



**November 2023 Newsletter**  
Hello from Arthur Stewart, Secretary

## **Annual Meeting**

PGCC held its annual member meeting October 19, 2023, at Cable Hollow Golf Course.



**Kathy Rapp addressed PGCC members at the October 19, 2023 Annual Meeting**

PGCC was honored to have Representative Kathy Rapp and Senator Scott Hutchinson as guest speakers.

Both Rep. Rapp and Senator Hutchinson discussed the disconnect, in Harrisburg, between reality and politics. Every day the Representative and Senator meet people who criticize oil and gas and want the legislature to do away with fossil fuels and subsidize “green energy.” Yet those same complainers use

hundreds of products made from, and powered by, oil and gas. Worse yet, those complainers are unaware of the key roles that oil and gas play in their own lives.

As Republican Chair of the House Health Committee Representative Rapp is particularly attuned to how oil and gas are vital for the manufacture of the catheters, syringes and hundreds of other healthcare products used to save lives daily. The Representative is an articulate spokesperson for the fact that oil and gas provide not only energy, but also the irreplaceable feedstock for products we do not want to live without...and many products we CANNOT live without.



**Senator Hutchinson talked about the proper role of government**

Senator Hutchinson gave moving, yet sobering, remarks about the role of government. He talked about the founding fathers' vision of limited government, and that government should only exercise those powers granted by the Constitution. The Senator gave examples of government overreach and the negative impacts suffered by that overreach, including consequences we are suffering in the conventional oil and gas industry.

Their attendance and remarks were much appreciated, and there was lively discussion with both the Representative and Senator following the meeting.

During regular business, the membership reappointed directors whose terms were expiring and reelected PGCC's officers (David Clark, President; Meredith Fesenmyer Vice-President; Wally Phillips, Treasurer; Arthur Stewart, Sec.; and Doug Jones, Executive Comm.) Several committee reports were given; those items are summarized later in this newsletter.

# VOC Emissions FAQ

This spring the DEP put in place a VOC Emissions rule for the conventional oil and gas industry. There is a long history to this rule. Our May 2022 Newsletter gives details about the lawsuit PGCC filed. The December 2022 and May 2023 Newsletters give updates: [News | Pgcc \(paconventional.com\)](#)

As part of the process of opposing the rule, PGCC testified in Harrisburg. That testimony included several questions about how the rule would apply to conventional oil and gas operations. To answer those questions, a web conference was held with DEP employees and representatives from each of the three trade groups. Subsequently, on August 22, 2023, DEP employee, Mark Hammond, led a second web conference with members of the three trade groups. DEP gave complete answers to the questions, and at the conclusion of the meeting, it was agreed that a FAQ should be prepared to share widely with the members of the three trade groups. The three trade groups sent the FAQ to DEP lead staff member, Mark Hammond, for review. The three trade groups never heard back.

At the fall CDAC meeting the three trade groups asked for an update and learned that DEP employee, Mark Hammond, was no longer with the agency. The three trade groups re-submitted the FAQ to Mr. Hammond's successor. But there has still been no response from the DEP.

The FAQ text is in red below. Remember: the language in red represents the notes that all three trade groups took during the August 22, 2023 call with DEP staff. However, DEP has not yet signed off on the FAQ:

Questions concerning LDAR (leak detection and repair work practices designed to identify leaking equipment):

1. For the LDAR monitoring threshold, is a separate tank battery surface site (meaning a tank battery site that is not located at the location of the well that supplies the tank battery) aggregated with the well or wells that supply the tank battery? Answer: No. (See provisions in 25 Pa. Code section 129.137)
2. If the well that is supplying the separate tank battery surface site is subject to LDAR on its own because of the barrel of oil equivalent produced per day, does that fact automatically make the separate tank battery surface site ALSO subject to LDAR? Answer: No.
3. Did DEP perform a separate RACT analysis for a conventional oil and gas separate tank battery surface site? Answer: No.
4. What daily oil equivalency production threshold will trigger the LDAR requirement at a separate tank battery surface site? Answer: LDAR will not be required at a separate tank battery surface site unless:
  - a. The separate tank battery surface site receives more than 15 barrels per day; AND
  - b. One or more of the wells supplying the separate tank battery surface site produced 5 or more barrels of oil equivalent per day. (See 29 Pa. Code § 129.137(b)(3))

