

The PIOGA Press

The monthly newsletter of the
Pennsylvania Independent Oil & Gas Association
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PIOGA criticizes DEP's proposed VOC rule for existing oil and gas sources

***Conventional operations should have been
excluded from the proposal***

Proposed regulations by the Department of Environmental Protection controlling volatile organic compound (VOC) emissions from existing oil and natural gas sources are inappropriate, would disproportionately impact conventional operators and fail to comply with the 2016 law requiring that regulations affecting conventional operations be proposed separately from those intended for unconventional operations. These were the main points made by PIOGA in formal comments submitted July 27 to the Environmental Quality Board on DEP's proposed VOC rulemaking.

On May 23, the EQB (the entity which formally promulgates regulations for DEP) published the rule "Control of VOC Emissions from Oil and Natural Gas Sources" (*June PIOGA Press, pages 1 and 3*). Commonly referred to as the "CTG RACT Rule," the proposal is based on the U.S. Environmental Protection Agency's 2016 Control Techniques Guidelines (CTG) which provide reasonably available control technology (RACT) requirements for VOC emissions from existing oil and gas sources. The rule will impact most oil and gas operations—conventional and unconventional alike—with requirements that apply to storage vessels, natural-gas-driven pneumatic controllers, natural-gas-driven diaphragm pumps, compressors, fugitive emissions components and other equipment.

"Many of our members are small businesses under the Small Business Regulatory Enforcement Fairness Act of 1996," PIOGA wrote in its comments to the EQB. "PIOGA emphasizes that the imposition of the 'one-size-fits-all' regulatory approach proposed by the CTG O&G

Rule for existing conventional and unconventional oil and gas operations in Pennsylvania, which blindly reflects the recommendations of the U.S. Environmental Protection Agency 2016 document "Control Techniques Guidelines for the Oil and Natural Gas Industry" is: a) inappropriate; b) disproportionately impacts conventional operations and small businesses in Pennsylvania; and c) more fundamentally, fails to comply with the plain directives of Act 52 of 2016, by which the General Assembly... rejected the 'one-size-fits-all' regulatory approach for conventional and unconventional oil and gas operations in Pennsylvania.

The association's comments continued: "PIOGA also notes that the EPA has proposed to withdraw the CTGs (i.e., the basis for the CTG O&G Rule) because it relied upon underlying data and conclusions made in the final rule titled "Oil and Natural Gas Sector: Emission Standards for New, Reconstructed, and Modified Sources," published in the Federal Register on June 3, 2016 [2016 New Source Performance Standards (NSPS)]. The EPA is currently looking to significantly revise the breadth and scope of the 2016 NSPS and the recommendations made in the CTG are fundamentally linked to the conclusions in the 2016 NSPS."

Specifically, PIOGA made the following points in its 18-page comment letter:

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2020 - Wait, What Just Happened?

Strategies for the Oil and Gas Industry in Unpredictable Times



Fall Conference and Sports Outing
September 22-24
Seven Springs Mountain Resort, Champion, PA



Join us under the tent at Seven Springs!

Our Fall Conference and Sports Outing is on for next month, and we will be holding the conference portion *outdoors* under tent. Yes, you read that right! Rest assured that we will be following all Pennsylvania and CDC guidelines concerning COVID-19 that are in place at the time of the event. Our goal is to deliver an excellent, in-person event while recognizing today's realities.

The full event is spread over three days—Tuesday, September 22, through Thursday the 24—at beautiful Seven Springs Mountain Resort. You can choose to take part in one, two or all three days. Here's what you can expect:

- **Tuesday, September 22.** Clay shoot from 12:30 to 3:30 p.m. on the amazing Seven Springs course. Lunch is included in your registration fee and will run from 11 a.m. to noon.

- **Wednesday, September 23.** The conference will run from 9 a.m. to 4:30 p.m., followed by a VIP PIOGA Political Action Committee Reception from 4:30 to 5:30 (minimum \$100 donation to participate), conference reception from 5:30 to 6:15 and dinner at 6:15. See the accompanying conference agenda for the speaker line-up.

- **Thursday, September 24.** A golf outing will take place from 9 a.m. to 1 p.m. on the scenic Seven Springs Course. Lunch is included.

And more!

Outdoor exhibit space is available for Wednesday during the conference. PIOGA will supply a 6-foot table and two chairs, and you must provide your own canopy if desired. Spaces will be roughly 10 feet by 10 feet in size. The exhibit cost of \$1,000 for PIOGA members and \$1,500 for nonmembers includes conference registrations and dinner for two people and acknowledgement as a Bronze level sponsor.

Sponsorships are available for both sporting events

that include four entries to the clay shoot or golf outing. For the conference day, an array of multiple and exclusive sponsorships are offered. Want to sponsor the tent? It's available! All sponsorships include recognition in promotional material, at the event and afterward in *The PIOGA Press*.

For details on lodging, registration and more, visit pioga.org > PIOGA Events. See you on the mountain in September for an excellent program, good food and drink, networking, and fresh air! ■

Conference agenda

| | |
|------------------|--|
| 8:00-9:00 a.m. | Registration & exhibit area open |
| 9:00-9:10 a.m. | Conference Open & Welcome — Gary Slagel, PIOGA Board Chairman |
| 9:10-9:45 a.m. | API Industry Outlook — Dr. R. Dean Foreman, API Chief Economist |
| 9:45-10:30 a.m. | Regulatory and Enforcement Issues — J. Scott Roberts, Former DEP Deputy Secretary for Mineral Resources Management & PIOGA Environmental Consultant |
| 10:30-10:50 a.m. | Break & exhibitor visits |
| 10:50-11:50 a.m. | Knowing Your Rights and Protecting Our Industry Panel Brian Pulito, Steptoe & Johnson Michael Hillebrand, Huntley & Huntley Moderator: J. Scott Roberts |
| 11:50-1:30 p.m. | Lunch and Keynote Address Curing Energy Blindness with Video (Yes, you read that right) — Mark Mathis, Clear Energy Alliance |
| 1:30-2:15 p.m. | Election Speculation — Charlie Gerow, CEO of Quantum and Political Analyst |
| 2:15-3:00 p.m. | Gas To Liquids Update — Greg Carr, Managing Director, Extiel GPG, LLC, |
| 3:00-3:20 p.m. | Break & exhibitor visits |
| 3:20-3:50 p.m. | Natural Gas As a Clean Transportation Fuel on the I-80 Corridor — Barry Carr, Executive Director, Clean Communities of CNY/Clean Cities Coalition |
| 3:50-4:20 p.m. | Get Involved — Literally & Politically — Teresa Irvin McCurdy, TD Connections & PIOGA Board Member, PIOGA-PAC Chair |
| 4:20-4:30 p.m. | Meeting Wrap-Up — Gary Slagel, PIOGA Board Chairman |

2020-2021 membership directories have been mailed

We are pleased to announce that the 2020-21 PIOGA Membership Directory has been mailed and we hope that by now it has reached your mailbox. One copy of the directory has been provided to each member company. If your company has multiple locations listed, one additional copy has been provided to those locations also.

But another round of directories will be coming soon! We were informed of a binding issue involving some copies, and the printer graciously offered to reprint the directories. So, please look for another copy to arrive shortly. The directory content is correct, so you can use both directories you receive. Now you'll have an extra for your office.

The printed directory, published once a year, is the main guide for our association members seeking to contact one another and is a one-stop resource for companies looking to find services or products from other PIOGA member companies. Please be sure to visit the Select Suppliers section of the directory to locate companies that are eager to support your operations.

An electronic version of the directory is available at the Members Only site. Use the Directories menu at members.pioqa.org.



Bonus advertising! Advertisers in our 2020-2021 directory also have their ads published one month in *The PIOGA Press*. Those advertisements are spread out across the August and September issues. A special thanks goes out to the members who supported this year's directory with their advertising. ■



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Clay shoot at Promise Land!



