

June 2021 Newsletter

Hello from Arthur Stewart, Secretary

LETTER FROM PRESIDENT DAVID CLARK

Dear PGCC Membership,

As spring gives way to summer, change is in the air. A promising commodities market and the easing of restrictions surrounding the pandemic are all great news for our industry. We all certainly have had loved ones, friends and acquaintances affected by the pandemic, even tragically losing loved ones, to the dismay of all of us. I remain hopeful that we are turning the page. There is a pretty good chance that soon we won't even need to mention COVID-19 and its effect on our industry, for which I am very thankful.

I want to mention to all of you that since the inception of the Crude Development Advisory Council (CDAC), PGCC board member Arthur Stewart has faithfully served as President of the Council. The CDAC bylaws only allow an officer to serve two terms, and Arthur finished that second term this spring. With Arthur serving as President, the Council certainly hit the ground running, and it was a lot of work for the President to sort out agendas, write the reports, prepare the documents for the meetings, and keep the meetings running so smoothly.

During those first four years the Council agreed on priorities, worked with stakeholders on the creation of the first Conventional Oil and Gas Act, quantified the orphan well problem, published key economic data, and kept the produced water problem on the front burner. Most recently the Council has been working through the chapter 78 regulations that the DEP has brought forward. There is no precedent for how CDAC reviews regulations, and keeping the process on track has required a lot of organization. I would like to send a thank you to Arthur for his willingness to fill this position and help the Council get up and running as smoothly and effectively as anyone could possibly have hoped to. The number of hours that he put in served the industry as a whole and certainly benefited the members of PGCC.

Arthur will continue to represent PGCC on the Council, as will Joe Thompson, who has faithfully served in Bruce Grindle's absence. PGCC members will continue to have two very skilled and knowledgeable advocates representing them on the Council.

Enjoy the newsletter; PGCC has been very busy in the first half of 2021. We are more committed than ever to advocating for our members, and this Board and those that serve on the various committees are more determined than ever stay in this fight. And from my chair as always, it is a pleasure to represent you, the hard-working families of Pennsylvania as I continue to serve. I thank you for your continued

support of time, talent and treasure.

All the Best, Dave Clark President, PGCC

COGA.....WE'RE BACK...AND STRONGER THAN EVER!!!

What do you do with a righteous cause, even when the Governor vetoes it? Senator Scott Hutchinson and Representative Marty Causer, prime sponsors of the Conventional Oil and Gas Act, know the answer: **run the bill again**.

This spring, the Senator and Representative, along with dozens of co-sponsors, re-introduced the Conventional Oil and Gas Act in order to create a conventional oil and gas statute. If it becomes law, the bill will separate conventional oil and gas law from the statute that governs unconventional gas operations.

The bill is off to a great start, passing the Pennsylvania House by a margin of 113 to 88. That is four more votes than the last time it passed in the House, with most Republicans and thirteen Democrats voting in favor of the bill.

Representative Causer attributes much of the success to education. Representative Causer, along with Representative Kathy Rapp and Senator Hutchinson, have been hosting fellow legislators for visits to the conventional oil and gas patch (see next story below). Representative Causer reports that when his fellow legislators see a conventional well for the first time, they say, "Is that all there is?"

Representative Causer notes that many legislators don't know there is such a dramatic size difference between a conventional and unconventional well. When his fellow legislators see conventional operations and the surrounding clean water, fields, and forests, they understand that conventional operations have a small impact. Causer explains, "The notion that we have to choose between the industry and the environment is a false narrative that is harmful to workers, small business owners and our local economy, not to mention the state's energy economy."

PGCC assisted with both the sponsorship and passage of the bill, with that assistance taking many forms. First, PGCC needed to introduce our industry to the several dozen new legislators who took office this January. PGCC's Board set the goal of meeting ALL of the new legislators, and to accomplish that we tapped PGCC Board and Committee members. Since January PGCC members (too numerous to list here) have either traveled to meet, or have engaged in video conferences, with over three dozen new legislative members. In those meetings PGCC shares conventional oil and gas information and pictures, and explains the need for a COGA.