Example: 20 wells supply a separate tank battery surface site. In the aggregate, the 20 wells supply 20 barrels of oil per day to the separate tank battery surface site. However, none of the 20 wells produce more than 5 barrels per day. In this example there is no LDAR requirement. Said another way, no amount of production at a separate tank battery surface site triggers the LDAR requirement so long as no one well supplying the separate tank battery surface site produces 5 barrels or more per day.

Questions concerning the collection of volatile organic compounds (VOC Emissions) at separate tank battery surface sites:

1. The volume that triggers the obligation to recover and control VOC emissions from a storage vessel at a conventional well site is potential VOC emissions in excess of 2.7 tpy. How is that 2.7 tpy calculated when there exists more than one tank at a separate tank battery surface site? Answer: the 2.7 tpy is per tank, regardless of how many wells are connected to a tank and regardless of how many tanks may co-exist at a single separate tank battery surface site. (See 25 Pa. Code § 129.133.) Example: A separate tank battery surface site contains three tanks; tank A is supplied by twenty wells on the “Smith” lease; tanks B and C are supplied by thirty wells on the “Jones” lease. Collection of VOC Emissions is required only from the tank (if any) that has the potential to emit 2.7 or more tpy of VOCs.
2. Is the recovery requirement impacted by how much methane is emitted from a tank? Answer: No. The requirement relates to the collection of VOC emissions, not methane. (See 40 CFR § 51.100(s)(1) for EPA determination that methane has “negligible photochemical reactivity.”)
3. How is the 2.7 tpy of VOCs calculated? Answer: The amount of VOCs emitted depends upon many factors including size of tank, shape of tank, type of openings and the like. Various methods can be used to measure or estimate the amount of VOCs emitted and a list of possible methods is attached as Exhibit B. (See 25 Pa. Code § 129.133(a)(2)(i).)
4. Are the VOC recovery and control requirements impacted by the number of wells connected to a particular tank? Answer: No.
5. Where can an operator locate the RACT analysis for a conventional oil and gas separate tank battery surface site? DEP did not conduct this RACT analysis. However, VOC emission recovery and control requirements apply to many kinds of storage vessels in different industries and it is not possible for the RACT analysis to cover every type of eventuality such as the absence of electricity at separate tank battery surface sites.

Based on the answers given by DEP on August 22 and summarized in the FAQ, there are not many emission sources in use in the conventional oil and gas industry that are affected by the VOC Emission rule. That actually makes sense given our industry’s very low pressure/low volume wells. However, see the next article—the rule is in place and reporting obligations exist even though the DEP has been unable to follow up on the FAQ.

## **VOC Emissions Rule Deadline**

Under section 129.140 of the VOC Emission Rule (Recordkeeping and reporting) the first report is due to DEP on December 2. Of course there are multiple problems with that date, the two major problems being caused by DEP itself:

- DEP has failed to respond to the FAQ; and
- DEP has failed to provide any official guidance or forms, including “prescribing the manner” in which to file the report as required by section 129.140(2).

Moreover, in the lawsuit, the court was delayed in handling the case because DEP was two months overdue in filing documents it owed the court.

Taking all this into account, PGCC has joined with PIOGA and PIPP to request an indefinite extension of the implementation of the VOC rule until DEP attends to the tasks it has promised and is required to complete under its own regulation.

## **Act 96 Grant Program For Orphan Well Plugging**

Under Act 96 DEP is required to send 20% of the Federal plugging money to a grant program used to plug orphan wells. The program will reimburse individuals, up to \$40,000, for the plugging of a shallow orphan well (3000 feet or less) and up to \$70,000 for an orphan well deeper than 3000 feet.