The July 9 clay shoot at Promise Land Sporting Clays in Freeport, PIOGA's first in-person event in several months, drew more than 100 happy shooters. Thanks go all to all who took part and all of our sponsors. For more scenes from the day, visit the Photo Galleries section at pioga.org.



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Wolf signs petrochemical investment tax credit bill

A flurry of negotiations between the legislature and the Wolf administration over an investment tax credit proposal designed to support the development of up to four petrochemical facilities in the Commonwealth paid off with the governor's approval of House Bill 732 on July 23. The Local Resource Manufacturing Tax Credit, sponsored by Representative Aaron Kaufer (R-Luzerne), was signed into law as Act 66 of 2020.

Wolf vetoed similar legislation in March, claiming that it did not provide sufficient protections to ensure that the recipients of the tax credit met the private investment and job creation standards that had been proposed, along with an interest in capping the amount of the total tax credit available for each project (*April PIOGA Press, page 15*). The revised and enacted legislation did not change the eligibility structure of the tax credit, which requires companies to make a \$450 million investment in the plant and hire over 800 full-time employees during the construction and operational phases of the plant's life.

The bill passed the state Senate by a vote of 40-9, with a similar veto-proof vote of 163-38 in the House of Representatives. The governor's office did not issue a statement regarding the bill's signing.

In a news release, Senator John Yudichak (I-Luzerne), the author of the tax-credit amendment that was inserted in HB 732, said "the Local Resource Manufacturing

Tax Credit is the byproduct of a thoughtful, bipartisan compromise with Governor Tom Wolf and the legislature that proves government can deliver on the promise of economic opportunity and set the stage for transformative economic growth across a wide swath of industries from the construction trades to manufacturing and energy jobs."

Kaufer added, "This tax credit further opens the door for manufacturers to not only establish roots here in Pennsylvania, but to generate large revenues, boost our region's economy and provide vast opportunities for job growth."

The two legislators are working with economic development officials in Luzerne County to attract a fertilizer manufacturing facility to the area that could be the first potential beneficiary of the new law.

The law's tax credit provision consists of 47 cents per Mcf of Pennsylvania-produced natural gas used in the plant's manufacturing processes, which could be applied against up to 20 percent of the facility's tax liability. A concern expressed by Wolf in his veto of the bill's earlier version to assure construction workers and plant employees were paid at the prevailing wage scale was addressed in the language of the revised legislation.

Business and labor organizations applauded the work of the legislature and administration to negotiate the final bill. Anthony Seiwel, Business Manager of the Eastern Pennsylvania Laborers' District Council, noted "The governor's administration along with labor, industry, and bipartisan legislators compromised under our shared commitment to promote local construction and manufacturing as well as create thousands of family-supporting jobs."

David Taylor, President and CEO of the Pennsylvania Manufacturers' Association said the initiative will bring investment to Pennsylvania at a critical time. "These manufacturing facilities will create high-value jobs, expand the use of Pennsylvania energy, and attract related industries and additional investments, all of which will accelerate our economic recovery," Taylor said. "This remarkable effort has brought together Pennsylvania industry—both labor and management—in our shared commitment to a pro-production, pro-jobs, pro-growth agenda for our commonwealth."

Dan Weaver, PIOGA's President & Executive Director, also hailed the effort of state leaders in Harrisburg. "The economic impact of four manufacturing facilities using liquids derived from Pennsylvania's natural gas will be significant, with the need for additional feedstock from our wells, the construction and operation of the plants and the work provided by a number of local businesses to support the long-term operation and maintenance of those facilities," he said. ■



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Well permit fee increase takes effect

With publication in the August 1 *Pennsylvania Bulletin*, the huge increase in unconventional well permit application fees is now in effect. The fee changes from \$5,000 for non-vertical unconventional wells and \$4,200 for vertical unconventional wells to \$12,500 for all wells. Pennsylvania now has the highest well permit fee in the nation.

Under the Oil and Gas Act of 2012, the Department of Environmental Protection may adjust well permit fees from time to time to reflect the costs of administering the oil and gas program, which is funded almost entirely by fees, fines and penalties. This fee increase was initiated in 2018 as permit activity began to decrease and program costs were on the rise.

The permit fee for conventional wells remains unchanged.

In an edition of DEP's Oil and Gas Bulletin e-newsletter issued on August 3, the department stated: "Although this unconventional fee rulemaking will bring temporary relief to the Oil and Gas Well Plugging Fund, the Chairperson of the Independent Regulatory Review Commission [the last entity to officially sign off on the fee increase] commented that a fee structure based on a one-time permit fee to cover the ongoing costs to administer the DEP Oil and Gas Program is unpredictable and not sustainable. DEP will continue to consider an alternate method of funding the DEP Oil and Gas Program in the future." Any such change would require legislative action to accomplish. ■

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U.S. Supreme Court upholds Forest Service authority to permit Appalachian Trail pipeline crossings

On June 15, 2020, the United States Supreme Court reversed a Fourth Circuit decision in *United States Forest Service v. Cowpasture River Preservation Assn.*, No. 18-1584 (U.S. Jun. 15, 2020), concluding that the Forest Service has the authority to grant a permit for the construction of the Atlantic Coast Pipeline underneath the Appalachian Trail.

Background

The Atlantic Coast Pipeline is a proposed 604-mile natural gas pipeline from West Virginia to North Carolina approved by the Federal Energy Regulatory Commission in 2017. A small portion of the pipeline would cross the Appalachian Trail by drilling a 0.1-mile segment underneath the trail, construction of which may take up to a year of around-the-clock work.

Cowpasture River Preservation Association filed challenges to the Forest Service's granting of a permit for the Atlantic Coast Pipeline for the crossing. After administrative appeals, Cowpasture appealed the decisions to the Fourth Circuit Court of Appeals. *Cowpasture River Pres. Ass'n v. Forest Serv.*, 911 F.3d 150 (4th Cir. 2018). The

Authors:



Nathaniel Holland



Lance Littell

—
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Fourth Circuit found the following four errors in the permit granted to Atlantic Coast Pipeline by the Forest Service:

The Forest Service did not comply with its own planning rule (36 C.F.R. Pt. 219) because the pipeline project could not meet forest-plan standards that protect soil, water quality and wildlife standards so the agency amended its plans to exempt the project.

The Forest Service failed to consider alternative pipeline routes that would avoid national forests as required under the National Environmental Policy Act of 1969 (NEPA) and the National Forest Management Act of 1976.

The Forest Service's analysis and detailed discussion of possible mitigation measures for the impact landslides, erosions and water-quality degradation was insufficient to satisfy the requirements under NEPA.

The Forest Service does not have statutory authority to grant pipeline rights-of-way across the Appalachian Trail pursuant to the Mineral Lease Act.

Supreme Court decision

The Supreme Court granted certiorari on the fourth issue: Does the Forest Service have the authority to grant pipeline rights of way across the Appalachian Trail under the Mineral Lease Act? The court held in a 7-2 decision that the Department of the Interior's decision to assign responsibility over the Appalachian Trail to the National Park Service did not transfer the land's ownership from the Forest Service to the National Park Service. Consequently, the Forest Service retained the authority to grant rights-of-way across the Appalachian Trail. The court's decision examined multiple competing federal laws, including the Weeks Act (16 U. S. C. §521), wherein congress stated that the lands acquired for the National Forest System "shall be permanently reserved, held, and administered as national forests lands," and the Trails Act (16 U. S. C. §1244(a)) which established national scenic trails, including the Appalachian Trail.

The court examined the interests and authority granted by the Trails Act and determined that under the authority granted, the Forest Service conveyed multiple "right of way" agreements to the National Park Service for the Appalachian Trail. Analyzing the legal nature of a right-of-way under real property law, the court determined that the Forest Service granted only easements to the National Park Service, and not jurisdiction over the land itself. The court noted that the National Park Service's role was limited to administrative tasks. Last, the court pointed out that historically when Congress intends to transfer ownership of land, they explicitly state so in the statutory language.

