The PIOGA Press

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Annual meeting report

PIOGA remains effective through the pandemic

When approximately 100 people gathered together on October 14 for PIOGA's Annual Membership Meeting to discuss the association's accomplishments over the past year, look ahead at 2021 and conduct other necessary business, there was a big difference between this and previous annual meetings—this one was held virtually. Even though the virtual meeting has become the de facto standard in this pandemic year, members missed the opportunity to get together in person to renew acquaintances and make new connections.

Board Chairman Gary Slagel of Steptoe & Johnson called the two-hour-long meeting to order and thanked all those participating. The association represents an industry that is vital to Pennsylvania, he said, adding that PIOGA strives to provide an opportunity for all members to provide input and express concerns.

Slagel congratulated all of the successful candidates in the just-concluded Board of Directors election and welcomed Dave Hill of Hill Drilling to the board *(see accompanying article).* Slagel also introduced members of the board, who he described as a "very high functioning, very intelligent" group. Finally, Slagel congratulated the association's Director of Internal Communications, Matt Benson, for 35 years of service to PIOGA and its predecessor, the Pennsylvania Oil & Gas Association *(see accompanying article).*

State of the association, outreach and legislative update

Dan Weaver, President and Executive Director, recounted that it's been a difficult year not only for the industry but for the association as well. PIOGA has 378 member companies—a decline over the past year. He noted the association is still doing fairly well in terms of membership. Due to COVID-19 restrictions, PIOGA has

PIOGA's Dan Weaver delivers his report virtually.

been able to hold only six in-person events and meetings in 2020. Typically, there are about 80 events, committee meetings and other gatherings in a year.

In terms of public outreach, Weaver asserted: "We are in a war." He pointed out the irony of candidates for political office who advocate an end to fossil fuels while at the same time their campaign signs are made of plastic, non-recyclable materials. To help counter arguments that oil and gas are not necessary, earlier this year PIOGA developed a printable poster available on the association website that illustrates the many lifesaving products found in a typical hospital emergency room

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Annual meeting report *Continued from page 1*

that are derived from oil and gas.

Weaver implored members to be engaged and involved in promoting a positive image of the industry, and to call on PIOGA when the association can be of help. "Help us help you," he said. "Let us know where we can be of assistance."

Turning to legislative developments, Weaver reported that during the current two-year session, PIOGA has been monitoring upward of 100 pieces of legislation that would impact the industry in some way. Of particular importance is Senate Bill 790, creating a separate regulatory scheme for the conventional oil and gas industry. The legislation passed both the Senate and House of Representatives and is before the Senate for a vote to concur with amendments made in the House. However, even if the measure manages to come up for a vote in the Senate in the waning days of the session, Governor Wolf has threatened to veto it. "It looks like it has stalled this session," Weaver concluded.

Due to fiscal uncertainties related to the pandemic, lawmakers approved an interim budget in June. Weaver explained that budget runs out on December 1, and the General Assembly and the administration will have to return after the election to negotiate a budget for the remaining seven months of the current fiscal year. PIOGA has been told that a severance tax is not on the table, but new or higher taxes likely will be needed to fill a deficit of as much as $5 billion.

Legal update and Peoples developments

Kevin Moody, General Counsel and Vice President for Government Affairs, related that it has been a busy year for litigation. In particular, he highlighted PIOGA litigation before the Pennsylvania Public Utility Commission involving Peoples Natural Gas, including the 2019 base rate case settlement, which addressed Rate AGS and the Master Interconnect and Measurement Agreement (MIMA); the acquisition of Peoples by Aqua America (now Essential Utilities), which included the Goodwin gathering system retainage; the 2019 §1307(f) settlement that addressed new gathering system retainage; and the ongoing Tariff Surcredits/federal Tax Repair Election in which PIOGA is seeking a small portion of tax benefit to help conventional producers affected by abandonment or replacement of at-risk gathering pipelines per Peoples' UFG Mitigation Plan. Moody stressed that producers should contact PIOGA if they receive a notice that Peoples is abandoning a pipeline they use.

Moody provided brief updates on several state court cases that PIOGA is involved with or has an interested in. One is the association's lawsuit challenging how fees are assessed by the PA One Call System (POCS). PIOGA is awaiting a decision in the Commonwealth Court on POCS's preliminary objections. Among other cases, Moody mentioned the *Mitch-Well Energy* case involving breach of implied covenant of development and production in which the Pennsylvania Supreme Court accepted PIOGA's *amicus* brief arguing that express lease terms provide for termination of a lease, not abandonment.