DEP initially said to expect documentation and grant funds to be released toward the end of 2023. However, at the fall CDAC meeting, DEP staff moved the expected date to spring 2024. Stay tuned—PGCC will provide more information as it becomes available.

## **All Quiet on HB 962**

In 2021, radical environmental groups requested that the Department of Environmental Resources (DER) and the Environmental Quality Board (EQB) impose a mammoth bonding increase for conventional wells. The radical groups asked EQB to do away with blanket bonding and to increase conventional well bonds to \$38,000 PER WELL. A conventional operator with 100 post-1984 wells would see the bond requirement increase from the current \$25,000 blanket bond to a total bond amount of \$3.8 million. This push was a not-so-hidden attempt to drive conventional oil and gas operators out of business.

In response to that radical move, several legislators took up the cause, including Senator Scott Hutchinson and Representatives Marty Causer and Kathy Rapp, and, in 2022, Act 96 was passed. Act 96 preserves the bonding amount of \$2,500 per well and also preserves the concept of a blanket bond. Under Act 96 the blanket bond increases to a maximum of \$100,000, at the rate of an additional \$1,000 for every new well drilled. Act 96 also creates a grant program for the plugging of orphan wells (discussed just above).

On April 19, 2023, Democratic Chairman of the House Environmental Resources and Energy (ERE) Committee, Greg Vitali, introduced HB 962, a bill designed to roll back Act 96 and do away with a single blanket bond altogether. On April 24, 2023, the ERE Committee held a hearing where invited speakers included the Sierra Club, the Environmental Defense Fund, David Hess of the PA Environmental Digest, and DEP. Our PGCC blog points out some of the bad information circulated at that hearing: [The Well Bonding Lies \(energy4life.today\)](#).

In fact, it turns out that some of the bad information given by the radical groups at that hearing was based upon bad DEP data. In June 2023, PGCC members again went to Harrisburg and our PGCC blog tells the story of how the bad numbers were uncovered and how the Sierra Club had to apologize for using bad data: [Should Governor Shapiro issue an NOV \(Notice of Violation\) to DEP? \(energy4life.today\)](#)

Since then, we have not heard anything about HB 962. Meanwhile, however, PGCC assembled a list of questions about the bad DEP data. Joining with the other conventional oil and gas trade groups, PGCC submitted the questions, to DEP, to clear up the bad data published by DEP and remove the misinformation about our industry. At the Harrisburg meeting in June, and again at the fall meeting of the Crude Oil Development Advisory Council (CDAC), DEP promised to provide answers to the questions. The DEP has not yet provided those answers.

## **Environmental Justice Policy Goes Into Effect**

On September 16, 2023, PA's Interim Environmental Justice Policy went into effect. This policy is not the product of the legislative process. Instead, it is the result of an executive order by former Governor Tom Wolf. The policy identifies areas in PA as suffering from environmental injustice. In those areas, projects involving permits are subject to heightened scrutiny.

In 2022, PGCC submitted comments opposing the policy. PGCC commented that the policy is an abuse of executive power, that the proposed policy is ridiculously subjective, and that the policy punishes rural communities. Those fears are realized in the policy that went into effect in September. While conventional oil and gas permits are not automatic triggers for the implementation of the policy, any permit can trigger the policy. (How that determination is made is not spelled out.)

DEP will accept comments until November 30, 2023, on the final policy.

## **Remember the PGCC Blog**

PGCC publishes a blog on energy related matters. If you haven't done so, check out the PGCC blog site and remember to click on the individual blogs (top right of the menu bar): [HOME | Energy Blog \(energy4life.today\)](#)

## **PA One Call**

Pennsylvania's One Call law (dealing with advance notice before digging) will automatically retire in 2024. Since the inception of PA One Call, conventional oil and gas operations have been exempt from participation. That exemption pre-dates the formation of PGCC, but the exemption makes sense; conventional oil and gas operations are almost universally located in remote areas away from major surface development activities. Moreover, the pressures and volumes involved in conventional oil and gas facilities and buried pipelines are low. Therefore, the risks posed by surface excavation are minimal.

