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ecomment
Environmental Quality Board
P.O. Box 8477
Harrisburg PA 17105-8477



Re: 2018 Unconventional Well Permit Application Fee Amendments

Members of the Environmental Quality Board:

In regards to the Unconventional Well Permit Application Fee Amendments, my husband and I are valid stakeholders. Daily our water, ambient air and noise levels are all at risk to the unconventional natural gas wells currently operating and future proposals that are mere hundreds of feet from our home and private water supply. Our quality of life and perhaps even our home's value are affected by this industrial site located too close to our home for our health and possibly safety issues as well. So reading the proposed rulemaking has left me more than unsettled because as I have had concerns that the last several years the BOGM has been at staffing levels low enough that should something unexpected happen next to our home I'm with doubt that the BOGM is able and ready to respond as effectively as need be. And, these low staffing levels described in this document illustrate that my concerns are not without merit.

As stated within the notice, the DEP has an obligation to protect our safety and our property rights and at least as secured by the Environmental Rights Amendment – which is becoming more and more significant for folks like us who now find ourselves living too disturbingly close to well pads for no fault of our own except to live in a municipality lacking zoning and a desire to live in the countryside with clean air, water and land in a peaceful lifestyle. Where every other government entity appears hands off to folks like us, the BOGM has an obligation to families like us to provide for our safety, protect our health and our property rights. And in order to do this – the program needs to have staff levels necessary to enforce the present regulations and create the additional regulations that will provide for our safety, protect our health and our property rights.

We caution the BOGM on not at least considering that the conventional operators have a reason to buck up and pay up. The conventional industry has literally littered parts of Pennsylvania with unknown, orphaned and abandoned wells and unmapped leaking gathering lines as well. They need to buck up with their operations and pay up for their continual mode of environmental degradation as their operations continue to inadequately protect the environment of our great Commonwealth.

The writer is very concerned that current staffing levels are closer to pre-unconventional drilling levels than after positions were actually added to the BOGM. Anytime the program is lacking adequate funding and unable to sustain personnel, from my perspective as one who has an upfront and personally close seat to gas industry

operations – it is our safety, protection of our health and our property rights that are super-important rather than the ongoing permitting of additional new sources that the BOGM can't well police. In such a case as inadequate funding it is only, only appropriate that it does take industry a longer time period to obtain a permit regardless of the guarantees, special deals etc. The public rather than the regulated community must rank first and foremost as in many cases like ours these sites are next to our homes. Not having adequate staffing is too risky; it is as simple as that.

As stated in the notice, *“the Program is challenged to provide an adequate level of high quality service to the public”* and that is what this writer is concerned about. Further, *“Based upon the factors previously described, the Department recognizes that it is possible that this proposed fee rulemaking will not be adequate to fund the Program.”* This is an alarming statement to include in a rulemaking; is it actually plausible that the BOGM is proposing inadequate funding levels from the get-go? If so, why? It is about time the BOGM doesn't incorporate the impact fee funding in their budget for the very reason detailed; it wasn't to be provided just to the BOGM. Frankly, many of us feel that the BAQ is underfunded as well. Plus, given the impact fee and severance tax debate, this writer feels that this is funding that can't be relied on with any certainty.

Enhanced electronic data management

The proposed fee increase allocation for electronic data management will provide better information for everyone; DEP staff, the regulated community and yes, even the public. As a person known in my region for the work I have done in the past on unconventional drilling regulation advocacy, even after ten plus years of industry presence here it is not unusual for me to receive phone calls from home/landowners that have been or may have been negatively impacted by some aspect of the gas industry. Just recently, within the past two weeks I've had three inquiries from home/landowners with problems, two of which I would very much like to have had access to the well files. Unfortunately, these files aren't available online and while I have reviewed hundreds of DEP files at both NERO and NCRO it is just a major inconvenience and expense to make a day long trip as it would take from our home. Yes, I could do a RTK request, but I would actually need to know exactly what I need from that well file. So, from purely public perspective online digital well files containing ALL file documents would be very handy and well utilized.

Also, the proposed “hierarchy of need of an inspection” is invaluable. Presently, on a typical day we notice numerous industry related trucks of varying types and companies on our rural four digit road. We notice them throughout the day and in/out of the several well pads on our road as well. But, honestly, we can't say when the last time was we noticed a DEP truck either passing through or stopping on any well pad. This leads me to believe after reading the Proposed Rulemaking Notice that the understaffed DEP field staff is hectically running from “one fire to another” and there's limited or no regular inspections going on where they don't have a complaint.

It is recommended that the well permit fees be increased in order to properly enhance DEP electronic data management as it is most definitely a need.