At the federal level, Moody reported that PIOGA and two other associations filed joint comments opposing a request to the U.S. Environmental Protection Agency by the Seneca Nation of Indians for "Treatment as a State" authority under the Clean Water Act that would allow the Senecas to administer their own water quality standards program and water quality certification program for portions of the Allegheny River. Moody also noted that PIOGA has been involved in legal efforts supporting the PennEast Pipeline and cases involving Equitrans and Columbia Gas Transmission before the Federal Energy Regulatory Commission.

For specifics about the cases mentioned above, please download the meeting presentation via the link

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Board of Directors election results

Congratulations to the following on being chosen by their fellow members to serve on the PIOGA Board of Directors. All will serve three-year terms that began with the PIOGA Annual Membership Meeting on October 14.

- David Hill, Hill Drilling
- Frank Ross, T&F Exploration, LP
- Jake Stilley, Patriot Exploration Corporation
- Chris Veazy, EnerVest Operating, LLC
- Jeff Walentosky, Moody & Associates, Inc.
- Ben Wallace, Penneco Oil Company

Hill joins as a new director while all others were re-elected. Our thanks to all 13 candidates who participated in the election.

PIOGA's newest director grew up in a family oil and gas and drilling business and is the fourth generation in the industry. After graduating from Penn State in 1977, Hill taught Petroleum Production at Bradford High School and at the University of Pittsburgh at Bradford for three years. Subsequently, he worked with his father for 21 years as a drilling contractor, after which he owned and operated Hill Drilling for 10 years. Currently, he owns and operates his own production company and provides oil and gas engineering consulting.

Dave Hill at a 2019 well-plugging workshop in Clarion.

Congratulations, Matt Benson on 35 years with the oil & gas industry!

By Dan Weaver
President & Executive Director

It is truly my honor to congratulate PIOGA's Director of Internal Communications, Matt Benson, on his 35th work anniversary with PIOGA and the Pennsylvania Oil & Gas Association (POGAM).

For the past 35 years, Matt has been leading our communications efforts including the highly regarded, *PIOGA Press* newsletter, POGAM's *Practical Operator* newsletter, the PIOGA eWeekly updates, legislative/legal alerts, advertising, website content/maintenance, social media, press releases, contributing writer for *The American Oil & Gas Reporter* and even leading the early coordination efforts for the Eastern Oil & Gas Conference and Trade Show. Lastly, many know Matt through this work with our committees, taking meeting minutes to ensure an accurate record of the discussions.

As you can see, Matt has grown with the industry and always adapted to the current needs of the association.

"We lucked out when Matt came to POGAM in 1985," said **POGAM's Past President Steve Rhoads**. "Here was a quality young communications professional who was looking to return home to Mount Jewett in McKean County just when we were looking for a quality young communications professional to join our team in Bradford.

"Matt brought a wealth of talent to POGAM. He guided the development of *The Practical Operator*, expanded our advertising base and played a critical role in growing our program offerings to the membership.

"I'm very grateful that Matt stuck it out with us during that awful decade of the '90s. Without him, we wouldn't have been able to continue operating as a full-service trade association in those very lean years.

"All in all, Matt's contributions to the wellbeing of our industry have been exceptional, and the work he's done since the merger of POGAM and IOGA-PA adds consid-

erable value to PIOGA'S mission."

In April 2010, the Independent Oil and Gas Association of Pennsylvania (IOGA-PA) merged with POGAM and Matt's next phase with the trade association continued as he became PIOGA's Director of Internal Communications.

PIOGA's Past President & Executive Director, Lou D'Amico, commented, "I could spend a lot of time talking about Matt's obvious talents as a writer and editor. I could say much about his work ethic and dedication to his craft. However, all of those who read his work in POGAM's *Practical Operator, The PIOGA Press* and the eWeekly news blast have seen those things firsthand. I have seen the work of many industry communications professionals and Matt's work is second to none!

"What you can't see from the outside is what we who work with or have worked with Matt is his dedication to our industry. He speaks from the head and heart in his writing about this industry.

"You also don't see what a pleasure he is to work with every day. He is the consummate team player whose attitude encourages the best from all of us. Congratulations on your long and successful tenure with POGAM and PIOGA! Both organizations were and are stronger for your efforts. God bless Matt!"

