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Shale Alliance for Energy Research An Opportunity for Pennsylvania

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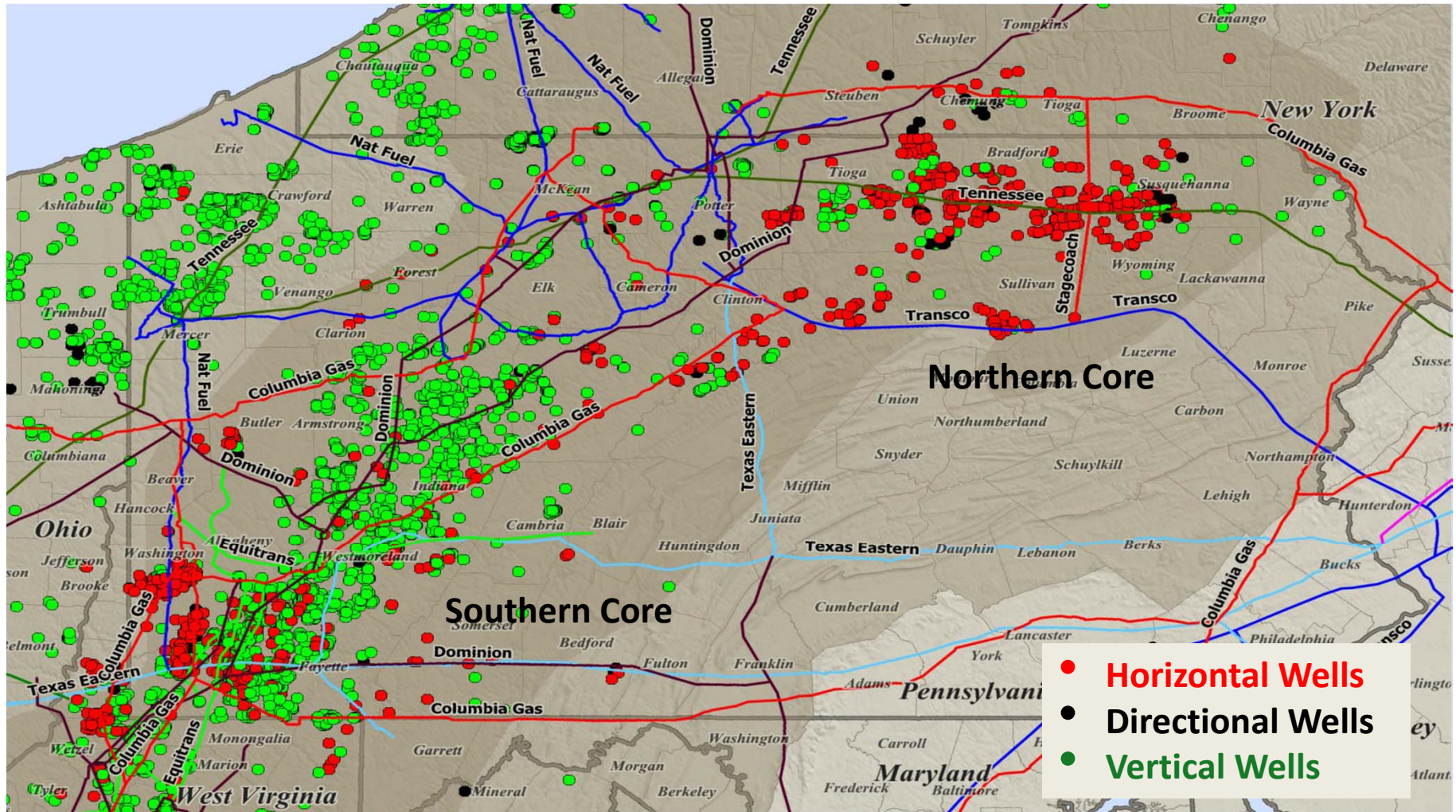
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> SAFER – Shale Alliance for Energy Research

