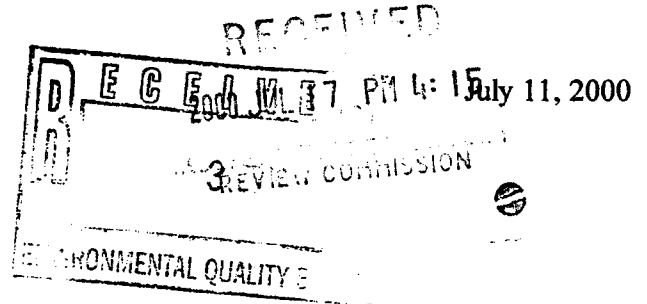


Original: 2124

MARK M. STEPHENSON
912 McCORMICK ROAD
SMICKSBURG, PA 16256

Environmental Quality Board
Rachel Carson State Office Building
15 th Floor
400 Market Street
Harrisburg, PA 17101-2301



Certified Mail Article # 7000 0600 0021 3817 2089

Re: Written comments to proposed regulatory changes to [25 PA. CODE CH. 78], Oil and Gas Wells.

Members of the Environmental Quality Board:

Please find attached a one page written summary of comments for your consideration relating to proposed regulatory changes to 25 PA CODE CH. 78, Oil and Gas Wells as published in the Pennsylvania Bulletin, Vol. 30, No. 25, June 17, 2000. The one page summary is entitled EXHIBIT "A", WRITTEN COMMENTS; PROPOSED REGULATORY CHANGES; [25 PA. CODE CH. 78], Oil and Gas Wells.

Thank you in advance for your consideration of these comments.

Sincerely,

A handwritten signature in cursive script that reads "Mark M. Stephenson".

Mark M. Stephenson

Cc. Mr. David F. Janco, Regional Program Manager, DEP, SWRO, Bureau of Oil and Gas Management.
The Honorable Mr. Samuel H. Smith, Member of the Pennsylvania House of Representatives, 66 th
Legislative District.

EXHIBIT "A"
WRITTEN COMMENTS; PROPOSED REGULATORY CHANGES: [25 PA CODE CH. 78]
Oil and Gas Wells

§78.17. The proposed context of the notification for permit renewal appears to require notification of a gas storage operator within 1000 feet of the proposed well. The question arises of whether notification is required if the proposed well is within 1000 feet of a storage reservoir boundary, within 1000 feet of a reservoir protective boundary or if the intent is the same as the current process of original notification of a storage operator which is only in the event the proposed well is located within a storage reservoir or reservoir protective boundary. The proposed language should be clarified to only require notification of a storage operator of such renewal, if at the time renewal is sought, the proposed well is located within a gas storage reservoir or reservoir protective boundary. In addition the regulation needs context clarifying that no objections can be raised by any of the various owners so notified if there has been no change in any material or physical information on the original application, other than possible changes in ownership status of the interests requiring notification, as a renewal is merely the extension of the time period for which a permit is valid as opposed to it being an application for a new proposed well.

§78.76.(a) There appears to be no statutory authority for the requirement that an operator forward to a storage operator a drilling, casing and cementing plan. The notification to a storage operator of the anticipated date that drilling will commence is an absolute breach of an operator's confidential business operations. Under the Oil and Gas Act such prior notification of the commencement of drilling operations is very explicitly limited to the Department, the surface landowner and the local political subdivision in which the well is to be located. It is apparent that the legislature did not intend such notification to a storage operator. This commentator believes that an amendment to the Oil and Gas Act would be necessary to implement the notification proposed by this regulation. Aside from this issue, an operator and the Department does not always have access to the necessary information to design a drilling, casing and cementing plan upon the first application for a well permit. A storage operator may refuse to provide information or may not know in some instances information relating to the depths of storage horizons, the legitimate storage reservoir or reservoir protective boundary delineation for storage horizons or possibly what horizons are being utilized for storage. In this vacuum of information an operator absolutely cannot be expected to develop and provide such a plan to the storage operator upon initial notification. This commentator believes that for the above reasons the entire proposed changes to this regulation be deleted until further clarifications are performed.