Please help me congratulate Matt for his dedication to the oil and gas industry and for being a true professional, a pleasure to work with and an integral staff member who has contributed to the success of our trade associations and the oil and gas industry for 35 years. Please send him an email at matt@pioga.org and thank him for his long service to our industry! ■

Ted Cranmer Memorial Golf Outing

October 8
Wanango Country Club
Reno

American Refining Group, Inc. — Refine everything.
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CDT Insurance Group, LLC
Cranmer Golf Team
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Register now for our annual Oil & Gas Tax and Accounting Seminar

This year's seminar will be held virtually on Wednesday, November 18, in conjunction with the Independent Oil & Gas Association of West Virginia, the Southeastern Ohio Oil & Gas Association and member company Arnett Carbis Toothman. The following important and timely topics are on the agenda:

- General Tax Updates for 2020 - Federal and State
- Oil & Gas Industry Tax Updates for 2020
- CARES Act
- Paycheck Protection Program - Forgiveness, Tax and Accounting Considerations
- Purchase/Sale, Valuation, Succession and Estate Planning
- IT Security

Oil and gas investors, operators, royalty owners, service companies, and accounting and legal professionals will benefit from participating. Go to pioga.org > PIOGA events for more information and be sure to **register by Friday, November 13.** ■

PIOGA's Online Buyers' Guide: Upgrade your listing or advertise now!

PIOGA is pleased to partner once again with Strategic Value Media (SVM)—a leading provider of print and digital media solutions for national, state, and local trade and membership associations—to produce the 2020 edition of the online PIOGA Buyers' Guide, the premier resource of relevant products and services for oil and gas professionals. All PIOGA Allies & Providers members receive a complimentary listing in the guide, with the PIOGA logo to indicate your company is a member.

"We have heard from many members that PIOGA's online Buyers' Guide is a great resource to find oil and gas products and services quickly," said Dan Weaver, President and Executive Director of PIOGA. "We're pleased to offer such a needed one-stop shop that greatly assists industry professionals in making educated purchasing decisions throughout the year."

We encourage PIOGA members to utilize the services or products of our member companies.

Like the 2019 version, the new edition of the Buyers' Guide will feature updated and expanded company and product listings, in addition to other valuable information relating to the oil and gas industry. The Buyers' Guide provides users with an efficient way to browse for goods and services and offers oil and gas suppliers and companies exceptional visibility by showcasing their products and services to a targeted, industry-specific buyer group.

The Buyers' Guide is accessible through the PIOGA website, or directly at www.paoilgasbuyersguide.com, and will be updated soon with new advertisements and information. We encourage you to take advantage of this exceptional opportunity to highlight your products and services in the Buyers' Guide. To learn more about advertising your products or services or options to enhance the company's visibility, email pioga-advertise@svmmedia.com.

A representative from Strategic Value Media may contact you by email or phone to inquire if you want to enhance your listing in the Buyers' Guide. Please know this is a legitimate call and that SVM is partnering with PIOGA to provide our members this resource for advertising your products and services. ■

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Air Quality Compliance Virtual Training

PIOGATech
PIOGA's Technical Seminar Series

Hosted by:
PIOGA's Environmental Committee

Date:	**Tuesday, December 15, 2020**
Time:	**9:00 AM - 12:30 PM Introductory Session** **12:00 PM - 3:00 PM Advanced Session**
Fee:	**Half-Day Session (Introductory or Advanced)** **PIOGA Members - $50** **Non-PIOGA Members - $75**
	Full Day Session (Both Introductory & Advanced) **PIOGA Members - $100** **Non-PIOGA Members - $150**
	Fee includes the training and PDH & CEUs.

PIOGA's Environmental Committee is pleased to host this training in conjunction with our partners **All4, Babst Calland, CleanAir Engineering, CEC, Inc. and SE Technologies, LLC.**

THANK YOU TO OUR PARTNERS!!

ALL4

Babst Calland
Attorneys at Law

CEC
Civil & Environmental Consultants, Inc.

CleanAir
ENGINEERING

SE
TECHNOLOGIES

CEU Partner

WILKES UNIVERSITY 1933

Air Quality Compliance Training

New this year, this training will be separated into **2 sessions** - **Introductory** in the morning and **Advanced** in the afternoon - so attendees can obtain a more focused training for your needs. You are welcome to attend only a half day or the full day.

Introductory Session - 9 am to 12:30 pm *There will be a 45 min. lunch break

Overview of Air Quality Regulations Affecting Oil and Gas Industry
Intro to ProMax (the process simulation software commonly used in O&G for storage vessel VOC emission estimates)
Review of CH4 measurement approaches
Air dispersion modeling case studies at compressor stations in PA, WV and OH

There will be a **Technology Showcase** of a fenceline monitoring system for PM1/2.5/10/TSP, NOX, Total VOC including BTEX for both session groups from **12:00 to 12:30 pm.** *(For both Intro & Advanced attendees)*

Advanced Session - 12:00 pm to 3 pm

CTG RACT rules
Air Permitting Case Studies: The Nuances of Oil & Gas Facilities
Regional Greenhouse Gas Initiative (RGGI) and Post-Election Updates
Compliance Management Roundtable Panel with Operators

Registration
Go to www.pioga.org > **Events** to register online. **Deadline is Friday, December 11, 2020**

Information about CEUs and PDHs:
Half-Day Session: You will receive 3 PDHs and .3 CEUs
Full Day Session: You will receive 6 PDH and .6 CEUs

PIOGATech report

Reasonable Suspicion Training and Medical Cannabis in the Workplace

On October 26, more than 50 people participated our virtual Reasonable Suspicion Training and Medical Cannabis in the Workplace training hosted by PIOGA's Safety Committee.