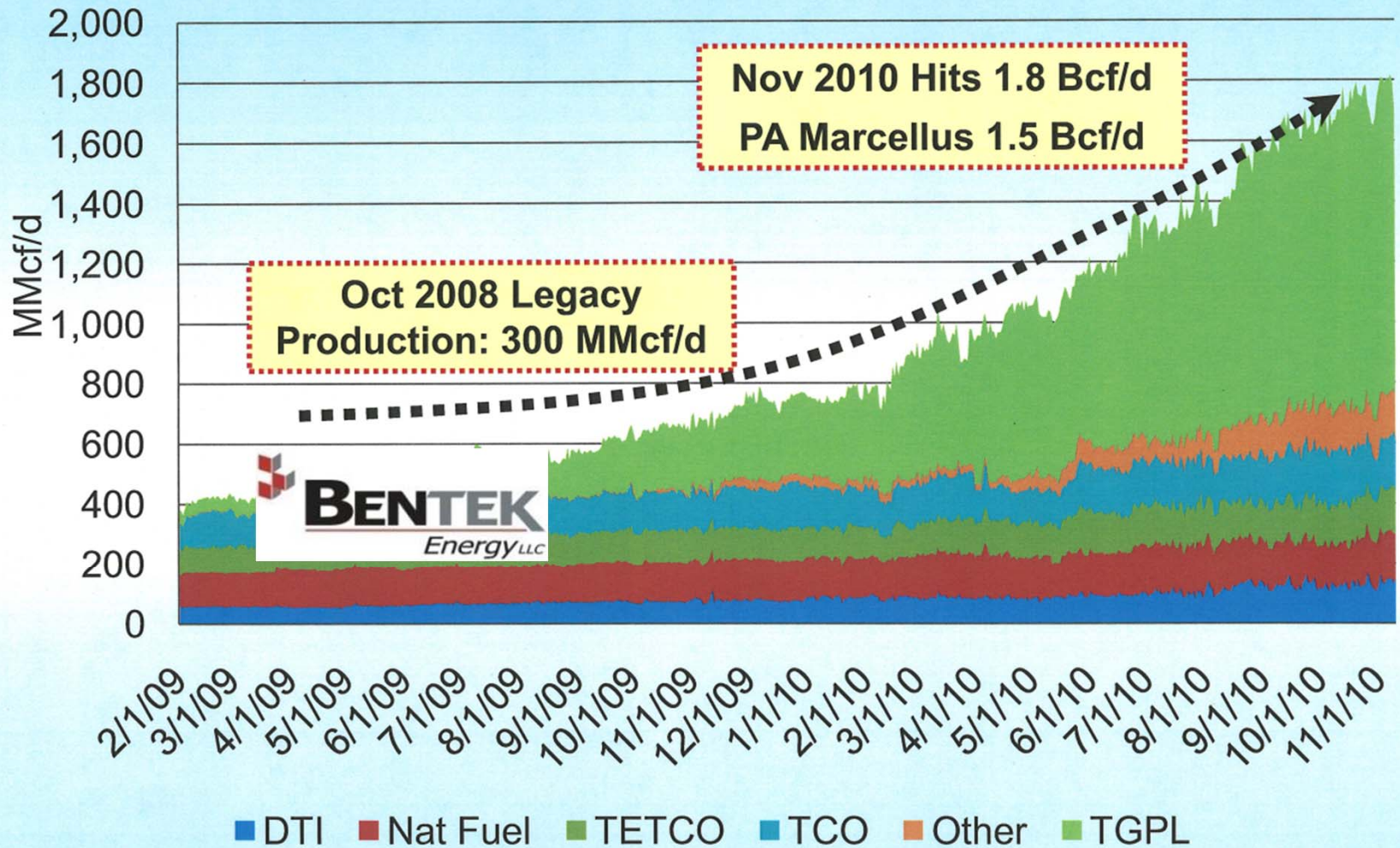
- Mission - engage government, natural gas producers, providers of services and other stakeholders to ensure the safe development of shale gas resources in the State of Pennsylvania.
- Develop new technology, analysis and education to assist in the safe and dependable development of Pennsylvania's shale gas resources.
- Provide this information to stakeholders and policy makers

Marcellus Shale Region Wells Drilled 2008 – 2010 YTD



Source RigData and BENTEK, November 2010

Marcellus PA Production Growth



Through SAFER

Pennsylvania has an opportunity to:

- Improve our nation's energy security by increasing the supply of a clean domestic energy product
- Ensure thousands of good high paying jobs for Pennsylvanians
- Demonstrate the State is serious about the responsible production of this valuable resource by supporting the development of best processes, procedures and technologies in support of environmentally sound extraction of shale gas resources

Examples of Potential Output by SAFER (not all inclusive)

- > Characterize and analyze unconventional and shale gas resources (regional, local and statewide)
- > Develop analysis to assist in resource development and planning
- > Evaluate and integrate technology, procedures and processes to diminish environmental impacts
- > Deliver education to the public and stakeholders about the development of Pennsylvania's shale gas resources
- > Be responsive to new issues or concerns

SAFER - Program

>Through Competitive Solicitation

- Catalyze state, regional and national resources to develop the best information and solutions for safe development of shale gas resources in Pennsylvania
- Provide a means to perform collaborative R&D to the benefit of the entire State of Pennsylvania
- Showcase the intent of the State to manage and develop it's shale gas resources in a responsible and thoughtful way

Why GTI, Penn State and U-Pitt?

- > GTI – 70 years performing collaborative energy R&D
- > Penn State and U-Pitt – recognized capable State Universities performing various R&D activities regarding shale gas issues
 - GTI, Penn State and U-Pitt have stepped up to offer to organize and start the program
 - > Great value for State – Committed and reputable partners committed to the success of the program.
 - > Goal of partners to develop and deploy a program and process that will provide value to the State, its residents and shale gas stakeholders

Partners' Intentions

- > To develop and grow – world class competitive R&D and analytical program addressing shale gas development in Pennsylvania through SAFER (based partly on PA Stripper Well Consortium and RPSEA in Texas)
- > Engage all relevant stakeholders
- > This is not our program – We are acting as the catalysts and caretakers to ensure that SAFER gets off to a great start!
 - While GTI, Penn State and U-Pitt have stepped up to organize and start the program and designed an organizational structure – other program designs and administrative structures are valid.

Our Request of the Commission



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Recommend to the Governor that the State provide resources to SAFER - so that the organization and program can begin this year!