



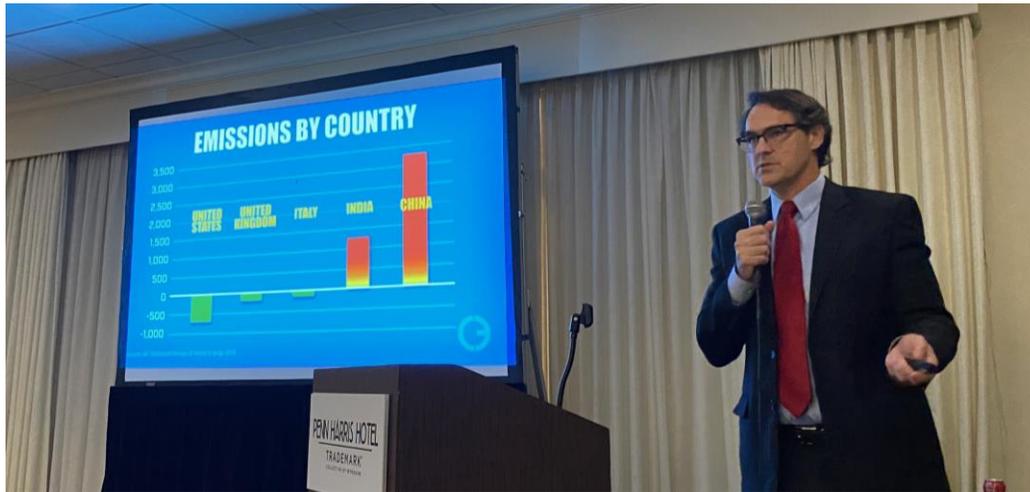
December 2021 Newsletter
Hello from Arthur Stewart, Secretary

CLEAR ENERGY DAY OCTOBER 26, 2021



PGCC members gathered in Harrisburg October 26 and 27 for Clear Energy Day. Bringing the message to “look at energy through a clear lens,” PGCC members met with over 50 legislators, at the Capitol, on October 26th. Pictured above are PGCC members with House ERE Chairman Rep. Daryl Metcalfe and Rep. Valerie Gaydos—both representing districts in western Pennsylvania.

A clear look at energy means challenging the fiction that wind and solar (which supply 3% of the world's energy) can easily and cheaply replace fossil fuels (which supply 84% of the world's energy). The "Green New Deal" will soon have the world shivering in the dark, and Mark Mathis, founder of Clear Energy Alliance ([Clear Energy Alliance - Exposing Flaws in Important Energy Issues](#)) was recently PGCC's guest in Harrisburg, to help shed light on energy realities.



Mark is the genius behind two movies and dozens of clever videos about energy (see his videos here: [Clear Energy Alliance - Videos - Exposing Lies About Alternative Energy](#)). Approximately 40 legislators and staff joined Mark and PGCC members in late October where Mark talked about the existing problems with wind and solar and how the introduction of yet additional unreliable wind and solar power makes our electric grid "fragile."



Pictured above are legislators, legislative staff, PGCC members, and their families attending the presentation of Mark Mathias in Harrisburg. Mark spoke not only about the perils of wind and solar; he reminded us that fossil fuels are irreplaceable in industrial processes like steel and cement, powering heavy agricultural and industrial machinery, powering the majority of the world's heavy and long-haul transport, and, ironically in the manufacture of solar panels and wind turbines.

It's frightening that leaders around the world have staked our energy future to unreliable wind and solar, and as a resident of Texas Mark was able to tell us, firsthand, about the five-day Texas-blackout. That 2021 Valentine's Day blackout was the result of too much reliance on wind and solar—both of which failed in the storm. Mark noted that the same conditions are now unfolding in Europe with wind blowing only intermittently and reliance on natural gas and coal skyrocketing.