The morning session was kicked off by Safety Committee Co-Chair, Wayne Vanderhoof, who provided an introduction to the group.

The three-hour training was led by Ryan West, MS, CFI, Manager, Corporate Trainings & Business Development, Chemical Addiction Specialist at the Greenbriar Treatment Center in Wexford.

Not only did the class learn about identifying and responding to employee impairment, but they also learned about the "four rules" for responding to suspected employee impairment, what "reasonable suspicion" really means, the most commonly used drugs of abuse and their signs of impairment, adulteration of urine specimens, and common barriers that prevent supervisors and managers from reporting suspected impairment, even when they know that they should. The final portion of this seminar focused on the employee confrontation, offering proven tips and techniques that boost supervisor effectiveness when informing an employee they will be drug tested. Ryan kept the group engaged by asking true-or-false questions throughout the course.

Participants received a certification of completion from Ryan and CEUs from Wilkes University.

PIOGA extends a sincere thank-you to our Safety Committee Co-Chairs, Wayne Vanderhoof of RJR Safety, Inc. and Eric Staul of Diversified Gas & Oil, for all their efforts to put together this virtual seminar and to provide a valuable educational event to PIOGA members and guests. A special thanks to Ryan West of Greenbriar Treatment Center. ■

PIOGA holiday mixer cancelled

Due to ongoing concerns about spread of COVID-19, as well as state limitations on events, we have decided to cancel our popular holiday member mixer. The event had been scheduled for December 15.

Over the past few years, the holiday networking event and our air quality compliance PIOGATech have been scheduled for the same day and location. The PIOGATech still will be held on December 15, but it will take place virtually. An article on the opposite page provides more information about that training.

Improving well safety with accurate, real-time condensate detection

By Zachary Susko
Comtech Industries, Inc.

Condensate can easily be detected and quantified in a laboratory setting. However, real-time condensate detection, especially in the field, has been an elusive goal.

Why is condensate detection important? The simple answer is safety. The ramifications of undetected condensate impinging upon frac and trucking assets can be explosive. Many of the early catastrophic accidents experienced in oil and gas producing basins across the United States can be directly correlated to condensate encroachment—that is, condensate ended up in places where it never should have been.

Condensate can be produced as part of a well's natural lifecycle throughout the production phase of natural gas wells in wet gas areas. Production fluid gathering systems are constructed on well locations to store both production water and condensate that is gathered through the normal production cycle. The production water and hydrocarbons striate within the production tank infrastructure to allow for water haulers to haul production water for reuse or disposal, and hazardous material haulers to haul condensate to separation facilities for marketing.

While operational procedures can be implemented to prevent the hauling of flammable liquids by non-sanctioned haulers, errors relating to faulty telemetry or operational oversight can lead to potentially unsafe conditions. In January 2003, a truck fire erupted that resulted in three people being seriously burned and two people killed. The fire traced back to condensate contamination caused by the release of hydrocarbon vapor during the unloading process. This accident could have been prevented if the condensate were observable and detected before it could impinge upon the situation. There are many other examples of dangerous incidents that have occurred in the past, and these types of incidents continue to have catastrophic potential across our basin(s) every day.

The problem of condensate migration into unwanted operational areas is further compounded when production water is reused for completion operations. Centralized water offload locations designed for reuse water gathering create a more functional platform for operational water reuse. Troublingly, these operations create opportunities for production water combined with large amounts of condensate to get offloaded into these centralized facilities, contaminating the bulk water and requiring costly cleanup efforts. Condensate contamination of the frac causes further safety and costly operational concerns.

Fortunately, effective, robust and real-time condensate detection is available. This technology is accurate enough to prevent condensate from getting on trucks as they are loaded from production tanks. It can also prevent condensate from being unloaded onto frac sites as the water is delivered from production tanks. Eliminating the ability of condensate getting onto trucks and the frac pad solves 99 percent of condensate-related problems seen by the oil and gas industry.