On the other hand, the cost of compliance for a conventional oil and gas operator is high. The notice of surface operations is categorized by municipality and, although remote, the oil and gas operator's facilities might span large areas.

When the One Call law was renewed several years ago, PGCC worked closely with Harrisburg legislators to make sure that conventional oil and gas operations continued to be exempt.

The law will be up for review again in 2024 and PGCC is beginning the process of participation. PGCC's Legislative Committee will be taking the lead on this work. If you have an interest in helping the Committee with its work contact committee chair: Wally Phillips.

## **PUC Mifflin Energy Case**

PGCC members should be aware of the PUC gas safety inspector staff's prosecution of Mifflin Energy which resulted from the PUC's "investigation" of a home explosion in April 2020. Mifflin Energy supplied gas to homeowners under a "free gas" provision contained in the oil and gas lease. A house explosion occurred and the PUC staff determined the explosion was the result of a leak in the line located between the main tap (owned and operated by Mifflin) and the house. That line between the tap and house was originally described by PUC staff as a "homeowner" line. However, at the last minute, PUC staff changed the description, and said that Mifflin was responsible for the operation and ownership of the line (even though the underlying lease made clear that the "connection" was the responsibility of the homeowner).

The PUC staff's overreach in this matter is of considerable significance to conventional producers. Conventional oil and gas operators have thousands of "free gas" connections that are the results of oil and gas leases—many of which have been in place for decades—some for more than a century.

PGCC became involved in the case by filing comments in response to the last-minute change filed by PUC staff. Here is an excerpt from the PGCC filing:

As set forth in its original comments, PGCC's members would be significantly impacted by the modified public record. If a "consumer-owned" line, which is installed and operated under a farm tap lease provision, can be converted (by unexplained means) to the ownership of the Lessee/producer, in contradiction of the express terms of the underlying Lease agreement, then the contractual relationships of many PGCC members would be directly affected in a manner that is entirely new to the industry and which is entirely contrary to the understanding that has prevailed within the industry for well over a century.

The complete filing can be found here: [1804673.pdf \(pa.gov\)](#)

## **DEP Blanket Bond Form**

Act 96 (passed in July 2022) increases the blanket bond from \$25,000 to a maximum of \$100,000. The required bond amount grows by \$1,000 for every new well drilled; however, Act 96 waives the increase for every orphan well plugged by an operator. DEP has been slow in releasing the form for operators who plug an orphan well. But recently DEP made the form available here: [DEP Blanket Bond Form](#) There remain several unknowns about the bond waiver process so please keep PGCC informed if you are rejected or encounter other difficulties. There is no FAQ sheet associated with the new form.

## PGCC and ARG Join For ANF Centennial

PGCC and American Refining Group hosted a display at the Allegheny National Forest 100th anniversary celebration at Whispering Pines Campground just outside Kane, PA.

While the weather did not completely cooperate, PGCC and ARG joined the PA Game Commission, Army Corp of Engineers, other agencies and businesses, and artists who were selling their Forest related creations.

ARG displayed some of the many products made from our local Pennsylvania Grade crude oil. Beyond mere engine lubricants, PA crude oil is the feedstock for roofing products, medical tools, and other products—many of which ARG had on display. Visitors to our booth were surprised that more of ARG's refined output goes into products than fuels.



**From l to r: Brenda Fish, Dave Cook and Dave Clark at the ANF 100<sup>th</sup> anniversary**

PGCC was able to show the good stewardship projects that were completed under PGCC's "Get Caught Doing Something Good" Campaign and the other ways that the local producers are giving back to the communities where they operate. People were shocked to see all the different volunteer projects completed by PGCC members.

A big thank you to Dave Cook and Brenda Fish of ARG and Dave and Christine Clark of PGCC for overseeing the booth.



## 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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(724-705-3942)

Marty Comini – COO  
(412-260-9040)

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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