Second, when legislators or their staff have inquired about industry operations, PGCC has provided data. For example, legislators want to know the history of spreading produced water on dirt roads. PGCC provides to legislators the joint DEP/EPA study done several years ago that shows spreading produced water is perfectly safe. Third, PGCC was honored to host the House Policy Committee (chaired by Marty Causer) as well as House Speaker, Bryan Cutler, at a visit in Clarendon and Warren on May 12th, where COGA was the topic of dinner conversation.

Finally, when the environmental extremists spread lies and propaganda about conventional oil and gas, PGCC fights back. In May, just before COGA was to be voted on in the House, Pennfutures put out a hit

piece on COGA. PGCC responded with an email to every member of the PA House. The hit piece is in black, below, and PGCC's response to all House members is in red:

Tell Your Elected Officials to VOTE NO on House Bill 1144. It would:

- Promote toxic drilling fluids and wastewater from gas extraction to be used on our roads, which threatens the health and safety of surface waters nearby. Most drilling takes place in rural areas, which is also where many of Pennsylvania's highest quality streams and headwaters are located.
- Unpaved roads are the largest source of particulate air pollution in the US. A joint EPA/DEP study found that spreading wastewater on PA's roads is perfectly safe. If cheap wastewater is not used to control road dust, municipalities must turn to expensive products like MC-70 (which contains primarily asphalt and kerosene!).
- Limit protections for public resources like parks, forests, and wildlife.
- The Court has already ruled that the public resource protections are too vague to be legally enforceable.
- Roll back public health protections, including industrial compliance with Safe Drinking Water Act standards, and weakening spill reporting requirements.
- HB 1144 requires the same drinking water standards required for every other industry in PA.
- Open the door to more conventional drilling operations across Pennsylvania, which further endangers our water and air.
- The truth: conventional drilling is down 99% from ten years ago.

We're very pleased to report that COGA passed the House on May 25, 2021 and moves on to the Senate.

PGCC HOSTS 20 LEGISLATORS IN WARREN



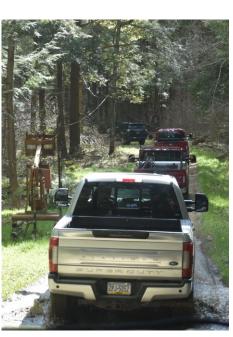
House members visited Cameron Energy on May 12, 2021

Seeing is believing, and seeing the small footprint of conventional oil and gas is the best way to convey why conventional and unconventional oil and gas should be regulated separately. PGCC regularly hosts visits all across western Pennsylvania, and with the help of Representative Causer (Policy Committee chairman), Kathy Rapp, and House Speaker Bryan Cutler, PGCC was honored to host nearly 20 House members at Cameron Energy on May 12, 2021.



(Left) PGCC President David Clark shows Rep. Kathy Rapp how to feel the "bump" indicating this conventional well is pumping oil.

(Lower Left) Touring Legislators through the hemlocks past a small-footprint conventional well.





(Above) Legislators look on as Mead Oil's drilling rig gets ready to spud a new conventional well for Cameron Energy.





(Above) Meeting the service rig crew.

(Left) PGCC Vice President Wally Phillips greets State Rep. Rob Mercuri, who represents southwest PA.

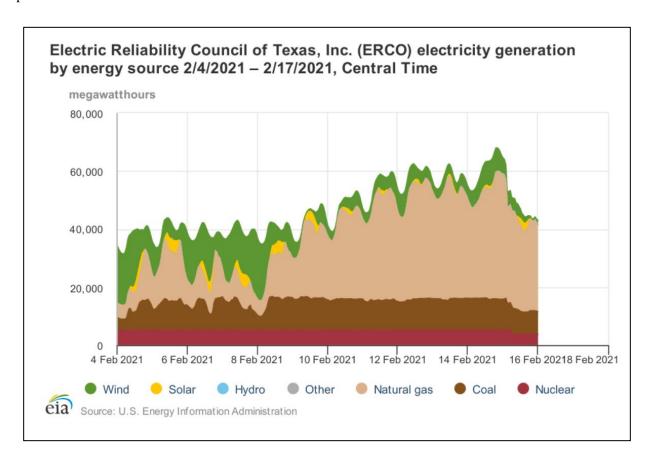
(Below) Speaker of the House Bryan Cutler talks about the importance of small businesses to PA's economy.

Check out the video: https://s3.us-east-2.amazonaws.com/pagopvideo/544387082.