With the newly developed ability for real-time detection, exploration and production companies and their vendors can prevent condensate migration. The HC-DETX condensate detection technology has recently been developed and deployed in the field to prove its efficacy. Over a one-month trial, the HC-DETX prototype collected data from over 500 trucks that were being delivered into a centralized water storage and distribution facility. The facility was designed to gather produced water from a single operator's producing well

The HC-DETX in-line condensate detection system is an accurate system for detecting the presence of hydrocarbons in production water. It is capable of measuring condensate down to 1 PPM, and will prevent condensate from contaminating trucks and fracs.

locations. Each driver loading production water on locations was instructed to observe a 36-inch buffer based on take level telemetry when pulling the tanks down so that they would not encroach on the floating condensate layer. Regardless of this operational protocol, the HC-DETX system observed condensate in different parts per million (ppm) ranges throughout the course of the trial. Of the 500-plus trucks tested, 84 percent tested lower than 100 ppm, 61 trucks had condensate in the range of 100 to 500 ppm, and 5 percent had greater than 500 ppm condensate in their load. At the end of the trial, the HC-DETX probe allowed us to identify the fact that every truck had some percentage of condensate on board.

The HC-DETX detection system works by inserting a detection probe in the process line, where it provides continuous monitoring of the fluid stream with an accuracy down to a single part per million. The system is housed in a Class1/Div2 enclosure for deployment in hazardous areas and has been outfitted with a selfcleaning function tailored to the water stream to ensure that it does not lose detection ability due to plating or fouling. The system requires 110V, 1-horsepower power and 7 cubic feet of air at 90 psi per hour. Using cellular or satellite connectivity, the system can be accessed from anywhere in the world, allowing for visibility into condensate-related accidents and alarm conditions.

Ultimately, the HC-DETX system's ability to detect the presence of condensate in situ creates a platform for prevention and rejection to eliminate condensate migration. The detection skid can be outfitted with fast-acting pneumatic valves that, upon detection of condensate levels of a predetermined hazardous PPM range, can eliminate or redirect flow. The redirection of flow can allow for the capture and separation of condensate in separate process vessels to eliminate safety hazards while allowing for the resale of the captured hydrocarbons.

While current operating procedures have not been sufficient to prevent condensate migration, a solution is now at hand. Continuing development of technology that allows for real-time monitoring will give E&P companies assurance that their greatest assets are protected from these hazardous conditions. ■

Zachary Susko, Business Development and Sales Director for Comtech Industries, Inc., is an upstream energy professional with 10 years' experience in the water and waste space. Throughout his tenure, Zachary has worked alongside the Comtech R&D team to deliver innovative new technologies that help solve critical problems that afflict E&P companies.

PHMSA proposes integrity management alternative for class location changes

Authors:

Keith Coyle

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—
Babst Calland

On October 14, the Pipeline and Hazardous Materials Safety Administration (PHMSA) published a notice of proposed rulemaking (NPRM) containing potential changes to the federal gas pipeline safety regulations and reporting requirements. Citing PHMSA's experience administering special permits, as well as the information provided in earlier studies and from various stakeholders, the NPRM proposed to amend the regulations to allow operators to apply integrity management (IM) principles to certain gas transmission line segments that experience class location changes. Comments on the NPRM are due December 14.

PHMSA relied heavily on the conditions included in class location special permits in developing the proposed rules. The IM alternative only would be available to pipeline segments that experience an increase in population density from a Class 1 location to a Class 3 location, subject to certain eligibility criteria. Operators using the IM alternative would be required to conduct an initial integrity assessment within 24 months of the class location change and apply the IM requirements in 49 C.F.R. Part 192, Subpart O to the affected segment. Operators also would be required to implement additional preventative and mitigative measures for cathodic protection, line markers, depth-of-cover, right-of-way patrolling, leak surveys and valves.

PHMSA's decision to propose an IM alternative for managing class location changes is a significant step forward for pipeline safety. The class location regulations are based largely on concepts established decades ago, and the pipeline industry long has advocated for an approach that reflects modern assessment tools and technologies. While the NPRM does not necessarily satisfy all of the industry's objectives, PHMSA's proposal sets the stage for the next phase of the rulemaking process and potential development of a final rule.

Background

In July 2018, the agency published an advance notice of proposed rulemaking (ANPRM) asking for public comment on potential amendments to the class location regulations in 49 C.F.R. Part 192. As PHMSA explained in the ANPRM, Part 192 generally requires operators to respond to class location changes by (1) reducing the maximum allowable operating pressure (MAOP), (2) conducting a new pressure test or (3) replacing the pipe in the affected segment. The agency asked whether those requirements should be updated to allow operators to address certain class location changes through the use of IM measures. PHMSA also asked for public comment on several related questions, including whether the availability of the IM alternative should be limited to segments that meet certain eligibility criteria and whether the agency should incorporate the conditions included in prior class location special permits in the regulations.

What's in the NPRM?