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What's next

This Supreme Court decision would not be the final step for construction of the Atlantic Coast Pipeline to proceed. The first three points raised by the Fourth Circuit need to be addressed by the Forest Service for the project to move forward. Additionally, eight additional cases, which were consolidated into one case in 2018 and placed on hold while the Supreme Court heard the *Cowpasture* case, will be able to move forward. This litigation is currently before the D.C. Circuit Court of Appeals and was brought by many of the same environmental groups involved in the *Cowpasture* case against the Federal Energy Regulatory Commission (*Atlantic Coast Pipeline v. FERC*, D.C. Cir., No. 18-1224), arguing that the pipeline is not needed and that demand for natural gas is expected to remain flat or decrease in the future.

Unfortunately, on July 6, Dominion Energy and Duke Energy formally announced they were abandoning the Atlantic Coast Pipeline project due to costs and legal uncertainty. Nonetheless, the Supreme Court's decision is a positive development for the Atlantic Coast Pipeline and future projects that may need to cross the 2,190 miles of the Appalachian Trail.

Editor's note: *The Supreme Court's ruling also affected the 303-mile-long Mountain Valley Pipeline from West Virginia to southern Virginia, which would cross the Appalachian Trail in the Jefferson National Forest. The pipeline is almost finished but construction was halted as a result of the earlier ruling in the Atlantic Coast Pipeline case before the crossing under the trail was completed. On July 28, the*

National Park Service announced it would issue a new permit for the Mountain Valley Pipeline to cross the trail. The pipeline, which is expected to transport 2 million dekatherms per day of natural gas, is expected to be in service in early 2021. ■

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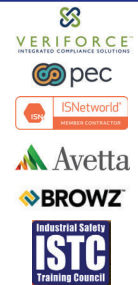
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Corporate Office:

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www.keyenvir.com

PA Locations:

1749 Ford City Road
Kittanning, PA 16201
(724) 902-7221

1723 Perry Highway
Portersville, PA 16501
(724) 368-4050

Contacts:

Brian Dummer, P.E.
Direct (412) 428-9414
bdummer@keyenvir.com

Karl Churman
Direct (412) 428-9408
kchurman@keyenvir.com

PIOGA's FMCSA Safety Compliance PIOGATech

On July 2, an intimate group of 20 people attended our first virtual transportation safety training that was sponsored by PIOGA's Safety Committee. The morning session was kicked off by committee co-chair Eric Staul, who provided an introduction to the group.

Todd Yusavage and Michael Appolonia, safety investigators with the U.S. Department of Transportation's Federal Motor Carrier Safety Administration, did an amazing job instructing on the Drug and Alcohol Clearinghouse, new hours-of-service rules, and the Crash Preventability Determination Program. They had a great Q&A session at the end, as well as providing valuable links and contact information.

For those that needed professional development credits, they were able to earn CEU and PHD credits.

PIOGA extends a sincere thank-you to our Safety Committee's co-chairs Eric Staul of Diversified Gas & Oil and Wayne Vanderhoof of RJR Safety, Inc., for their efforts in organizing this virtual seminar and providing this valuable educational event to PIOGA members and guests. A special thanks goes out too to Todd Yusavage and Mike Appolonia. ■

Lindell & Maney, LLC

760 Beech Street, Warren, PA 16365
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PIOGA launches video series

We are pleased to announce our new video series called PIOGA Points to Ponder. Watch Episode 1 at www.youtube.com/channel/UCVIISitTrO0NEWd6R5NM5Wg as our President & Executive Director, Dan Weaver, talks about pipelines—history, facts/data about the crucial role pipelines play in moving energy, safety and new innovations.

This and future episodes will be posted on PIOGA's LinkedIn and Facebook pages, or you can find them at our YouTube channel above. If you have suggestions for topics to address, email Dan at dan@pioga.org.



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Climate change developments

*This article is an excerpt of **The 2020 Babst Calland Report**, which represents the collective legal perspective of Babst Calland's energy attorneys addressing the most current business and regulatory issues facing the oil and natural gas industry. A full copy of the Report is available by writing info@babstcalland.com.*

The momentum to propose and adopt new legislation, regulation, policies and programs to address climate change steadily increased during 2019 and only subsided in early 2020 as the nation struggled to address the COVID-19 pandemic. As described below, the Trump administration continued its regulatory reform, reducing various obligations related to greenhouse gas (GHG) emissions, while state and federal courts continue to evaluate claims against both the government and industry regarding their risks, roles and responsibilities to confront the impacts of climate change.

Federal/regional issues

Trump administration continues rollbacks on climate change policy

The Trump administration's regulatory rollback efforts continued in 2019, particularly regarding carbon dioxide, methane, hydraulic fracturing and vehicle efficiency regulations.

Carbon dioxide regulation. In July 2019, the U.S. Environmental Protection Agency (EPA) finalized the Affordable Clean Energy (ACE) rule to replace the Clean Power Plan (CPP) rule enacted under the Obama administration. Additional discussion regarding the ACE rule is provided on page 42 of the full *2020 Babst Calland Report*.

Methane regulation. As of this writing, a challenge to the U.S. Department of Interior Bureau of Land Management (BLM) September 28, 2018, rule is still pending in the U.S. District Court for the Northern District of California. The 2018 BLM rule revises a 2016 BLM rule that targeted methane emissions from crude oil and natural gas facilities on federal and Indian lands. The revised rule reduces compliance burdens, eliminating waste minimization plans, as well as eliminating or modifying requirements pertaining to well drilling, completion and maintenance, storage vessels, leak detection, and repair and reporting of volumes of gas vented and flared.

Hydraulic fracturing regulation. On March 27, 2020, the U.S. District Court for the Northern District of California upheld the Trump administration's December 2017 repeal of the BLM's March 26, 2015, rule that prohibited oil and gas extraction on public lands. The 2015 rule was scheduled to take effect on June 24, 2015, and had four primary elements: (1) updating well construc-

tion and testing requirements; (2) requiring the use of storage tanks instead of pits; (3) providing BLM greater oversight for all hydraulic fracturing operations; and (4) requiring disclosure of chemical additives used for hydraulic fracturing. An appeal to the Ninth Circuit appears likely.

Vehicle greenhouse gas and fuel efficiency regulation.

In September 2019, the U.S. Department of Transportation's National Highway Transportation and Safety Administration and EPA finalized the first half of the August 2018 proposed rule and reduced greenhouse gas (GHG) emissions and fuel economy standards for vehicles in model years 2021 to 2026. The first half of the rule also rescinded EPA's waiver under the Clean Air Act that had allowed California to set more stringent vehicle emission

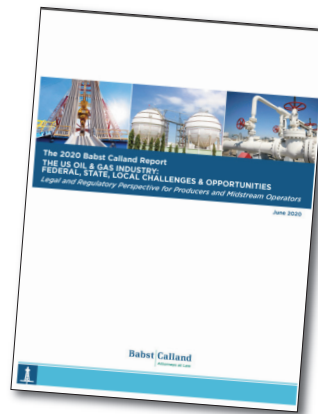
standards, which other states then were permitted to adopt. The second half of the proposed rule, published on April 30, 2020, replaced the requirement to increase Corporate Average Fuel Economy standards 5 percent annually with a requirement to increase standards by only 1.5 percent annually.

The 2019 final rule is being litigated in the U.S. District Court for the District of Columbia. States, industry, and non-governmental organizations (NGOs) have filed or announced plans to file judicial challenges to the rule. The litigation raises significant questions regarding which emission standards will apply to model year 2021 vehicles.