§78.76.(b) This commentator believes that the proposed new context should be changed to ... "*the drilling, casing and cementing plan for the proposed well within 15 days*".... This would clarify that objections by a storage operator be limited to the drilling, casing and cementing plan for the proposed well unless the storage operator would otherwise have grounds for objection under reasons for notifications that it may otherwise receive for the proposed well. This would make the regulation consistent with Section 601.401.(b) of the Oil and Gas Act.

§78.87. The casing and cementing provisions of this proposed regulation should not be applicable as follows: **(A)** in the event the storage operator does not own any existing storage rights covering the tract or portion thereof on which the proposed well is located. **(B)** the storage operator is unable to obtain storage rights, in accordance with Section 601.401.(a)(1)(2) and (c) of the Oil and Gas Act, covering the tract or portion thereof on which the proposed well is located. This would make the regulation consistent with the intent of the Oil and Gas Act under the above cited sections and including Section 601.102.(1). Other language should be added to this proposed regulation clarifying that nothing in this subchapter shall be construed to prevent the owner of native oil and gas or the Lessee thereof from the right to produce any native oil and gas from the storage horizon in the events recited above as **(A)** and **(B)**.

Submitted by Mark M. Stephenson

Buchanan Ingersoll

PROFESSIONAL CORPORATION

Original: 2124

Attorneys

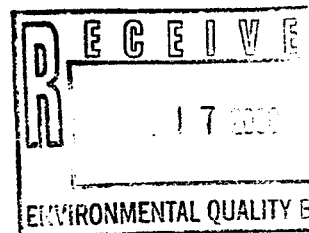
Stanley R. Geary
412-562-1312
gearysr@bipc.com

One Oxford Centre
301 Grant Street, 20th Floor
Pittsburgh, PA 15219-1410
Telephone: 412-562-8800
Fax: 412-562-1041

July 14, 2000

VIA FEDERAL EXPRESS

ENVIRONMENTAL QUALITY BOARD
Rachel Carson State Office Building
400 Market Street - 15th Floor
Harrisburg, PA 17101-2301



Re: Proposed Amendments to 25 Pa. Code Chapter 78
Comments of Dominion Transmission, Inc.

Dear Board Members:

Dominion Transmission, Inc. (formerly CNG Transmission Corporation) ("Dominion") is the operator of underground gas storage reservoirs in the Commonwealth. As such, regulations dealing with drilling through gas storage reservoirs or within storage reservoir protective areas is vitally important to Dominion. After a thorough review of the proposed amendments, Dominion submits the following comments for the Board's consideration:

78.87(a) -- The words "gas storage" should be added in the third line before "reservoir" for clarity. Thus, this subsection would read:

(a) In addition to the other provisions in this subchapter, a well drilled through a gas storage reservoir or a gas storage reservoir protective area shall be drilled, cased and cemented as follows:

78.87(a)(1) and (2) -- The following requirements should be added to provide more specific guidance than the general provisions in the proposed regulations:

Blow-out prevention equipment must be tested to maximum storage pressure prior to drillout from surface casing (or, the casing that the equipment is installed upon prior to drilling into the storage horizon), and again at a point 200 feet above the storage horizon, prior to drilling into the storage horizon. the blow-out prevention equipment should also be function tested on a daily basis from time of installation to the time at which storage protection casing is installed.

ENVIRONMENTAL QUALITY BOARD

July 14, 2000

Page - 2 -

78.87(a)(3) -- This subsection should be revised to change the amount of intermediate or production casing that must be cemented above the gas storage reservoir or gas storage horizon from 200 feet to 500 feet. Five hundred feet is the industry minimum standard for good zonal isolation with oil field cements.

The following should be added to this subsection:

A minimum wait-on cement time of 24 hours must elapse before nipping up and drilling ahead after cementing the storage protection casing. A cement bond log shall be run on the storage protection casing no sooner than 24 hours after the casing is cemented.

78.87(b) -- This section should be revised to provide that the gas storage operator shall have the right to review and approve any alternative methods or material for the casing, plugging or equipping of a well drilled through a gas storage reservoir.

78.87 -- The summary of the amendments states that "section 78.81(d) is being relocated and rewritten as new § 78.87 to improve clarity of the regulation." The summary does not mention that an important provision of existing section 78.81(d)(2) has been deleted in the proposed amendments. The deleted provision provides:

This casing which is intended to protect the gas storage reservoir and the well shall be installed according to a procedure approved by the Department and established by mutual agreement between the well operator and the gas storage reservoir operator.

