regulatory standards as proposed will cause operators of conventional wells to incur additional costs of operation, further eroding the

relatively modest profit margins they are already experiencing. We fear that the proposed regulations will have unintended consequences of causing to natural gas companies to forsake continued operation of productive conventional wells in favor of more intensive development of unconventional gas wells.

Farm Bureau highly recommends that the Board make further amendments in final rulemaking to tailor the regulatory standards applicable to conventional well operations to reflect the lower degree of risk they pose.

Farm Bureau again thanks the Board for the opportunity to provide comment. Please feel free to contact us if you have any additional questions regarding the discussion above.

Sincerely,

A handwritten signature in black ink that reads "John J. Bell". The signature is written in a cursive style with a large, looping initial "J".

John J. Bell
Government Affairs Counsel