SEC seeks to maintain status quo for disclosing climate change risks

For the first time in more than 30 years, the U.S. Securities and Exchange Commission (SEC) is seeking to significantly revise its rules governing what registered companies must disclose in public filings, issuing two proposals in the past year to modernize the requirements for quantitative and qualitative disclosures in Regulation S-K. Notably, in these proposals, the SEC has chosen not to alter or supplement the principles contained in its 2010 Guidance Regarding Disclosure Related to Climate Change, which establishes a principles-based materiality standard for determining when a company must disclose the risks that climate change may pose to its business.

The SEC appears to have debated whether the relatively imprecise materiality standard is sufficient to provide investors with the information they need to make informed investments. While the status quo stands for now, the SEC will continue to evaluate this issue, and encourages interested parties to engage with the commission to assist it "in better understanding how issuers and investors use climate-related information to make capital allocation decisions."



Regional Greenhouse Gas Initiative reduces emissions from power generators in the Northeast

Pennsylvania and Virginia are currently in the process of joining the Regional Greenhouse Gas Initiative (RGGI), which is the country's first regional, market-based cap-and-trade program designed to reduce carbon dioxide emissions from the power sector. The RGGI program sets a base annual emission cap for each state and provides that each state's annual allocation will decline by 2.5 percent per year after 2015, which is the RGGI base year. RGGI developed a model rule, which was modified and adopted by participating states through their respective legislative or rulemaking processes that provides for the administration of the program.

Under RGGI, fossil-fuel-fired electric power generators with a capacity of 25 megawatts (MW) or greater (i.e., regulated sources) are required to hold allowances equal to their CO₂ emissions over a three-year compliance period. Each allowance is equal to one short ton of CO₂. Regulated sources must purchase state-issued allowances at quarterly auctions or through secondary markets and may use allowances issued by any RGGI state to comply. The market price for allowances at the June 3, 2020 Auction was \$5.75. Regulated sources may also use offsets, allowances awarded to certain acceptable environmental projects, to meet a maximum of 3.3 percent of its allowances.

Transportation and Climate Initiative proposes to reduce emissions from the transportation fuels

Twelve Northeast and Mid-Atlantic states and the District of Columbia are considering whether to adopt the Transportation and Climate Initiative (TCI), a new regional program similar to RGGI. TCI would create a cap-and-invest program for GHG emissions from fossil fuels used in transportation.

The TCI program will cover all gasoline and on-road diesel fuel dispensed at the terminal rack and require fuel suppliers to hold emissions allowances equal to the GHG emissions from the fuel they distribute in the participating jurisdictions. The cap-and-invest program would begin with an initial GHG emissions allowance cap assigned to each participating jurisdiction, which would then decline each subsequent year. These emission allowances would be distributed at auctions, and funds generated from these auctions are anticipated to fund low-carbon and clean mobility options in urban, suburban, and rural communities.

TCI's December 17, 2019, draft memorandum of understanding anticipates that each participating jurisdiction will adopt a program consistent with a jointly developed Model Rule to implement the final TCI program. The model rule is likely to be finalized by the end of 2020 and could be implemented in 2022.

State issues

Pennsylvania moves ahead to join RGGI

Governor Tom Wolf has identified climate change as "the most critical environmental threat facing the

world." On October 3, 2019, the governor signed Executive Order 2019-07, "Commonwealth Leadership in Addressing Climate Change through Electric Sector Emissions Reductions," which directs the Environmental Quality Board (EQB) to propose, by July 31, 2020, a carbon dioxide cap-and-trade program for fossil-fuel-fired electric power generators that is at least as stringent as that developed under RGGI.

In response, in November 2019, members of the Pennsylvania House and Senate referred bipartisan companion bills HB 2025 and SB 950, both known as the Pennsylvania Carbon Dioxide Cap and Trade Authorization Act, to their respective Environmental Resources and Energy committees for consideration. The bills prohibit the Pennsylvania Department of Environmental Protection from adopting any measure to establish a GHG cap- and-trade program unless the General Assembly specifically authorizes it by statute. The House committee voted on June 9, 2020, to move HB 2025 to the full House for consideration.

Despite the pending legislation, DEP presented its draft proposed rulemaking to establish a carbon dioxide budget trading program to a joint meeting of the Air Quality Technical Advisory Committee (AQTAC) and the Citizens Advisory Council on April 23, 2020. The proposed trading program would apply to fossil fuel-fired electricity generators of greater than 25 MW and parallels the model rule prescribed by RGGI. Motions for concurrence by AQTAC and the Citizens Advisory Council to send the draft proposed rule to the EQB for consideration both failed. Nevertheless, DEP still anticipates submitting the proposal to the EQB by July 2020 as required by Executive Order 2019-07, despite circumstances caused by COVID-19, to try to promulgate a final rule to become effective in the first quarter of 2022.

Another proposed economy-wide cap-and-trade regulation presents significant challenges to Pennsylvania's economy and the oil and gas industry

As discussed in our 2019 *Report*, on April 16, 2019, the EQB directed DEP to develop a report and recommendation on a petition for a Pennsylvania cap-and-trade regulation that was submitted by the Clean Air Council, Widener Commonwealth Law School Environmental Law and Sustainability Center and others. This proposal is not limited to fossil-fuel-fired generators but would apply to many other sources of GHG. DEP selected a contractor for this analysis and expected to have the report available in early 2020, but the report had not been released as of the date of this *Report*.

Energy companies and governments continue litigating climate change issues

Climate change issues continue to catalyze significant litigation in state, federal, and administrative courts. The Sabin Center for Climate Change Law United States Litigation Chart reports 119 new climate change-related cases filed in 2019, an increase from 2018 (103), but fewer than in 2016 and 2017 (135 and 124, respectively).

Plaintiffs are asserting claims under federal and state statutes, the Constitution, public trust principles, securities law, and common law. Select significant cases are summarized below.

- *Juliana v. United States*. This is a public trust-style climate change case where plaintiff minors alleged numerous agencies of the federal government failed to protect their alleged constitutional right to a climate capable of sustaining life by allowing fossil fuel companies to produce and consume fossil fuels at dangerous levels. On March 2, 2020, Plaintiffs filed a petition for rehearing en banc, after a divided panel of the Ninth Circuit dismissed the suit for lack of standing by failing to establish the redressability requirement.

- *People of the State of New York by James v. Exxon Mobil Corporation and Commonwealth of Massachusetts v. Exxon Mobil Corporation*. State attorneys general in New York and Massachusetts filed similar state law consumer protection and securities fraud climate change cases, alleging, generally, that Exxon misled its investors about the risks of climate change. The New York court ruled in favor of Exxon on December 10, 2019, finding the state failed to prove that Exxon made any material misrepresentations that misled its investors. In the

Massachusetts case, Exxon was unsuccessful in removing the case to federal court and the case remains pending.

- *Mayor & City Council of Baltimore v. BP p.l.c.* and related climate change tort cases. State and municipal governments have sought to hold energy companies responsible for alleged climate change-related damages in tort cases initiated in their respective state courts. Energy companies have sought to remove these cases to federal court. On March 6, 2020, the Fourth Circuit affirmed a Maryland district court decision that the City of Baltimore's lawsuit should remain in state court, a decision that could influence other circuits' consideration of challenges to venue by energy companies. BP petitioned for Supreme Court review on March 31, 2020. In May, the Ninth Circuit followed the Fourth Circuit's holding by remanding similar climate tort cases to state court.

- *In re Exxon Mobil Corp. Derivative Litigation*. Some energy companies face climate change claims filed by their investors. In Texas, Exxon shareholders alleged the company misled the public on the risks of climate change, including its effect on Exxon's reserve values and long-term business prospects. ■

Member Commentary

Natural gas energy

The following is a letter to the editor that PIOGA member George Maier submitted recently to a Pittsburgh newspaper. We thought it was worth sharing with the membership.