The next day, October 27th several PGCC members were able to return to the Capitol where we introduced the clear energy message to yet more legislators. PGCC members were also able to meet with key House and Senate leaders to educate them on important issues embodied in current legislation and policies, including new royalty bills that...once again...confuse unconventional and conventional oil and gas issues. PGCC is now well recognized as representing home-grown small businesses and as an honest resource for information. During our talks on October 27th many legislative leaders suggested strategies and tactics that demonstrate our legislators are open to learning about the differences between the conventional and unconventional industries.

Going into the new year it's a comforting sign for our future that so many legislators are tuned into energy issues in general, and the issues of conventional oil and gas in particular.

LEVELING THE ENERGY PLAYING FIELD

On November 23, 2021, Rep. Kathy Rapp introduced House Bill 2104, which requires bonding and a plan to insure the responsible decommissioning of wind and solar facilities. Rep. Rapp said:

“At this time an old solar panel or decommissioned turbine can be thrown into a landfill while the property leased to these endeavors is left in an unusable state. Landowners need assurance that their leased property will not be marred by the remnants of solar and wind farms 20 years from now, and we should assure that the materials used in these facilities are either reused,

reclaimed, or recycled instead of filling landfills and languishing.

This concern has been addressed by the Bureau of Land Management on federal lands, by some state governments, and also via municipal ordinance within the Commonwealth. Pennsylvania should strive for a clear and uniform regulatory policy for all industries, and thus statewide decommissioning guidelines will assure that a high standard is upheld by solar and wind energy installations across the state.”

In December, the House Environmental Resources and Energy Committee held a hearing on HB 2104, and the DEP submitted fascinating testimony. Instead of supporting the concept of bonding energy-supplying wind turbines, the DEP testified:

“Bonding and details regarding end-of-life restoration are considerations in the land lease between the property owner and developer such that the conditions, payments, and timeframes be suitable to both. This requirement can also be further strengthened at the local government level by including provisions in ordinances where oversight of a local project is customary. HB 2104 would add potentially duplicative and highly onerous new bonding requirements for items that were not normally part of the standard practice lease agreement bond. This bonding requirement would then engage the DEP in the project throughout its entire life and through completion of the decommissioning plan. This is not typically something that is done for other construction projects by DEP and would represent an expansion of DEP’s traditional role.”

So...for energy-supplying wind turbines the DEP has testified that decommissioning shouldn’t require bonding because the land lease provisions will take care of the decommissioning concern. Let’s translate that to energy-supplying oil and gas. In my legal career I’ve written or read hundreds (maybe thousands) of oil and gas leases that require the energy-supplying wells to be plugged at end of life. So, DEP, using your logic, why does the oil and gas industry need bonding?

But there’s more. Suddenly, when the energy supplier is wind and solar, the DEP is considerate of jobs and economic opportunities. The DEP testified:

“These bonding requirements are potentially duplicative and highly onerous and there are serious questions about what benefits they would provide over existing requirements. Renewable and alternative energy projects in development represent economic opportunities for the Commonwealth, and solar deployment in particular could result in over \$12 billion of investment potential in Pennsylvania in the near future. Beyond the environmental benefits, these facilities will provide local economic opportunities and tax revenues as well as many jobs to build, maintain, and eventually decommission these projects. While we are encouraging this kind of smart, low-impact development, the effects of this bill could create a financial disincentive and lead to a substantial loss of investment potential in the alternative energy and manufacturing sectors.”

Perhaps DEP is ignorant of the jobs and economic opportunities that conventional oil and gas have yielded in western Pennsylvania communities for 150 years.

PGCC provided testimony at the December ERE hearing urging a level playing field for ALL energy suppliers. Here are excerpts from PGCC’s testimony:

“Wind turbines are a decommissioning nightmare due to their sheer size. The average turbine weighs 1688 tons (the equivalent of 23 houses) and contains 1300 tons of concrete, 295 tons of steel, 48 tons of iron, 24 tons of fiberglass, and the hard-to-extract rare earth minerals neodymium, praseodymium, and dysprosium. Each blade averages 81,000 pounds and cannot be recycled. I have appended a photograph of wind turbine blades being buried in a landfill. The landfill space requirements for turbine disposal are enormous.