This very important provision should not be deleted. Because of the potential impact of drilling through a gas storage reservoir or a gas storage reservoir protective area and because of the storage operator's experience in drilling into its reservoir, the requirement that the gas storage reservoir's agreement to the drilling and casing plan must be obtained should be retained.

Another subsection should be added to Section 78.87 providing that gas storage operators shall have the right to review and obtain copies of drilling records, data and logs relating to drilling of a well through a gas storage reservoir or gas storage reservoir protective area. The reservoir operator should also be given the right to be present on site during operations relating to drilling through a gas storage reservoir, such as BOP testing.

ENVIRONMENTAL QUALITY BOARD

July 14, 2000

Page - 3 -

running and cementing of storage protection casing, and running of the cement bond log on the storage protection casing.

Conclusion -- Dominion appreciates the opportunity to comment on the proposed amendments. Thank you for considering its comments.

Sincerely,



Stanley R. Geary

SRG/lms

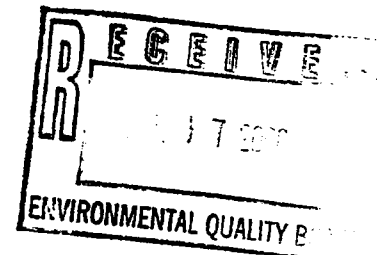
cc: Henry E. Brown, Esquire
Mr. E. Kevin Stiles



Pennsylvania Gas Association

800 NORTH THIRD STREET, HARRISBURG, PA 17102-2025 (717) 233-5814 FAX (717) 233-7946

July 17, 2000



Environmental Quality Board
P.O. Box 847
Harrisburg, Pa 17105-8477

VIA HAND DELIVERY

Re: EQB Regulation 7-353: Oil and Gas Wells, 25 Pa. Code Ch. 78

Members of the Board:

Pursuant to the Proposed Rulemaking adopted by the Board on April 18, 2000, and published in the June 17, 2000 issue of the *Pennsylvania Bulletin*, the Pennsylvania Gas Association ("PGA"), on behalf of its members, submits this letter for consideration in lieu of formal comments.

Our comments are limited to a single issue: the proposed reporting requirement for releases of brine. Under Proposed Section 78.66(b), owners and operators would be required to notify the Department of every "reportable release of brine," a term which would be defined under Proposed Section 78.1 to be as little as 5 gallons within a 24-hour period. PGA opposes the proposed, absolute standard and submits that the threshold for reportability should be measured by whether a spill would constitute an incident under the Clean Streams Law. Put simply, if spilled brine will not enter the waters of the Commonwealth (directly or indirectly) and the Clean Streams Law would not apply, the spill should not have to be reported.

To proceed otherwise would be to single out oil and gas well operations for more stringent regulatory treatment than applies to all other activities under the Clean Streams Law. We assume the Board did not intend this result, and we therefore urge the Board to harmonize Proposed Section 78.66(b) and the definition of "reportable release of brine" with the current spill reporting regulations implementing the Clean Streams Law.

PGA appreciates the opportunity to provide these comments, and urges the Board to consider the points detailed above as it continues its deliberations.

Respectfully submitted,

A handwritten signature in cursive script that reads 'Dan Regan'.

Dan Regan
President



Original: 2124

T.W. PHILLIPS
GAS AND OIL CO.

RECEIVED

2000 JUN 26 PM 2:02

205 North Main Street
Butler, Pennsylvania 16001
(724) 287-2751

REVIEW COMMISSION

June 21, 2000

Environmental Quality Board
P.P. Box 8477
Harrisburg, Pennsylvania 17105-8477

Re: Proposed Amendments to Title 25, Chapter 78

Dear Environmental Quality Board:

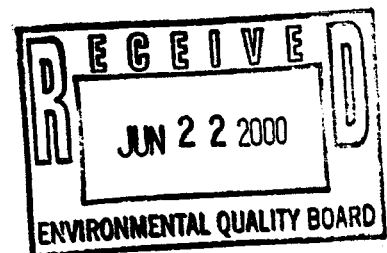
Enclosed are T.W. Phillips Gas and Oil Co.'s comments regarding the Departmental of Environmental Protection's proposed amendments to Title 25, Chapter 78 of the Pennsylvania Code. These proposed amendments were published in the Pennsylvania Bulletin on June 17, 2000.