Energy is the lifeblood of all nations. Someday we may enjoy the unlimited bounty of nuclear fusion, but this could be centuries off. When it is harnessed, probably the reactors will be offshore where we will break seawater into hydrogen and oxygen. The oxygen may be used in brackish shore waters for oxygenating massive fish farms and agriculture products while the hydrogen can be shipped to shore, reconstituted into methane and distributed through our existing pipelines for unlimited heating, byproducts and fuel cell produced electricity. Natural gas (methane, ethane, propane, butane, et al.) is the energy and raw material which will propel Pennsylvania, the U.S. and the world into space and bring prosperity to all.

Before the Second World War, our skies were dirty with inefficient home furnaces and unregulated industry and power effluent; but after the war our emergency-constructed pipelines from the Gulf and Southwest were purchased and used to convert these inefficient processes to natural gas, providing the clean energy needed for the post-war boom. Because our politicians denied leases in the Gulf and Southwest, we ran out of our thousand-year supply and we lost most of our steel

mills and other heavy industry to China, India, et al. It wasn't the unions.

Now we have unlimited natural gas for the entire world here in Appalachia, and industry will expand once more in our "Valleys of Opportunity." Methane, ethane, propane, et al., is not only a thermal energy but is synthesized into polyethylene, polypropylene, polybutylene, etc. About 30 percent is used for these raw materials converted to paint, plastics, tires—even pharmaceuticals and cosmetics and thousands of products.

Methane (the closest energy to the perfect hydrogen molecule on earth) will be used to propel our future to Mars and the universe where the homes may be made of polys.

Let's keep Pennsylvania as its best producer. ■

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DEP VOC rulemaking *Continued from page 1*

• **EQB must revise the rule to exclude owners and operators of conventional wells because the EQB has failed to comply with the plain directives of Act 52 of 2016.** Section 7(b) of Act 52 clearly directs:

Any rulemaking concerning conventional oil and gas wells that the Environmental Quality Board undertakes after the effective date of this act shall be undertaken separately and independently of unconventional wells or other subjects and shall include a regulatory analysis form submitted to the Independent Regulatory Review Commission that is restricted

to the subject of conventional oil and gas wells.

"As there can be no reasonable dispute that the EQB has failed to comply with the plain directives of Act 52, the EQB has no choice but to revise the rule to exclude from its scope owners and operators of the specified oil and natural gas sources of VOC emissions associated with conventional wells," PIOGA wrote.

PIOGA also noted that in January 2019 during development of this rulemaking, a representative of DEP told the Pennsylvania Grade Crude Oil Development Advisory Council (CDAC)—which also was created under Act 52 to, among other things, guide the development of a regulatory scheme specifically applicable to the

conventional oil and gas industry—that the rule would not impact conventional operators because most of their wells typically would not cross the thresholds in place for methane emissions. DEP never followed up with a promise to provide additional information but instead continued to develop a regulation applicable to both conventional and unconventional operations.

Even through PIOGA contends the rule should be revised to exclude conventional operations, the association raised the following concerns about particular aspects of the proposal.

• **The underlying data supporting the proposal is outdated and insufficient.**

A large majority of the data in the EPA's CTGs is from 2012 or earlier, PIOGA wrote, and perhaps the single most concerning aspect is that the economic analysis conducted by the EPA assumes the cost of natural gas at \$4.00 per Mcf, or \$3.89 per MMBtu. At the time that PIOGA's com-



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Contacts

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ngsales@dearingcomp.com

BRYON HELTON

bhelton@dearingcomp.com

MATT VELLO

mvello@dearingcomp.com

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tsamila@dearingcomp.com

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- Caterpillar
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ments were submitted, the price for gas at the Henry Hub was \$1.70 per MMBTU, and PIOGA noted it is unaware of any forecasts of prices returning to \$4 per MMBTU anytime soon. Similarly, crude oil was \$103.01 per barrel at the beginning of January 2021, and was \$39.60 per barrel as of July 25, 2020.

"There is no excuse for relying on a dated and insufficient data set when DEP has had nearly five years to review available VOC emissions data associated with marginal wells and related operations developed since 2012 or to conduct its own independent analysis of RACT for oil and gas sources in Pennsylvania," PIOGA indicated, adding that this is especially true in light of a fundamental split

between Pennsylvania and EPA in terms of characterizing groups of emissions sources that will be affected by the rule as proposed.

• **Neither EPA nor DEP have demonstrated the CTG Oil & Gas Rule is necessary.** Because of the nature of oil and natural gas production, the application of controls on new sources through the 2016 NSPS will achieve the DEP air quality objectives without the need to create extensive existing source regulations, PIOGA stated. As the production of a well declines, its ability to emit VOC also declines. VOC emissions from these older (i.e., conventional) wells are not directly comparable to VOC emissions associated with unconventional wells due to drastic differences in operating pressure and production.

"Yet the CTG O&G Rule as proposed would subject tens of thousands of existing Pennsylvania conventional wells to new regulations that were

developed for new or modified affected sources, predominantly unconventional wells. PIOGA disputes the cost effectiveness of the proposed requirements to existing Pennsylvania sources, especially conventional operations," the association said in its comments.

The additional administrative burdens that will affect DEP by exposing tens of thousands of existing conventional oil and gas sources is completely overlooked in the proposed rule. If DEP staffing and funding levels are inadequate for the current air quality regulatory structure in Pennsylvania, the addition of tens of thousands of newly affected oil and gas sources would undoubtedly make DEP's work even more difficult. PIOGA recom-



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mended that the current air quality regulatory structure for existing unconventional oil and gas operations be retained and that the proposed CTG O&G Rule be withdrawn.

• **The rule disproportionately impacts conventional sources.** As proposed, the rule would have a “disproportionate and devastating impact on conventional oil and gas operations within the state due primarily to the sheer numbers of existing conventional oil and gas wells, storage vessels, gathering and boosting stations,

and natural gas driven pneumatic controllers,” PIOGA indicated in its comments.

DEP admits the CTG O&G Rule as proposed has the potential to impact over 71,000 conventional oil and natural gas wells in Pennsylvania. DEP also indicates that its data suggests that only 303 of those conventional wells exceed the regulatory threshold of 15 barrels of oil equivalent (BOE) per day production, and thus make them subject to the fugitive emission provisions of the proposed rule. If DEP is truly concerned with minimizing

the regulatory impact to the industry, PIOGA said, DEP should have identified and informed the operators of the 303 wells that DEP believes exceed the 15 BOE of their obligations to comply with the fugitive emissions requirements. Why force the operators of the other 70,500 wells spend thousands of dollars merely to determine rule applicability?

Additionally, there are multiple producers in Pennsylvania that operate more than 1,000 conventional wells. In this scenario, each well site is likely to have at least one storage vessel and one natural gas driven pneumatic controller. Considering only the equipment costs associated with retrofitting existing natural gas driven pneumatic controllers with low-bleed pneumatic controllers, and assuming that half of the existing controllers would be replaced, the costs alone for the new controllers would be over \$1.3 million, using the average cost of a low-bleed controller from the 2016 CTG. That cost does not include

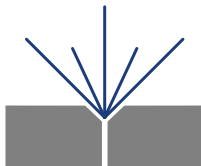
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cataloging and tagging all pneumatic controllers and the associated labor to replace 500 existing pneumatic controllers.

The justification for the proposed rule also completely ignores the costs to operators associated with simply determining if the rule applies and the associated extensive recordkeeping and reporting requirements for the operator, PIOGA pointed out. A typical conventional operator in Pennsylvania faced with the prospect of these exorbitant costs while recovering perhaps \$25 a day from a well will most likely shut in the well.

Also, there is absolutely no discussion, or even recognition, of the effect on the western Pennsylvania natural gas utilities and their customers of the sudden unavailability of the conventional production the utilities rely upon to meet their least cost service and reliability obligations under the Public Utility Code.

• Conventional and unconventional wells are fundamentally different, and these differences are not accounted for by DEP.