Wind turbines and solar panels do not last forever. In fact, wind turbines and solar panels begin to degrade from the first moment they are installed, and they are not nearly as efficient at year 10 as they are on the day of installation. By year 20 (or sooner) wind turbines and solar panels are entirely worn out and must be decommissioned.

It should be easy for us to foresee thousands of acres of carelessly abandoned solar panels. We should be gravely concerned about massive wind turbines standing abandoned in our back yards.

HB 2104 is one step toward leveling a playing field that is grossly tilted and ignorant of the many adverse impacts of the wind and solar industries. But with due respect, decommissioning is only one portion of the picture. The General Assembly must also regulate the installation and operation of solar and wind facilities.

The installation of wind and solar facilities (and the associated power lines) involves industrial earth-moving and tree-cutting across thousands of acres. Wind turbines create annoying noise, radar and visual interference; they throw dangerous ice chunks, and blade parts when the turbines fail. Any other industry posing such enormous impacts would be subject to setback, permitting and planning requirements. Wind and solar should be no exception.

Our industry is not opposed to the solar and wind industry. But our industry and the solar and wind industries are competitors. Like any competitor our industry asks to be treated in the American way—by being allowed to play on a playing field where the referees aren’t rooting for the other team.

It is time to stop the inaccurate propaganda about green energy sources. Green energy doesn’t exist. HB 2104 is a sensible step on the path toward creating a Comprehensive Pennsylvania Energy Policy that is accurate, fair, devoid of picking winners and losers based on political leanings, and embraces the opportunities available to our great Commonwealth thanks to the myriad of energy resources located here. While HB 2104 is a good first step, PGCC urges the General Assembly to look toward a Comprehensive Energy Policy that also examines the dangers of installing and operating wind and solar facilities, and that regulates those dangers and impacts accordingly.”

With the introduction of HB 2104 Representative Rapp has done a favor to every Pennsylvania citizen and business that benefits from a level and competitive energy playing field. **When you see Kathy be sure to give her a big THANK YOU for her vision, intelligence, and determination to keep the referees honest.**

PGCC ANNUAL MEETING OCTOBER 7, 2021

PGCC held its Annual Meeting at Jackson Valley Country Club, October 7th.



New Board members and officers were elected and our 2022 officers are David Clark, President; Meredith Fesenmyer, Vice President; Wally Phillips, Treasurer; and Arthur Stewart, Secretary. Paul Morris is the appointee to our Executive Committee.

Board membership is:

Director	Term Expiration	Director	Term Expiration
Chris Cochran	2022	Stuart Morris	2024
Glenn Baldensperger	2022	Jay Curtis	2024
Paul Morris	2022	Meredith Fesenmyer	2024
David Clark	2023	Joe Thompson	2025
Arthur Stewart	2023	Ted Howard	2025
Wally Phillips	2023	Sam Harvey	2025

Bob Taylor and Mike Ward gave PGCC members an update on events in Harrisburg and Committee chairs Wally Phillips and Arthur Stewart gave updates on Committee work.

An important item for members is the push by the Sierra Club and other environmental extremist groups to radically increase oil and gas well bonds. The Pennsylvania EQB has agreed to the Sierra Club petition to review the bond amount for conventional (and unconventional) oil and gas wells.

[Environmental Quality Board Moves Forward Petitions to Raise Bond Amounts for PA Oil and Gas Wells | Sierra Club](#) The Sierra Club wants each conventional well to be bonded for \$38,000. PGCC has developed a response strategy that will be implemented in January 2022.

Doug Jones and Arthur Stewart gave an update on the EPA methane rules. The initial rule documents are nearly 500 pages in length; even so, there are more rules to come. Doug and Arthur have slogged through the pile of paper and they summarized some of the most unreasonable items proposed by the EPA (including an EPA desire to have methane contained during well-unloading events such as bailing).

