

Minutes of the Oil and Gas Technical Advisory Board Meeting
Rachel Carson State Office Building
Harrisburg, PA
March 25, 2010
10:00 A.M.

A meeting of the Oil and Gas Technical Advisory Board (TAB) was held on March 25, 2010 in Room 105 of the Rachel Carson State Office Building, Harrisburg. TAB members present were Chairman Robert Watson, Burt Waite, Art Yingling and Sam Fragale. Scott Perry, Dave English, Susan Ghoweri, Craig Lobins, Alan Eichler, Dan Lapato, Carol Daniels, Christopher Tersine, James Fuller, Bruce Jankura, Pam Bishop, Jack Crook and Mike Arch attended from DEP. Also attending were Jim Erb (API), Charity Fleenor (Penn Virginia Oil & Gas), Zach Wasser (Purestream), Mary Ann Babich (EQT Production), Megan Hollinger (Malady & Wooten), Debra Plumpton (Gannett Fleming, Inc.), Lou D'Amico (PIOGA), Teresa Copenhaver (Triad Strategies), Carla Suskowski (Range Resources), Larry Sanders (Exco Resources), Terry Black (ERM), Steve Rhoades, (East Resources), Veronica Taylor (Student), Terry Bossert (Chief Resources) and Les Majors (GGR).

Agenda Item 1 – Introduction and Opening Remarks

The meeting was called to order by Chairman Watson at 10:00 a.m. and was followed by introductions.

Agenda Item 2 – Approval of Draft Minutes from the previous Advisory Board Meeting

The motion to approve the minutes from the January 21, 2010, Technical Advisory Board (TAB) meeting was made by Burt Waite, with a second by Sam Fragale. Minutes were approved.

Agenda Item 3 – Review of comments and proposed amendments to 25PA Code 78

Scott Perry, Bureau Director for the Bureau of Oil and Gas Management, informed the Committee the Comment Period for the Advanced Notice of Proposed Rulemaking closed on March 2. The Department received comments from 87 individuals, businesses, trade organizations and public interest groups. The Department also received numerous comments concerning issues beyond the scope of these proposed changes or beyond the scope of the Department's statutory authority.

He continued by stating a lot of the comments received were quite extensive. The department considered every comment returned and made revisions to the draft, which will be reviewed at today's meeting.

Scott also mentioned a new provision in response to what is now Act 15 of 2010, formerly known as Senate Bill 297, which requires Marcellus Shale operators to report production semi-annually, and also eliminates the confidentiality provisions for annual production reporting. Since this provision is now law, we are taking the opportunity to revise Chapter 78 Reporting requirements to conform with this new law. This amends Section 212 of the Oil and Gas Act requiring Marcellus Shale formation gas operators to provide well production information to the Pennsylvania Department of Environmental Protection (DEP).

Operators will be required to file initial reports with DEP on or before August 15, 2010 that include the status of each well and production data for the preceding calendar year. After the initial report, subsequent semi-annual reports must be filed with DEP.

The new provision states the well operator shall submit an annual production and status report for each well on an individual basis, on or before February 15 of each year. The operator of a well which produces gas from the Marcellus Shale formation shall submit a production and status report for each well on an individual basis, on or before February 15 and August 15 of each year.

The current law required DEP to keep these reports confidential for five years, while the new amendment will require DEP to make these reports available to the public and post the reports on its internet website.

A copy of the Advanced Notice of Proposed Rulemaking 25Pa. Code 78 Oil and Gas Wells as well as a Summary of Comments to Proposed Amendments to 25 Pa Code Chapter 78 were available for attendees.

Scott proceeded to walk through the changes made, as well as some of the comments which were not accepted for change. The purpose of the proposed regulations were primarily to address well casing, gas migration, well inspection requirements and a short section on well plugging.

Agenda Item 4 – TAB Recommendation to Proposed 25PA Code Chapter 78 Revisions

With the modifications made as the result of this meeting, Scott asked TAB to offer these regulations as a proposed rulemaking for the May 19 Environmental Equality Board (EQB) meeting. This will be followed by an analysis by the Attorney General's office and the House and Senate followed by a second round of a recommended 30-day comment period, or a maximum of 60 days after May 19 EQB meeting. Burt Waite, with a second motion from Art Yingling, made the motion to allow the Regulations to move forth to the EQB. All members were in favor.

Agenda Item 5 –Comments from the public

Comments from the public were addressed during the discussion of the various agenda items.

Sam Fragale motioned the meeting be adjourned. The motion was second by Burt Waite. All were in favor and the meeting adjourned at 2:10 p.m.

Respectfully submitted,

Carol Daniels