THE RENEWABLES DECEPTION

Do you find the graph, below, compelling? During the Texas Valentine's Day blackout, renewable-generated electricity (wind & solar) fell by 90% due to bad weather. Dependable natural gas-generated electricity increased 470%. Despite the latter, Texas still suffered blackouts. Why? Because wind and solar are inherently unreliable (only working when conditions are right) and Texas is becoming too dependent on unreliable renewables.



Activists are tilting the energy playing field, urging subsidies for wind and solar, and declaring the death of "evil" fossil fuels. Conveniently, the activists ignore all the fossil fuels used to manufacture, install, maintain, and dispose of wind turbines and solar panels.

PGCC is pushing back. Last month PGCC opposed House Bill 1161 which would institute a subsidy program for solar energy in Pennsylvania. During dinner at the May 12th visit with legislators PGCC shared graphs revealing that Germany's unreliable wind energy program has led to Germany suffering the most expensive electricity in Europe...and that Germany must still keep her fossil fuel power plants online for the times when wind and solar don't work (which is much of the time).

Why should the playing field be tilted to put oil and gas out of business just to make way for unreliable and incredibly expensive wind and solar?

THE INDUSTRY LOSES ANOTHER GOOD FRIEND



Dan Palmer, industry friend, and Crude Oil Relationship manager for American Refining Group, recently passed.

Daniel was an active member in the local community through multiple volunteer positions. He was coach of winter and summer soccer for the youth of Bradford. He sat on several boards in support of the Bradford area and was elected City Councilman in 2015, in charge of the Parks and Recreation Department.

Dan also served on the Pennsylvania Crude Oil Development Advisory Council.

PGCC TESTIFIES IN HARRISBURG

On April 19, 2021, the House ERE Committee, chaired by Rep. Daryl Metcalfe, held a hearing about challenges facing Pennsylvania's conventional oil and gas industry. PGCC's Tyler Martin testified about economic, regulatory and other matters. Chairman Metcalfe has spent many hours getting to know PA's conventional industry, and this hearing was a great opportunity to have conversation with the whole committee. The link to the hearing is here, and Tyler's testimony starts at minute 24. 4.19.2021 - Environmental Resources & Energy Committee Info Meeting - 11:00am on Livestream We sincerely appreciate Chairman Metcalfe's decision to schedule this important hearing.



CREDIT WHERE CREDIT IS DUE

When filling out the permit to plug an orphan well...do it right!

PGCC members plug more orphan wells than the PA DEP. But PGCC members don't get credit, in part because PGCC members don't properly complete the DEP form <u>8000-FM-OOGM0005</u>, "Notice of <u>Intention by Well Operator to Plug a Well</u>."

When we fill out the form incorrectly the DEP registers the well as "active". That is a mistake. When the well is "active" it goes on your bond until it is plugged. Also, activists who study DEP records will claim that you abandoned the well; the activists will use the well as a symbol of industry irresponsibility.

When you encounter a "legacy" orphan/abandoned well that you have not operated or produced, fill the form out as follows:

- 1.) **DO NOT** FILL IN FIRST SECTION AS THE WELL or COAL OPERATOR. In the name section say: "UNKNOWN" and use the **OGO No.: 99999** (**Do NOT use your OGO number!**)
- 2.) Check the box as "AGENT" and Fill in your company information (Contractor Name, Address, Telephone No., City, State, and Zip Code)
- 3.) Fill in an available information for the well (API, Date Drilled, Well Farm Name, Well No., Well Serial No., County, Municipality, Latitude, and Longitude) Sign and Date.

By completing the NOI form in this manner the well status should appear in the DEP records as "DEP Abandoned" well and not "Active". The well should not go on your "Active" well bond. Again, if you fill the form out as the "Well Operator" even if you have not operated the well, it WILL go on your "Active" well bond until it is plugged with a plugging certificate.

Doing it right will be good for you and will help the industry get recognition for orphan/abandoned well plugging.

The next page contains a sample form filled out correctly.