Staffing needs

According to the “workload tool” mentioned in the rulemaking notice the DEP needs a total of 49 additional staff to sufficiently perform the duties necessary for a smooth running agency that is able to equally provide services to

the public and the industry. The notice mentions that 36 positions had been previously cut due to “budget constraints”. But 49 positions are detailed for the following activities needing sufficient staffing: Well Permitting – 5 positions (including one new), Surface Activities – 6 (including one new), Inspection – 16, Compliance - 11, Policy and Programs – 11. Further, it is noted that Inspectors are also focused on the plugging of legacy wells – one more reason why the conventional drillers need to be ask to buck up and pay up. Additionally, gas field home and landowners are continuing to deal with impacts that haven’t been adequately covered in the current regulations. We desperately need sufficient staffing in the Policy and Programs group to do the work necessary to write needed regulations still unaddressed after 10+ years of unconventional drilling.

Nevertheless, the math just doesn’t work for gas field dwellers. The program needs 49 positions to sufficiently handle the workload and the proposed increase is only adding 36 positions. Take a trip back in time and at least the writer recalls when Governor Corbett added 50 positions to the BOGM practically during the drilling boom and gas field dwellers believed that gesture to be inadequate. Now, this writer is realizing that gesture was woefully inadequate being here we are, no more in a time that can be pointed to as “infancy” as this industry is safely a teenager in the Commonwealth! And, we’re still fighting for sufficient staffing levels?!!! This is simply unacceptable.

It is therefore recommended that the 49 positions detailed in the proposed rulemaking process be added to the BOGM. In order to do that it is quite apparent that the proposed fee must be revised.

Proposed fee structure

As a former regular attendee of TAB meetings, a former member of more than a few TAB sub-committees and a former Non-voting TAB member, I was surprised to say the least when I read the rulemaking notice that the TAB supports the fee increase. Now, I know why. The proposed fee structure is woefully inadequate to sufficiently fund the DEP Oil and Gas Program. Therefore, I recommend the proposal be revised from \$12,500 per unconventional well permit to \$15,000 plus a new permit for well refrac’s that we know will be common place as the gas field continues to age. This new permit with a reasonable price of \$5,000 will soften the periods when new permit applications are below what is expected.

Now, I know the industry will bellyache over this proposed revision. However, take a moment to consider the following items.

1. The industry is making billions off Pennsylvanians through the lack of a severance tax and/or illegally short-falling royalty payments; thus, they have the money quite easily.
2. The wells in Pennsylvania are quite profitable especially where environmental protection is most needed.
3. The Atlantic Sunrise project is a well woven spider-web connection to gathering systems throughout a large portion of the play and this gas of at least 50% is now projected for export, which translates into drill, baby, drill and unlimited markets for homegrown Pennsylvania unconventional natural gas.
4. The unconventional gas field is now a wild teenager ready to roar with profitability.

In other words revising the permit fees as recommended is hardly a blip on their radar and easily affordable. Heck, they probably spend more per well on hiring third party consultants to help them avoid violations with the DEP inspectors!

Benefits

So, what are the benefits of fully and sufficiently funding the BOGM to be the robust bureau we keep hearing about? First of all, response. Response, Response, Response. Imagine a gas field where home/landowners complaints are not only promptly investigated, but resolutions are promptly put into place that are workable and satisfactory? No home/landowner needs to be told, that gas drilling was not determined to be the source – when no other source is identified. When no source is identified, the BOGM needs to pull out the punches defer to Occam's razor, a problem-solving principle that the simplest solution tends to be the right one. When presented with competing hypotheses to solve a problem, one should select the solution with the fewest assumptions.

Second of all, there'd be a decrease of carelessness in operations when a DEP inspector is expected momentarily rather than on a slight chance of rain or less. That will equate to a decrease in environmental impacts to gas field dwellers and less penalties paid by operators.

Third, new and amended permits are processed thoroughly and quickly. BOGM staff personally visits the site prior to issuance affirming that slopes, water sources and homes are all adequately considered and protected during the permitting process.

78a.1 Definitions

I really caution the dismissal of definitions for nonvertical unconventional well and vertical unconventional well. While I readily understand the reason "why", it does seem premature given the dynamic nature of the unconventional natural gas industry. It seems wiser and prudent to wait several years in case something should arise and these definitions become necessary once again. 78a.19 can be certainly reworded in order to save these definitions.

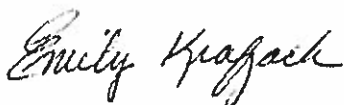
78a.19

This section needs to be revised to read:

- (a) An applicant for an unconventional well shall pay a permit fee application fee of \$15,000.
- (b) An applicant for refracturing an unconventional well shall pay a permit fee of \$5,000 per well refracture.

Thank you for providing this opportunity to comment on an issue that really does affect our daily lives here. An insufficiently staffed DEP in no way protects our health, safety or property values. Please carefully consider the rulemaking fee proposal and understand that it is effectively and shamefully inadequate.

Best Regards,



Emily Krajack