PGCC, PIOGA, PIPP and IOGANY are working together to hire the Babst Calland law firm to help assemble comments appropriate to conventional oil and gas operations. The comment period has been extended to January 31, 2022. The new comments are in addition to comments that PGCC submitted in July and August of 2021.

The Chapter 78 regulations are moving forward. The regulations must go through the PA Crude Oil Development Advisory Council (CDAC) for comment. The PGCC appointees to CDAC are Arthur Stewart and Joe Thompson. Arthur gave a brief update about the comments PGCC has been assembling. DEP is expected to advance the Ch. 78 regulations to the EQB in 2022.

Thanks to American Refining Group for sponsoring the meeting food!!

FEDERAL PLUGGING MONEY IS ON THE WAY

In November 2021, the Federal Infrastructure Bill was passed into law. It includes billions for well plugging grants:

Funding Amounts

- **\$4.707 billion** in federal funds are available from **Oct. 1, 2021**, through **Sept. 30, 2030**:
 - \$250 million for activities on federal lands.
 - \$4.275 billion for grants to states:
 - \$775 million for Initial Grants
 - \$2 billion for Formula Grants
 - \$1.5 billion for Performance Grants
 - \$150 million for Tribal grants.
 - \$30 million to the Secretary of Energy to conduct research and development activities related to undocumented orphaned wells and for mitigating the environmental risks of undocumented orphaned wells.
 - \$2 million to the Interstate Oil and Gas Compact Commission (IOGCC) to help carry out activities in the Act.



Overview of State Grants

- Three types of grants available to states: **Initial Grants**, **Formula Grants**, and **Performance Grants**:
 - Each with a different purpose, structure, application, and limitations.
- States may use grants from any round for a variety of activities on state-owned and privately-owned lands:
 - Plugging, remediating, and reclaiming orphaned wells
 - Identifying and characterizing undocumented orphaned wells
 - Ranking orphaned wells based on relevant factors
 - Making information regarding the use of federal funds available on a public website
 - Measuring and tracking 1) emissions of methane and other gases associated with orphaned wells, and 2) contamination of groundwater or surface water associated with orphaned wells
 - Remediating soil and restoring native species habitat impacted by orphaned wells and associated infrastructure
 - Remediating land adjacent to orphaned wells and decommissioning and removing associated infrastructure
 - Identifying and addressing impacts of orphaned well on environmental justice communities
 - Administrative costs necessary to carry out the activities (limitation of 10% of funds for admin. costs)

According to a DEP presentation last month the DEP expects to receive between \$95 million and \$395 million over the course of ten years, for well plugging. The DEP anticipates that it might award as many as 300 plugging contracts per year, involving thousands of wells per year.

Federal Legislation Opportunity

Unprecedented Procurement Target and Budget

- Annual operating budget could reach almost \$80 million
- Historically, annual operating budget capped at \$3.5 million
- Contracts per year could exceed over 300, addressing dozens to thousands of wells annually
- For comparison, between 2018 and 2020, DEP executed 9 contracts addressing 2.7 wells per contract over 963 days (107 days in development time per contract)

SUPPORT OUR MEMBERS:

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

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Operation Location: 15771 Olean Trail, Strattanville, PA 15139 (Corsica Shop)

Equipment & Service Description

- 1) **Description:** 3 Complete Wireline Units setup to run Openhole and Casedhole Services. With 2 additional Wireline units in yard. Equipment was built and designed to handle the terrain of the Appalachian's, and the specific needs of the Energy business.
- 2) **Safety:** ATF & NRC Licenses for all operating States. Registered with ISNetworld with a "A" rating. OOSH 300A forms with ZERO incidents since conception (Sept. 2014). All training and safety audits up to date.
- 3) **Personal:** Keystone Wireline staff has many years of field, sales, and management experience dealing with all aspects of wireline work, including Plug-n-Abandonment, Openhole, Casedhole, Cavern, and Porosity storage operations. The team has between 20 plus years of experience for each individual in the wireline industry, making the staff experience leader in the industry.



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