PHMSA is proposing to establish an IM alternative for pipeline segments that experience a class location change from Class 1 to Class 3. The key features of the proposed IM alternative include:

- Designating the area affected by the class location change as a high consequence area (HCA) and applying the IM program requirements in 49 C.F.R. Part 192, Subpart O to the segment.
- Performing an initial integrity assessment within 24 months of the class location change.
- In performing the initial and subsequent integrity assessments of the affected segment with inline inspection (ILI) tools, inspecting all pipe between the nearest upstream ILI tool launcher and downstream ILI receiver.
- Replacing pipeline segments with discovered cracks exceeding 20 percent of wall thickness or a predicted failure pressure of less than 100 percent specified minimum yield strength (SMYS) or less than 1.5 times MAOP.

- Installing remote-control or automatic shutoff valves or upgrading existing mainline block valves downstream and upstream of the affected segment to provide that capability. The valves would need to be able to close within 30 minutes of rupture identification.
- Implementing additional preventive and mitigative measures, including conducting close interval surveys (CIS) every seven years, performing leak surveys on a quarterly basis, conducting monthly right-of-way patrols and performing cathodic protection test station surveys.
- Complying with more stringent repair criteria, including treating additional anomalies as "immediate" repair conditions and requiring remediation of conditions reaching a 1.39 safety ratio and 40 percent wall loss (as opposed to a 1.1 safety ratio and 80 percent wall loss under the current IM regulations).

The agency is proposing to limit the IM alternative to segments that experience a class location change after the effective date of the final rule, subject to a 60-day notification requirement. PHMSA is also proposing to prohibit the use of the IM alternative for pipeline segments with the following conditions or attributes:

- Bare pipe, wrinkle bends, missing material properties records, certain historically problematic seam types (including DC, LF-ERW, EFW, and lap-welded pipe or pipe with a longitudinal joint factor below 1.0) and body, seam or girth-weld cracking;
- Pipe with poor external coating, tape wraps or shrink sleeves;
- Leak or failure history within five miles of the segment;
- Pipe transporting gas that is not of suitable composition and quality for sale to gas distribution customers;
- Pipe operated at MAOP determined under the grandfather clause (49 C.F.R. § 192.619(c)) or under an alternative MAOP (49 C.F.R. § 192.619(d)); and
- Segments that do not have a documented successful eight-hour Subpart J pressure test to at least 1.25 times MAOP.

What's not included in the NPRM?

The agency did not propose an IM alternative for Class 2 to Class 4 location changes. PHMSA reasoned that given the high population density associated with Class 4 locations, there would not be adequate, feasible measures that could be used to provide Class 4 locations with an equivalent level of public safety instead of replacing pipe.

Although raised in industry comments on the ANPRM, PHMSA did not propose any amendments to the so-called "cluster rule." That rule allows operators to adjust endpoints of a Class 2, 3 or 4 location based on the presence of a "cluster" of buildings intended for human occupancy. Industry commenters had asked the agency to either clarify or revise the existing clustering methodology. PHMSA declined that request and simply noted that the NPRM contained provisions that would apply to segments covered under the cluster rule.

PHMSA did not propose to limit the availability of the IM alternative based on pipeline diameter, operating pressure or potential impact radius (PIR) size. Some of the commenters who responded to the ANPRM asked the agency to include a more conservative PIR-based limitation, but industry commenters had opposed that provision as unnecessary.

What's next?

After the public comment period closes, the agency will consider the information provided and decide whether to present the NPRM to the Gas Pipeline Advisory Committee (GPAC) for consideration. GPAC is a 15-member federal advisory committee that reviews and provides non-binding recommendations to PHMSA on proposed changes to the gas pipeline safety regulations. Once the GPAC process is complete, the agency can develop a final rule for consideration by the Office of the Secretary and Office of Management and Budget and eventual publication in the Federal Register. Completion of these steps is not likely to occur until 2021 or later.

The NRPM can be found at www.federalregister.gov/documents/2020/10/14/2020-19872/pipeline-safety-class-location-change-requirements. ■

PEDF litigation continues

Constitutionality of using Oil and Gas Lease Fund money for environmental agencies' operations still not resolved

An October 22 decision of the Commonwealth Court, along with a pending appeal of that court's July 2019 decision on remand from the Pennsylvania Supreme Court's June 2017 decision on the initial challenge by the Pennsylvania Environmental Defense Foundation (PEDF), has not resolved the lawfulness of using proceeds from leasing of Commonwealth-owned land for the operating expenses of the Commonwealth's agencies responsible for "conserving and maintaining" the Commonwealth's public natural resources.

Since 1947 Pennsylvania has received money from leasing state-owned lands for the extraction and sale of oil and natural gas. The Oil and Gas Lease Fund was established in 1955 for the deposit of all rents and royalties from oil and gas leases of Commonwealth land to be "exclusively used for conservation, recreation, dams, or flood control or to match any Federal grants which may be made for any of the aforementioned purposes."