If you have questions contact Tyler Martin.

tylerqmartin@gmail.com 814-968-3337

8000-FM-OOGM0005 Rev. 3/2017
Form
Pennsylvania
DEPARTMENT OF ENVIRONMENTAL
PROTECTION

COMMONWEALTH OF PENNSYLVANIA DEPARTMENT OF ENVIRONMENTAL PROTECTION OFFICE OF OIL AND GAS MANAGEMENT

| | DEP USE | ONLY | |
|-----------|---------|--------|-----|
| Auth. No. | | U.S. W | ell |
| | | | |

NOTICE OF INTENTION BY WELL OPERATOR TO PLUG A WELL

| | | OGO No. | | U.S. Well No. (Permit / Reg) | | Date Drilled (If known) | | |
|---|--|-----------------------|-----------|--|---------------------------|----------------------------|---|--|
| | | 9999 | 9 | 37 <mark>-123-12345</mark> | | | | |
| Name | Well Farm Name | | | | | | | |
| Unknown | Lot 123 | | | | | | | |
| Address | Telephone No. Well No. Well Serial No. | | | | il No. | | | |
| City | State | Zip Code | | County | | | | |
| | | | | Oil Field | | | | |
| Agent (contractor) acting on behalf of the operator named above. | | | | Municipality | | | | |
| John Doe Energy Company | | | | Drill Township | | | | |
| Address | Latitude (DD) Longitude (DD) | | | | | | | |
| 123 Pumpjack Lane | | 814-555-1234 41.12345 | | | | - <mark>79.12345</mark> | | |
| City | State | Zip Code | | Attach | well record if i | not previously | v submitted. | |
| Rig Town | PA | 12345 | | | | | | |
| Complete this section if applicable. Prior the coal operator, lessee, or owner of the interpretable which the work of plugging will commence. | ention to | plug and abando | n the we | ell, and shall submit a pl | at showing th | e location an | d affix the date and time at | |
| Coal: Operator Owner Les | | Coal: | r [| Owner Lessee | Coal: C | perator | Owner Lessee | |
| Address | Address Add | | | Address | | | | |
| City, State, Zip Code | C | City, State, Zip Code | | | City, State, | City, State, Zip Code | | |
| Telephone No. Notified? Telephone No. | | | | Notified? | Telephone | Telephone No. Notified? | | |
| □Yes □ | □Yes □No | | | | | □Yes □No | | |
| This Party hereby waives the rights to be notified of the date and time before plugging work will begin the date and time before | | | | he rights to be notified o plugging work will begir | | | s the rights to be notified of re plugging work will begin | |
| and to be present at the plugging of this well. | | | | | | | | |
| Signature: Signature: | | | | | Signature: | | | |
| Scheduled Date and Time of Plugging | • | Pluggi | ing is sc | heduled to begin on (da | te) <mark>6/1/2021</mark> | | at <i>(time)</i> 7:00 am | |
| Checklist and Additional Attached Information | | | | Signature of Applicant (Operator or Agent) | | | | |
| ☐ Location Plat | | | | Signature Date | | | | |
| ☐ Current Well Record | | | John Doe | | | 5/21/2021 | | |
| ☐ Available Well Record | | | | Print or Type Signer's Name and Title | | | | |
| Available Well Record Application for Approval of Alternate Method of Plugging | | | | John Doe, President | | | | |
| | o iviculou | or ragging | | | | | | |
| Mine - Through | | | | | | | | |
| Other, describe: Map | | | | | | | | |
| | | | DEP US | E ONLY | | | | |
| If this well has not been permitted or reg | jistered p | previously, DEP | Notice a | acknowledged by | | Date | Geologist | |
| hereby assigns this identification number to the well location described in this notice: | | | | ep | | | | |
| (Signatu | | | | ure) | | | Date | |
| Identification No Date Please refer to this number in all future correspondence. (Print N | | | | ame) | | | | |
| Send a copy of this notice to the applicar | t and the | DEP inspectors | s. | | | | | |
| | | | | | | Date Rec | eived in DEP Office | |
| | | | | | | | | |
| ☐ Applicant ☐ Oil and Gas Inspector ☐ Mine Inspector | | | | | | Plugging must begin within | | |
| | | | | | | | 30 days of: | |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |

SUPPORT OUR MEMBERS:

PGCC is fortunate to have a growing membership that includes valued service providers. We urge you to support our service members!!!





Bradford, PA - Wireline Services
Openhole, Casedhole, Casing Inspection,
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Office - 814-362-0230 Dick Carpenter - 304-575-8989 Marty Comini - 412-260-9040



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