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**NATIONAL
STRIPPERWELL
ASSOCIATION**

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OIL & GAS MGMT

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To whom it may concern:

The National Stripper Well Association (NSWA) is writing to endorse the position of the Pennsylvania Independent Petroleum Producers Association (PIPP) that any new regulations pertaining to unconventional drilling and hydraulic fracturing in the state of Pennsylvania be stringently differentiated from the current regulations governing already-established shallow and marginally-producing wells.

Marginally-producing (i.e., stripper) wells are the most affected by increased regulatory pressure on the fossil fuel industry as a whole, caused by the recent boom in shale oil and natural gas development. Stripper well owners and operators are feeling indirect effects from being forced to comply with increased regulations. Unfortunately, these indirect effects hit us small producers on our bottom line.

Consider these statistics:

- Marginally-producing wells comprise about 72% of the nation's currently operating wells, and are the most vulnerable economically to fluctuations in oil prices and market downturns. Once a stripper well is shut-in and abandoned, it is difficult -if not impossible for it to be reopened again.
- Every \$1 million directly generated by stripper well production generates more than \$2 million of activity elsewhere in the economy.
- Close to 160,000 American jobs are dependent on stripper well production activities - approximately 10 jobs per \$1 million of production. Currently, stripper wells operate in 44 states, including Pennsylvania.
- If the United States had to import all the oil and natural gas currently produced by stripper wells, it would cost the economy approximately \$45 million every day.

The National Stripper Well Association supports responsible regulation of the industry, and we know we have to do what is right to maintain the continued integrity of our resources. However, irrational, punitive and overreaching state regulations will be vigorously opposed.

Therefore, we ask that you reevaluate the changes to the oil and gas regulations currently before your committee. Excluding marginally-producing oil and natural gas well owners and operators from the proposed changes to Chapter 78 regulations will ensure that thousands of Pennsylvania jobs remain intact, and that America's oil and gas industry remains a bright spot on the road to our nation's continued economic recovery.

Sincerely,

Somerlyn Cothran
NSWA Executive Director

Kenneth Hunter, III
NSWA Chairman