

Minutes of the Oil and Gas Technical Advisory Board Meeting
Rachel Carson State Office Building
Harrisburg, PA
January 21, 2010
10:00 A.M.

A meeting of the Oil and Gas Technical Advisory Board (TAB) was held on January 21, 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, Eugene Pine, Susan Ghoweri, Craig Lobins, Alan Eichler, Ron Gilius, John Stefanko, Carol Daniels, Christopher Tersine, James Fuller, Joe Umholtz, Roger Dietz, Bruce Jankura, James Kline, Dan Lapato and Pam Bishop attended from DEP. Also attending were Jim Erb (API), Jon Reichel (Herbert, Rowland & Grubic), Charity Fleenor (Penn Virginia Oil & Gas), Zach Wasser (Purestream), Mary Ann Babich (EQT Production), Megan Hollinger (Malady & Wooten), Steve Hoffman (IRRC), Debra Plumpton (Gannett Fleming, Inc.), Lou D'Amico (IOGA PA) and Teresa Copenhaver (Triad Strategies).

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.

Scott Perry opened the meeting by thanking the TAB Committee and the Subcommittee for the substantial amount of work put into their comments on the draft copy of the Regulations. He stated the department benefited greatly from their efforts, and hopefully the Department will be able to move forward in a similarly cooperative manner with a set of regulations that are protective of the environment, public health and safety, as well as allowing for the development of the tremendous resources we have in Pennsylvania.

Ron Gilius updated the TAB members on the reorganization within the Bureau of Oil and Gas Management (BOGM), mainly the naming of Scott Perry as the new BOGM Director. Scott proceeded to thank Ron in his instrumental role, continued leadership and expertise within the Bureau.

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

The motion to approve the minutes from the October 28, 2009 Technical Advisory Board (TAB) meeting was made by Burt Waite, with a second by Art Yingling. Minutes were approved.

Agenda Item 3 – TAB Sub Committee Report

- a. Casing and Cementing, Testing, Lost Circulation, Casing Standards, BOP's**
- b. Stray Gas Mitigation Response**
- c. Operator's Well Integrity Report for Existing Wells**
- d. Well Plugging**
- e. Water Supply Replacement**

Sam Fragale and Art Yingling said the Subcommittee has invested well over two hundred man hours in going through the draft Chapter 78 Regulations. They both felt they received a lot of good

input from the Subcommittee industry members, and as a result, brought a good product back to the Department. They both expressed their appreciation for the joint effort in the amount of work the Subcommittee performed in pulling this all together. Scott presented a brief background starting with the initial process of revising the Regulations in perfecting the document to its current status.

Scott mentioned that prior to the conclusion of this meeting, the Department will be looking for a recommendation from TAB to proceed toward the Proposed Rulemaking on the Chapter 78 Revisions. The procedure the Department would like to employ is the Advanced Notice of Proposed Rulemaking, which is superior to an Advanced Notice of Final Rulemaking. A notice will be published in the PA Bulletin, along with the Chapter 78 Revision document, asking for comments from the public in addition to the TAB and the subcommittee comments.

As comments from the public are received on the document, the Department will develop a summarization of the comments and the changes made to the document as a result of those comments as we move into the Proposed Rulemaking. The Advanced Notice of Proposed Rulemaking is basically a preliminary step, and affords everyone an additional opportunity to review and comment on the document prior to Proposed Rulemaking.

Scott proceeded to walk through the draft, discussing each comment and revision.

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

The members voted 4-0 to recommend the Department pursue finalizing the Casing and Cementing Revisions to Chapter 78 by using the Advanced Notice of Proposed Rulemaking procedure. The draft regulations will be published in the January 30 PA Bulletin and will be available for public comment for 30 days.

Agenda Item 5 – Program Statistics Update

David English reviewed the Bureau of Oil and Gas Management Regional Year End Workload Report. The reports were prepared by Roger Dietz, BOGM Information Technician, and viewed on screen in a PowerPoint presentation as follows:

- The 2009 Year End Workload Report on Well Permit Applications Report showed the number of well permit applications categorized as “Received” and “Issued”. The report was broken down by region (NCRO-Williamsport, SWRO-Pittsburgh and NWRO-Meadville) as well as Marcellus and Non-Marcellus wells.
- The 2009 Year End Workload Inspections Report was also broken down by region and included the number of Inspections, Wells Inspected, Violations and Enforcements.
- A line graph illustrating a 12-Month Average of applications received for Marcellus and Non-Marcellus Wells as well as total applications received for years 2007, 2008 and 2009.
- A bar graph showing the number of well permits issued by year 1998 through 2009.
- A bar graph showing the number of Marcellus Shale well permits issued by year from 2005 through 2009.

- A map of Pennsylvania, broken down by county, showing the number of all permits issued and wells drilled in 2009.
- A map of Pennsylvania, broken down by county, showing the number of Marcellus Shale permits issued and wells drilled in 2009.
- A Geographic Information System (GIS) map of Pennsylvania showing total Non-Marcellus Shale and Marcellus Shale Permits issued in 2009.
- A Geographic Information System (GIS) map of Pennsylvania showing total Non-Marcellus Shale and Marcellus Shale wells drilled in 2009.

Agenda Item 6 – Phase II Proposed Revision to 25PA Code Chapter 78

Scott reviewed the subjects to be introduced during Phase II of the Revisions to 25PA Code Chapter 78.

Agenda Item 7 – Comments from the Public

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

Agenda Item 8 – 2010 TAB Meeting Schedule

At the request of Chairman Watson, the March TAB meeting will be rescheduled from March 18 to March 25.

(Note: The Meeting was changed to March 25. The room was also changed from the 10th floor conference room to Room 105).

Burt Waite motioned the meeting be adjourned. The motion was second by Sam Fragale. All were in favor and the meeting adjourned at 1:40 p.m.

Respectfully submitted,

Carol Daniels