You may contact me at 724-287-2751 ext. 232 or kswanton@twphillips.com if you have questions or would like additional information.

Sincerely,

Keith A. Swanton

Vice President Operations and Engineering



**T.W. Phillips Gas and Oil Co. comments on
Proposed Revisions to 25 Pa. Code Ch. 78,
Relating to Drilling within a Gas Storage Reservoir Area**

1. The proposed rules fail to provide a complete description of what information should be in an acceptable drilling, casing and cementing plan. In terms of both protection of public safety and preservation of valuable reservoir storage (a resource that is of public importance), the key questions are *what* and *how* drilling, casing and completion will be conducted.

To address this issue, §78.76(a) should be amended to include further specifications regarding the content of the drilling, casing and cementing plan. We would suggest the following language:

The drilling, casing and cementing plan shall contain the following information:

- (i) The diameter(s) and anticipated total depth of the drilled hole, and the elevation of the top of hole (measured in terms of elevation from established mean sea level datum).
- (ii) The specifications of intermediate and production casing to be installed, including the type, diameter, and intervals to be cased (measured in terms of depth from top of hole and/or elevation from established mean sea level datum, and distances from gas storage horizons).
- (iii) The specifications for cementing of casing, including type of cement, method of cement installation and monitoring, and intervals to be cemented (measured in terms of depth from top of hole and/or elevation from established mean sea level datum, and distances from gas storage horizons).
- (iv) The methods to be used to assure proper and adequate cementing of the casing which seals the area between the casing and the gas storage horizons.
- (v) The anticipated intervals where casing will be perforated, surrounding formations will be fractured, or the well will otherwise be completed for production (measured in terms of depth from top of hole and/or elevation from established mean sea level datum, and distances from gas storage horizons). Where casing is proposed to be perforated, or surrounding formations are proposed to be fractured, within 200 feet above or 100 feet below a gas storage horizon, the plan shall include the specific measures to assure the fracture(s) shall not propagate into or communicate with the gas storage horizon.

- (vi) The blowout prevention equipment and methods to be used, including the pressure ratings of such equipment.

- 2. For the same reasons cited above, §78.87 is deficient in failing to require that PaDEP review and approve the drilling, casing and cementing plan. Under §78.87, PaDEP appears to only reserve the right to review and approve requests to use “an alternative method or material for casing, plugging or equipping a well through a gas storage reservoir.” The specifications of the “standard” method are so general in the proposed rule as to provide no comfort and assurance that the storage horizon will be protected. Particularly where the storage operator files an objection, PaDEP must be required to review the drilling, casing and cementing plan, and PaDEP’s decision must be subject to appeal to the Environmental Hearing Board. We would suggest the following language be added to §78.87:
 - (c) If, after notice as provided in §78.76(a), a gas storage operator files an objection to a drilling, casing and cementing plan, the Department shall review the plan and shall convene a conference pursuant to Section 501 of the Act. Based upon its review and the information received at such conference, and except where preempted by federal law, the Department shall determine whether the plan as submitted or as modified or conditioned will (i) meet the standards of this Chapter, (ii) protect public health and safety, and (iii) provide reasonable and adequate protection of the gas storage reservoir, and the Department shall accordingly approve, disapprove, or approve the plan with conditions.

- 3. The Department’s statement that the issue of perforation and fracturing is a property issue is misleading. In fact, throughout the oil and gas regulations, PaDEP considers standards that protect a variety of property interests (including mandatory set backs from property lines, and various coal interest protections). The original rules were built around the understanding that gas storage reservoirs were important resources, providing benefits to the public in Pennsylvania, where pipeline delivery capacity is limited, and additional near-end-user storage is needed to satisfy peak demands. If a production well operator proposes a plan that involves perforation and fracturing within the storage horizon, and the storage operator demonstrates that it holds appropriate storage rights, the appropriate PaDEP action should be to deny the drilling, casing and cementing plan.