The cumulative proceeds from Commonwealth oil and gas leases from 1947-2008 (the first year of Marcellus Shale leasing) totaled $165 million, whereas oil and gas proceeds in 2009 alone exceeded $167 million, mostly from the initial bonus (rental) payments from the 2008 leases rather than the royalties. The significant increase in the Oil and Gas Lease Fund from the Commonwealth's Marcellus Shale leasing from 2009-19 provided "new found" money that the General Assembly and Governors Rendell, Corbett and Wolf used to help balance the Commonwealth's annual budget.

In 2012, PEDF filed a lawsuit challenging, under Pennsylvania's unique Environmental Rights Amendment (ERA), the constitutionality of the Commonwealth's Marcellus Shale leasing and the appropriations of Oil and Gas Lease Fund royalties to the General Fund, which was not restricted to conservation purposes. In June 2017, the Pennsylvania Supreme Court ruled that the ERA established a public trust over public natural resources that is governed by private, not public, trust principles in effect in 1971 when the ERA was adopted.

The court also ruled that that any revenues derived from the sale of public natural resources, such as the oil and natural gas underlying state-owned lands, remain part of the trust corpus and may be expended only to conserve and maintain Pennsylvania's public natural resources. Because there was no question that the *royalties* were derived from the sale of public natural gas resources, the Supreme Court held that the General Fund appropriations of Lease Fund *royalties* challenged by PEDF were unconstitutional because the funds could be used for non-trust purposes.

As the record did not establish whether other revenue streams from the leases, such as rental or bonus payments, were derived from the sale of oil and natural gas, the court remanded the case to the Commonwealth Court to determine whether these other revenue streams also remained part of the corpus of the trust that could be used only for the trust purposes of "conserving and maintaining" the public natural resources.

PEDF had filed additional lawsuits challenging subsequent annual budget Lease Fund appropriations to the General Fund and directly to the Department of Conservation and Resources (DCNR) for operating expenses. In 2017, the Oil and Gas Lease Fund was transferred to the Fiscal Code and continued as a special fund in the State Treasury, with the requirement that "the General Assembly shall consider the Commonwealth's trustee duties under section 27 of Article I of the Constitution of Pennsylvania [the ERA]."

The Commonwealth Court's October 22 decision held, among other things, that the appropriation of $110 million from the Oil and Gas Lease Fund in FY 2017-18 and 2019 to fund DCNR's operating expenses was not facially unconstitutional under the ERA because only trust principal is restricted for use for trust purposes, but trust principal and income are commingled in the Lease Fund. The court stated that because the challenged Fiscal Code provision "authorizes the appropriation or transfer of monies within the Lease Fund without any indication as to the specific nature of the funds, *i.e.*, royalties, rents, bonuses, interest or other sources, [and] [b]ecause the Lease Fund is comprised of both restricted corpus and unrestricted deposits, we cannot conclude that Section 1601.2-E(c) violates Section 27 on its face."

PEDF had argued that Section 1601.2-E(c) violated the ERA "by failing to provide that the funds must be used to conserve and maintain the corpus by preventing and remedying the degradation, diminution and depletion of our public natural resources," *i.e.*, trust purposes are limited to environmental "projects." On the other hand, the Commonwealth had argued that "[t]he appropriation of trust monies for an agency's general operating expenses does not violate" the ERA, *i.e.*, trust purposes are not limited to "projects" but include operating expenses of the people and agencies that actually do the "conserving and maintaining" of the Commonwealth's public natural resources. PIOGA had also made this same argument in its *amicus* briefs in the *PEDF* litigation.

As the Commonwealth Court observed that "[t]he constitutional problem arises only when trust assets are applied to non-trust purposes," PIOGA General Counsel Kevin Moody explained why the constitutionality of using Oil and Gas Lease Fund money for environmental agencies' operating expenses still is not resolved. "It's not clear whether the Commonwealth Court determined that the environmental agencies' operating expenses are 'trust purposes' or whether these expenses are not unlawful to the extent they are funded by non-trust corpus, that is, trust income. The issue of whether the lease revenue streams other than royalties are trust corpus or something else, such as income, was recently argued before the Pennsylvania Supreme Court on September 17, and PEDF has appealed the October 2020 decision to our Supreme Court. So, it appears that we will have await the Supreme Court's decisions in both appeals for the resolution of this issue."

The August 2019 *PIOGA Press* contains an article concerning the Commonwealth Court's July 2019 decision that was appealed and argued before the Pennsylvania Supreme Court on September 17. ■

New/returning PIOGA members
Welcome, and welcome back!

