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From: Mike Hillebrand <mhillebrand@huntleyinc.com>
Sent: Tuesday, May 19, 2015 5:35 PM
To: David Sumner
Subject: Chapter 78 - 78a Regulations

Huntley & Huntley has been in the oil and gas business since 1912 and always headquartered in Allegheny County, Pennsylvania. We have seen many oil and gas cycles that have caused boom/bust realities. I must say that in over 103 years of exposure, 30 of which have been under current ownership, we have never seen such dynamic changes to our industry. Many companies, not just in Pennsylvania, but across the County and now the World have not been able to make the change from conventional oil and gas to unconventional oil and gas development. This fact is so very apparent within Pennsylvania; where over 150 years of conventional oil and gas has occurred and is now struggling like no other time in history. Within historical bust, cycles, our Pennsylvania legacy industry has been resilient and has always survived. Technological changes have always advanced our industry and many times we have victims of our success. The current cycle will be no different technologically, but admitting this go around is something our conventional industry has never experienced before. In addition, the conventional industry along with its big brother the unconventional industry is under a magnifying glass of scrutiny. What was very effective regulation in the past is now no longer acceptable with the only cause being political pressures to do something more to appear active. Thus far, Huntley has successfully kept up with the changes of new and or adjusted regulations on our conventional operations. I must testify, it has not been easy or without significant distraction and cost. I fear many conventional operators are not in the same position as us and will simply be unable to overcome the multiple forces against them/us.

No doubt our State regulations needed to be updated to address unconventional oil and gas development. We are now active in Pennsylvania as an unconventional oil and gas player. The fundamentals of our business, conventional and unconventional are truly the same and always will be. I again can tell you that the temporary and legacy environmental footprint of an unconventional oil and gas development site is so impressive. I again could not be prouder as a life-long Pennsylvanian of how the industry I have dedicated my entire career to achieves so much with such little environmental burden.

I grew up in DuBois, PA. I am very much aware of our wonderful and unique environment that my grandfather's father enjoyed, and my kid's kids will enjoy. As such, I will be the first call foul to something my industry contemplates that may have an impact on our great PA resources. However, I have hit a very frustrating, breaking point. Enough is enough! I am tired of responding to significant changes to regulations that many times are outside the scope of what our elected officials have ordered or mandated under law. I am tired of thinking I am not a cooperating partner with the State of Pennsylvania every time a new regulation pops up that threatens my very existence by saying why. I am proud of our Pennsylvania operations. Under media, regulatory and public scrutiny, our operations, even under significantly stressed financial pressures, are better than they ever have been. The bottom line is that our State's regulations of our industry have been audited by many and have been determined to be best set of regulations throughout the Country. Please stop the constant pressure of regulators interpretation of the law that is aimed maybe with or without intention to choke to death an industry that is operating at an extremely high level of environmental compliance.

Don't get me started on the severance tax.

Best,

Michael A. Hillebrand
COO, Executive Vice President

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