The vast majority of the sources that would be affected by the CTG O&G Rule as proposed are associated with conventional wells in Pennsylvania. There are fundamental differences between the emissions profiles of conventional and unconventional wells and associated operations in Pennsylvania. The proposed CTG O&G Rule is based on the recommendations provided in the 2016 CTGs. However, the emissions information used to establish the recommendations in the 2016 CTGs are not representative of the majority of sources in Pennsylvania that would be affected by the rule as proposed—those associated with conventional wells. Because of the fundamental differences between conventional and unconventional operations in Pennsylvania and their associated emis-

sions profiles, PIOGA disputed the cost effectiveness bases for the proposed rule as applied to conventional wells and associated affected operations.

• EPA did not collect any significant data to identify the emissions profile of low-production wells, and DEP relied on EPA data as compiled in the 2016 CTGs to support the proposed CTG O&G Rule. A significant shortcoming of the proposed CTG O&G Rule is the reliance of DEP on the data provided in the 2016 CTGs, which is largely reliant on data developed in support of Subpart OOOO and Subpart OOOOa. The data devel-

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oped by EPA are not representative of the vast majority of the sources that would be impacted by the CTG O&G Rule as proposed—the conventional wells of Pennsylvania, which are almost universally characterized as low production or stripper wells.

• **DEP has not provided the basis for population of conventional wells in Pennsylvania cited in the preamble to the rulemaking.** DEP estimates that the CTG O&G Rule as proposed would affect 71,229 conventional wells currently in production in Pennsylvania, of which

303 would be subject to leak detection and repair (LDAR) requirements. By DEP's own estimates, this equates to only 0.42 percent of conventional wells in production. For those owners and operators that do not own the 303 affected wells, the costs associated with an applicability determination (e.g., administrative costs, lost man hours, costs for environmental consultants) to conclude that they are exempt is overly burdensome, especially considering that DEP has already in effect made the determination. DEP should provide the basis

for its estimate of the number of conventional wells subject to LDAR requirements under the CTG O&G Rule as proposed, PIOGA advised

• **There are significant differences associated with emissions from new storage vessels versus existing storage vessels.** A new vessel can be designed to accommodate a vapor collection system whether it is for recovery or combustion. Once built, both the vessel and the system can be maintained to assure that they are operating effectively and safely. Because the proposed rule and its basis addresses existing facilities, there is no certainty that the affected storage vessels will be capable of accepting the equipment retrofits, if needed, to capture vapors.

• **Storage vessels associated with conventional well operations should not be regulated under the proposed rule.** Clearly, the burden of adding capture and control equipment—and certainly the burden of replacing storage vessels—cannot be readily borne by marginal



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(i.e., conventional) well operations, PIOGA stated. In the 2016 CTGs, EPA relates storage vessel VOC emissions to well production rates. The information provided in the CTG indicates that marginal (i.e., conventional) well operations (e.g., less than 15 BOE) fall well below even EPA's presumed RACT threshold of 6 tons/year for both oil and gas wells. Rather than deliberate on storage vessel emissions estimates or requiring conventional operators in Pennsylvania to assess storage vessel emissions and rule applicability, the straightforward approach to defining the scope of the proposed storage vessel rule requirement—apart from Act 52's directives—would be to exclude marginal (i.e., conventional) well operations from the proposed storage vessel provisions, PIOGA advised. Similarly, when a facility's production levels fall to the point where it inevitably becomes a marginal or stripper well operation, it should no longer be required to operate any vapor capture system.

• **The economic viability of many conventional operators is at stake.**

Considering the tens of thousands of individual pieces of equipment for which rule applicability will need to be determined (e.g., thousands of units that qualify as storage vessels, pneumatic devices), there is considerable cost associated with the initial compliance determination for, and ongoing compliance with, the CTG O&G Rule as proposed, PIOGA wrote. For many small conventional operators who are currently operating at very low margins, the added overhead

costs of such administrative burdens associated with determining rule applicability and ongoing recordkeeping and compliance could be catastrophic. Such cost items that should be considered include:

- Cataloging of equipment, applicability determinations, and associated recordkeeping
- Compliance monitoring, recordkeeping and reporting
- Administrative costs
- Support staff



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"Given the aforementioned administrative costs of this rule due to compliance assessments, recordkeeping and reporting—coupled with the capital costs associated with upgrading tanks, adding controls, and retrofitting pneumatic devices—many conventional wells in Pennsylvania would be deemed uneconomic to operate," PIOGA said in its comments, adding that royalty owners, many rural communities would suffer from the loss of conventional wells. Further, the costs of ceasing operations are considerable and include restoration of currently active sites and the plugging of currently producing wells. Well plugging costs can range from \$30,000 to \$300,000 depending on the well type, PIOGA said, emphasizing that many conventional operators cannot bear this cost burden.

What's next

Following the close of the comment period on July 27, DEP will review the approximately 30,000 comments (the vast majority of which were form-type submissions) and draft a formal comment and response document. It's uncertain at this point whether the department will also issue revisions to the rulemaking based on those comments. In the Regulatory Analysis Form accompanying the rulemaking, DEP indicated it anticipates an effective date of the final-form regulation in the fourth quarter of 2020. ■

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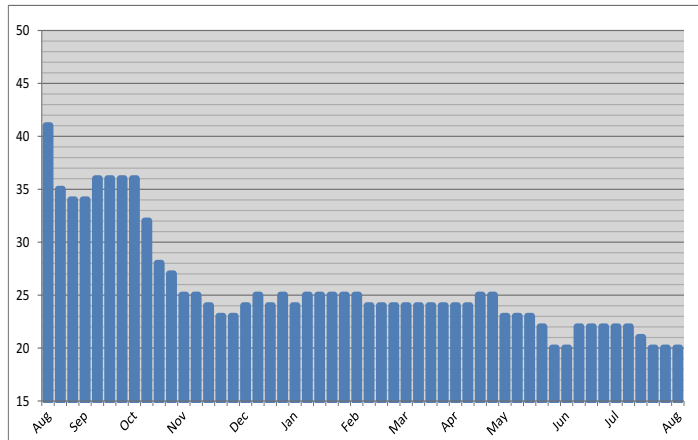
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Natural Gas Futures Closing Prices

| Month | Price |
|--------------|---------|
| September | \$2.156 |
| October | 2.293 |
| November | 2.648 |
| December | 2.980 |
| January 2021 | 3.077 |
| February | 3.034 |
| March | 2.913 |
| April | 2.656 |
| May | 2.629 |
| June | 2.656 |
| July | 2.690 |
| August | 2.696 |

Prices as of August 10

Sources

American Refining Group: www.amref.com/Crude-Prices-New.aspx
Ergon Oil Purchasing: www.ergon.com/crudeoil
Gas futures: quotes.ino.com/exchanges/?r=NYMEX_NG
Baker Hughes rig count: bakerhughesrigcount.gcs-web.com/na-rig-count
NYMEX strip chart: Nucomer Energy, LLC, emkeyenergy.com

Northeast Pricing Report – August 2020

Cooling demand has not been enough to support pricing in the Northeast. For the front month, Algonquin, Dominion South, and Transco Leidy all decreased. Algonquin and Transco Leidy dropped \$0.26 per MMBtu each. TETCO M3 increased by \$0.07 per MMBtu and was the only location that increased. The one-year term saw a little more volatility. Dominion South and Transco Leidy decreased \$0.10 and \$0.09 per MMBtu, respectively. Transco Z6 increased the most by \$0.15 per MMBtu. For the length of the term trading period, Transco Z6 jumped \$0.14 per MMBtu. All other trading points saw only minor differences. The month saw Transco Z6 as the strongest of all locations over all trading terms.

While basis pricing was weak, most transportation values increased. Dominion South to TETCO M3 and Transco Leidy to TETCO M3 both had an increased value of \$0.33 per MMBtu. Transco Leidy to Transco Z6 also had a significant jump in value at \$0.26 per MMBtu. TETCO M3 to Transco Z6 was the only transportation route which decreased at \$0.07 per MMBtu. This resulting in a negative transportation value of \$0.06 per MMBtu.

