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Cooper, Kathy

From: RegComments@pa.gov
Sent: Monday, March 17, 2014 3:32 PM
To: Environment-Committee@pasenate.com; apankake@pasen.gov; IRRC;
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Cc: ra-epmsdevelopment@pa.gov
Subject: Proposed Rulemaking - Environmental Protection Performance Standards at Oil and Gas Well Sites

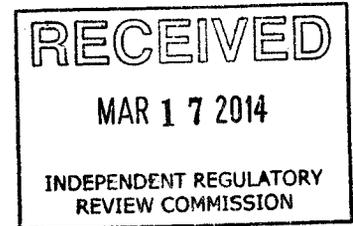


Re: Proposed Rulemaking - Environmental Protection Performance Standards at Oil and Gas Well Sites

The Environmental Quality Board (EQB) has received the following comments regarding the above-referenced proposed rulemaking.

Commentor Information:

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Comments entered:

March 14, 2014

Environmental Quality Board
The Commonwealth Pennsylvania
P. O. Box 8477
Harrisburg, PA 17105-8477

Re: Opposed to Proposed Revisions to Chapter 78 Regulations of Conventional Oil & Gas Production

Dear Members of the Board:

The proposed revisions of the Chapter 78 regulations of oil and gas production that the Board is considering are radically burdensome, unrealistic, and would be destructive to continued operation of Pennsylvania's conventional oil and gas producers. I urge you to reject these proposed rules.

It is said that the rules were written for the Marcellus Shale deep well production, which is so different from the oil and gas production from the historic shallow conventional wells of the Pennsylvania Crude field that such an explanation requires that the a full exception to the new rules should be applied to the production in the historic Pennsylvania Crude field.

This is not to say that the proposed rules are justified for the Marcellus Shale production, but this requires technical analysis beyond the scope of this letter.

The rules appear to be frivolously drafted by individuals with no expertise in the production of oil in the historic oil fields and no idea that the historic production, where the oil industry began well over 150 years ago.

In fact, the logical explanation for the rules as applied to all sectors of oil and gas production in Pennsylvania is that they are deliberately created to drive a large sector, namely the small producers, out of business. But this would be an extreme Machiavellian motivation, as could be attributed to environmental extremists who are hostile to the oil producers and would like to force them out of business so as to restore the land to "nature."

I cannot accept that the Members of the Environmental Quality Board would condone this, or that the Department of Environmental Protection would have such radicals in its employ. Therefore, as a civil engineer, I prefer an explanation that those who wrote the rules were incompetent: ignorant about the field for which they were drafting the rules. The solution is simple. Reject entirely the application of new rules to the conventional oil producers.

The facts:

The regulations may be feasible to apply to the large producers in the Marcellus Shale. However, the regulations are unsuited for the operation of shallow wells in the areas where the oil industry developed.

The latest figures available (2012 and 2011, according to fourth generation oil producer Mark Cline) show that there are 100,000 existing conventional wells and supporting infrastructure, such as tanks, pumps, and pipe lines. These 7,280 operators produce 2,270,500 BBls of oil and 249,323,980 mcf of natural gas yearly.

A 2008 study cited by Mr. Cline, found that Pennsylvania's conventional oil and gas industry supported more than 26,000 jobs and generated over \$7 billion annually, with an additional \$200 million in annual royalty payments to landowners.

These are often very low production wells; most of these wells produce less than a barrel per day. The proposed regulations would make it unfeasible to dispose of the production water. In fact, from a sanitary engineering point of view, it is obvious to the eye, knowing the low salt content of the water, that for such low production wells, the waste water is innocuous and not in need of regulation.

In addition, the specifications for the level of construction of the access roads would make production unfeasible. The small paths through the woods in locations where such clearing is all that is needed are perfectly satisfactory. Why the environmental impact and the waste of money to build specification roads? These small operations do not even need access roads and erosion controls comparable to those necessary for logging operations.

There appears to be no engineering input into the drafting of the rules, whether from an environmental/sanitary, production, economic, or construction analysis. It is hard to image that a Pennsylvania licensed engineer signed off on the rules.

A few comparisons.

The potential risks from conventional oil and gas production are so much less than the potential

risks from deep shale production, that the conclusion should be that the risks from conventional production are negligible.

For instance, the pressures for conventional oil and gas production range from 50 to 300 psi; whereas the pressures for a Marcellus shale well range from 4,000 to 5,000 psi.

The volumes of water to hydro-frack are incomparable: Hydro-fracking a conventional well may use 50 thousand gals of water over several hours; whereas the volumes for hydro-fracking a deep shale well could range from 5 to 10 million gals. over several days.

The volumes of oil or gas produced are also incomparable: A new conventional well produced between 1 and 20 barrels per day; whereas a new Marcellus shale well can produce from hundreds to thousands of barrels of oil and other liquids per day. A new conventional well can produce from 10 thousand to 100 thousand cubic feet of gas; whereas a Marcellus shale well can initially produce from 5 to 15 million cubic feet of gas per day.

Pennsylvania Crude.

In spite of the low volume of oil produced by individual wells, the conventional oil producers who are threatened by the proposed regulations combine to produce large amounts of oil. In fact, 100 percent of the raw material feeding the American Refining Group, Inc., in Bradford, Pennsylvania, is the unique local Pennsylvania Grade Crude. The refinery, founded in 1881, is the oldest continuously operating lube oil refinery in the world and employs 364 people. (In addition, the Ergon refinery in West Virginia buys Pennsylvania Crude and employs over 400 people, processing 7 million barrels of Penn Grade Crude from 1,800 producers.)

If the petroleum producers in the Pennsylvania Oil Field are forced out of business, the unique Pennsylvania Grade Crude would be no longer available. The ARG refinery would have no source for the raw material for its many fine products from lubricants to waxes and resins. If the proposed new regulations and the stepped up frivolous enforcement policies are not rejected, these jobs will be lost and the valuable production will come to a stop. The locality would be severely impacted, with the major historic employer forced out of business.

Populations that are forced to leave a region because of environmental measures such as land acquisition and regulations are referred to as "sacrifice populations," by anthropologists who write about the world-wide environmental movement. (See Conservation Refugees, by Mark Dowie, MIT Press, 2011)

The public face of the new rules is that they are composed in response to the Marcellus Shale production, where wells cost millions of dollars each to drill and are orders of magnitude larger in scope in every way than the small, shallow, conventional oil wells. Just because the rules are written doesn't make it logical that they should apply across the board to wells that are tiny in comparison and cannot possibly have an environmental impact that would even be measurable on the same scale as that possible with a large deep well thousands of times more barrels daily, along with very large volumes of production water, a large production site, heavy duty access roads, and so on.

In summary, there is no logical or decent reason to impose harsh new rules or enforcement on the conventional oil and gas producers. Therefore, the conventional oil and gas producers should be exempted from new rules.

Thank you for your attention.

Yours truly,

Carol W. LaGrasse, P. E.

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No attachments were included as part of this comment.

Please contact me if you have any questions.

Sincerely,
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