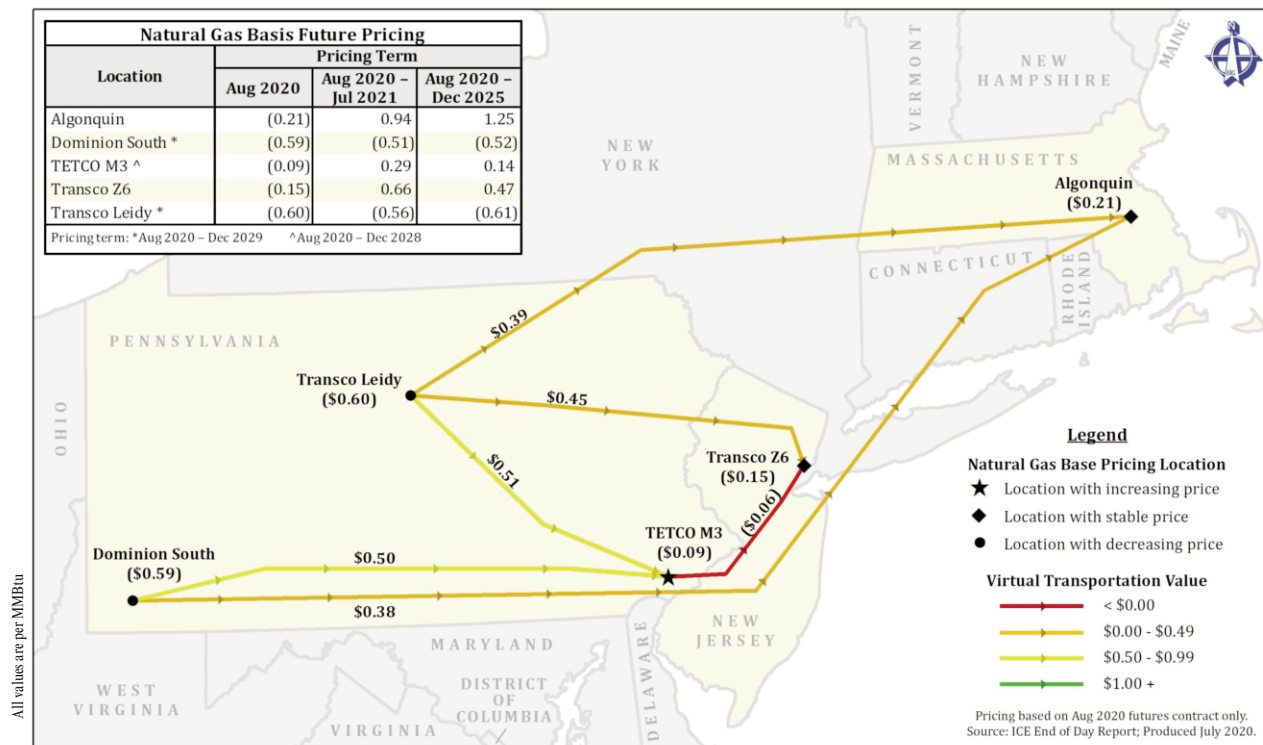
Transportation Value Market Indicator



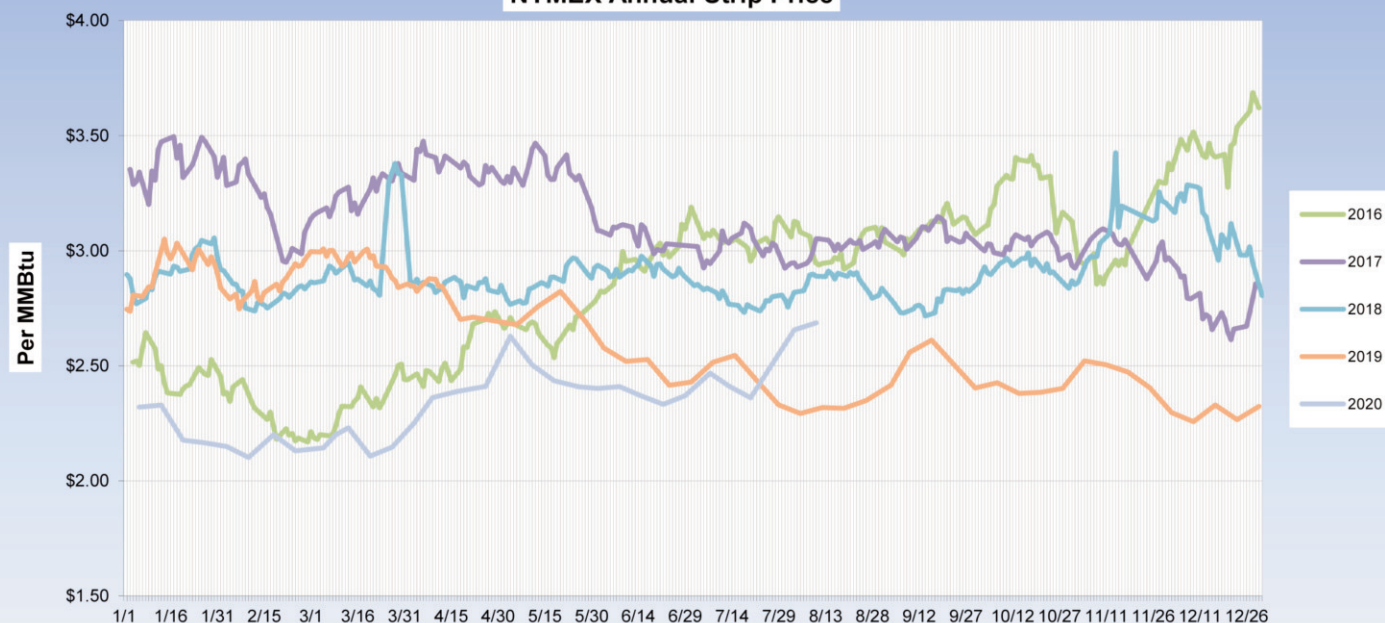
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| Location | Pricing Term | | |
|------------------|--------------|---------------------|---------------------|
| | Aug 2020 | Aug 2020 – Jul 2021 | Aug 2020 – Dec 2025 |
| Algonquin | (0.21) | 0.94 | 1.25 |
| Dominion South * | (0.59) | (0.51) | (0.52) |
| TETCO M3 ^ | (0.09) | 0.29 | 0.14 |
| Transco Z6 | (0.15) | 0.66 | 0.47 |
| Transco Leidy * | (0.60) | (0.56) | (0.61) |

Pricing term: *Aug 2020 – Dec 2029 ^Aug 2020 – Dec 2028



NYMEX Annual Strip Price



Spud Report: July 2020



The data show below comes from the Department of Environmental Protection. A variety of interactive reports are

available at www.dep.pa.gov/DataandTools/Reports/Oil and Gas Reports.

The table is sorted by operator and lists the total wells reported as drilled last month. **Spud** is the date drilling began at a well site. The **API number** is the drilling permit number issued to the well operator. An asterisk (*) after the API number indicates a conventional well.

| OPERATOR | WELLS | SPUD | API # | COUNTY | MUNICIPALITY |
|--------------------------------------|-------|---------|------------|-------------|--------------|
| Allegany Resource Dev ARD Opr LLC | 1 | 7/27/20 | 083-57121* | McKean | Keating Twp |
| | 5 | 7/8/20 | 081-21854 | Lycoming | McIntyre Twp |
| | | 7/8/20 | 081-21798 | Lycoming | McIntyre Twp |
| | | 7/8/20 | 081-21855 | Lycoming | McIntyre Twp |
| | | 7/8/20 | 081-21857 | Lycoming | McIntyre Twp |
| Beech Resources LLC | 4 | 7/8/20 | 081-21856 | Lycoming | McIntyre Twp |
| | | 7/15/20 | 081-21851 | Lycoming | Lycoming Twp |
| | | 7/15/20 | 081-21852 | Lycoming | Lycoming Twp |
| | | 7/15/20 | 081-21853 | Lycoming | Lycoming Twp |
| Cabot Oil & Gas Corp | 5 | 7/20/20 | 081-21864 | Lycoming | Lycoming Twp |
| | | 7/25/20 | 115-22608 | Susquehanna | Lenox Twp |
| | | 7/25/20 | 115-22610 | Susquehanna | Lenox Twp |
| | | 7/25/20 | 115-22609 | Susquehanna | Lenox Twp |
| | | 7/25/20 | 115-22611 | Susquehanna | Lenox Twp |
| Chesapeake Appalachia LLC | 3 | 7/25/20 | 115-22613 | Susquehanna | Lenox Twp |
| | | 7/19/20 | 115-22764 | Susquehanna | Auburn Twp |
| | | 7/23/20 | 115-22773 | Susquehanna | Auburn Twp |
| | | 7/23/20 | 115-22774 | Susquehanna | Auburn Twp |
| Chief Oil & Gas LLC | 7 | 7/6/20 | 015-23561 | Bradford | Overton Twp |
| | | 7/6/20 | 015-23562 | Bradford | Overton Twp |
| | | 7/6/20 | 015-23560 | Bradford | Overton Twp |
| | | 7/6/20 | 015-23601 | Bradford | Overton Twp |
| | | 7/6/20 | 015-23602 | Bradford | Overton Twp |
| | | 7/6/20 | 015-23603 | Bradford | Overton Twp |
| | | 7/6/20 | 015-23604 | Bradford | Overton Twp |
| | | 7/6/20 | 015-23604 | Bradford | Overton Twp |

| <u>OPERATOR</u> | <u>WELLS</u> | <u>SPUD</u> | <u>API #</u> | <u>COUNTY</u> | <u>MUNICIPALITY</u> | |
|----------------------------|--------------|-------------|--------------|---------------|---------------------|----------|
| Curtis Oil Inc | 1 | 7/20/20 | 053-30912* | Forest | Howe Twp | |
| EQT Prod Co | 3 | 7/7/20 | 125-28783 | Washington | W Bethlehem Twp | |
| | | 7/7/20 | 125-28785 | Washington | W Bethlehem Twp | |
| | | 7/7/20 | 125-28784 | Washington | W Bethlehem Twp | |
| Range Resources Appalachia | 3 | 7/1/20 | 125-28834 | Washington | Jefferson Twp | |
| | | 7/4/20 | 125-28831 | Washington | Jefferson Twp | |
| | | 7/8/20 | 125-28832 | Washington | Jefferson Twp | |
| Rice Drilling B LLC | 8 | 7/28/20 | 059-27993 | Greene | Aleppo Twp | |
| | | 7/28/20 | 059-27996 | Greene | Aleppo Twp | |
| | | 7/28/20 | 059-27997 | Greene | Aleppo Twp | |
| | | 7/28/20 | 059-27998 | Greene | Aleppo Twp | |
| | | 7/28/20 | 059-27991 | Greene | Aleppo Twp | |
| | | 7/28/20 | 059-27992 | Greene | Aleppo Twp | |
| | | 7/28/20 | 059-27995 | Greene | Aleppo Twp | |
| | | 7/28/20 | 059-27994 | Greene | Aleppo Twp | |
| SWN Prod Co LLC | 3 | 7/15/20 | 115-22776 | Susquehanna | Jackson Twp | |
| | | 7/15/20 | 115-22775 | Susquehanna | Jackson Twp | |
| | | 7/15/20 | 115-22777 | Susquehanna | Jackson Twp | |
| | | | | | | |
| | July | June | May | April | March | February |
| Total wells | 43 | 35 | 51 | 39 | 50 | 46 |
| Unconventional Gas | 41 | 34 | 49 | 36 | 45 | 42 |
| Conventional Gas | 0 | 0 | 0 | 0 | 0 | 0 |
| Oil | 2 | 1 | 2 | 3 | 3 | 2 |
| Combination Oil/Gas | 0 | 0 | 0 | 0 | 1 | 2 |

PIOGA Member News

ShalePro continues to grow amidst industry slowdown and pandemic

Even amidst a global pandemic and a slowing natural-gas industry, ShalePro Energy Services has added two new divisions to their suite of services. ShalePro

announced a new helical pile division, HelicalPro. The division will focus on the installation of helical piles for natural gas construction projects.

Helical piles are a type of deep foundation which are screwed into the ground to achieve a specific torque relating to an above-ground bearing capacity. These piles are installed with minimal ground disturbance and limited material displacement. Installation of the piles consists of a drive head on a skid steer which rotates with slight downward pressure and twists the pile into the ground to the necessary depth to achieve the required torque.

HelicalPro is partnering with Chance Foundation Solutions as supplier and Intech Anchoring Systems for distribution and engineering




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support. They have also partnered with Digga to provide drive head machinery. The partnership with Chance, Intech, and Digga provides multiple warehouse locations for immediate deliveries of a wide range of helical pile sizes and specs to fit clients' needs, as well as continued education and training on the technology and installation techniques. Working with Intech engineers, HelicalPro is able to provide stamped design drawings and load calculations to fulfill a particular client's request. Using ShalePro's fabrication shop, they have the ability to fabricate custom pipe and skid supports to get the maximum flexibility out of the installed helical piles. Helical piles produce innumerable benefits when compared to commonly practiced foundations, including the ability to provide support for both permanent and temporary foundations and the ability to install them near existing foundations because installation causing no vibrations to the area.

In addition to the creation of HelicalPro, Mike Probst joined ShalePro as the new manager of the Instrumentation & Electrical Services Division. Probst brings with him experience owning and operating M&L Electric, as well as nearly a decade of service with Crestwood Midstream, where he served as the I&E/Measurement Supervisor. While there, Probst was in charge of overseeing day-to-day operations and all electrical and measurement related projects. ■

Calendar of Events

PIOGA events

Information: pioga.org > PIOGA Events

Due to uncertainty surrounding the COVID-19 crisis, please check the event page for any changes to events and event dates.

PIOGATech: Water and Waste Management

August 19, webinar

23rd Annual Divot Diggers Golf Outing & Steak Fry

August 20, Tam O'Shanter of PA Golf Course, Hermitage

Fall Conference and Sports Outing

September 22-23, Seven Springs Mountain Resort, Champion

Ted Cranmer Memorial Golf Outing & Steak Fry

October 8, Wanango Country Club, Reno

Annual Meeting & Reception

October 14, location TBA

PIOGATech: Safety Topic

October 22, TBA

Marcellus to Manufacturing Conference

November 12, Carnegie Science Center, Pittsburgh

Annual Oil & Gas Tax and Accounting Seminar

November 18, Holiday Inn Express, Canonsburg/Southpointe

PIOGATech: Environmental Topic

December 15, The Chadwick, Wexford

Holiday Member Mixer

December 15, The Chadwick, Wexford

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Joyce Turkaly (joyce@pioga.org), Director of Natural Gas Market Development

Danielle Boston (danielle@pioga.org), Director of Administration

Deana McMahan (deana@pioga.org), Administrative Assistant & Committee Liaison

Pennsylvania Independent Oil & Gas Association

115 VIP Drive, Suite 210, Wexford, PA 15090-7906

724-933-7306 • fax 724-933-7310 • www.pioga.org

Harrisburg Office (Kevin Moody)

212 Locust Street, Suite 300, Harrisburg, PA 17101

717-234-8525

Northern Tier Office (Matt Benson)

167 Wolf Farm Road, Kane, PA 16735

Phone/fax 814-778-2291

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