Argus Media
2929 Allen Parkway, STE 700, Houston, PA 77019
832-472-3350 • www.argusmedia.com/en
Allies & Providers—produces price assessments and analysis of international energy and other commodity markets and offers bespoke consulting services and industry-leading conferences

ATC Group Services
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412-826-3120 • atcgroupservices.com
Allies & Providers—multi-disciplinary environmental engineering and consulting firm specializing in environmental remediation, environmental compliance, water/wastewater, due diligence, geotechnical engineering, health and safety training, laboratory services, and more

Is ‘green’ energy really ‘clean’ energy?

Guest Commentary

By Senator Gene Yaw

I recently read a commentary in the *Sunbury Daily Item* titled “Threat of Fossil Fuels.” This is one of many pieces I have seen in which the authors cite the use of fossil fuels as a detriment to our environment. Of course, these articles fail to reference clean coal technologies or the fact that as Pennsylvania’s natural gas power generation has increased 34 percent since 2005, greenhouse gas emissions across the state have dropped 39 percent. Our air is cleaner today than at any time since the dawn of the industrial revolution over 200 years ago.

In fact, America has led the world in reducing greenhouse gas emissions over that same period. These reductions are having a demonstrable impact on air quality, with Pennsylvania’s Department of Environmental Protection forecasting fewer and fewer severe air quality alerts each year—a fact Governor Tom Wolf neglects to tell the public as he unilaterally pushes for Pennsylvania to join with New York, New Jersey and other states in the Regional Greenhouse Gas Initiative (RGGI).

Comment period opens on governor's RGGI regulations

With formal publication on November 7 of Governor Wolf's proposed regulations enabling Pennsylvania's participation in the Regional Greenhouse Gas Initiative (RGGI) carbon dioxide cap-and-trade program, the Environmental Quality Board (EQB) kicked off a public comment period that will run through January 14. State regulators will hold 10 virtual public hearings December 8-14 in addition to accepting written comments.

Through a 2019 executive order, Wolf unilaterally directed the Department of Environmental Protection to join RGGI by regulation. Republicans who control the state legislature have tried to stop it, arguing that RGGI will harm the state's fossil fuel economy and raise costs to consumers of electricity.

PIOGA will be developing formal comments opposing the regulations on behalf of the association, but individual members also are may submit comments by using DEP's eComment, emailing regcomments@pa.gov, or mailing to Environmental Quality Board, P.O. Box 8477, Harrisburg, PA 17105-8477.

The RGGI rulemaking can be found in the EQB section of the DEP website, www.dep.pa.gov. Go to 2020 Meetings and then scroll to the September 15 meeting.

This edict will have drastic consequences for every ratepayer, business and industry in Pennsylvania. Unfortunately, most of the commentary is based on a superficial discussion of “clean” energy, which translates into a solution based on eliminating fossil fuels.

Anyone who thinks that windmills and solar panels miraculously appear on the mountainside clearly ignore and misunderstand the manufacturing process. According to a recent *Wall Street Journal* article, each windmill is composed of 900 tons of steel, 2,500 tons of concrete and 45 tons of nonrecyclable plastic. Five rare earth elements—dysprosium, terbium, europium, neodymium and yttrium—are used in magnets for wind turbines.

How are turbine blades recycled? They’re not. When considering environmental impact, remember we have no national or state policy regarding recycling or disposal of wind turbines at the end of their useful life.

For many homeowners, one of the primary motives for going solar is to have a positive impact on our environment, which is commendable. Yet solar panels harbor their share of toxic chemicals including lead, cadmium telluride, copper indium selenide and polyvinyl fluoride, to name a few. Aside from the harmful components, the majority of solar panels consist of glass, which often cannot be recycled because of the impurities. We do not have the knowledge or facilities at the federal or state level to deal with recycling or disposal of solar panels.

In addition to wind and solar, electric car batteries pose greater challenges. Take for example a Tesla car battery, which weighs approximately 1,200 pounds and contains 7,104 lithium-ion battery cells, nickel, cobalt and more components. For a Tesla semi-truck, the average weight is estimated between 4.7 and 7.9 tons. What does this mean for our roads and transportation infrastructure if more people are buying and using electric vehicles?

Demand for cobalt, nickel, lithium and graphite is projected to rise dramatically to meet demand for batteries. The majority of these materials is not produced in the United States but imported from around the world, often from weak countries like the Democratic Republic of Congo in which the mining industry uses children as young as 6 and other laborers in “artisanal mining.”

Nuclear energy is promoted as “clean” from an emissions perspective. That may be the end result, but what about the emissions associated with the manufacturing of millions of tons of concrete and steel needed to construct the facilities? And we cannot overlook the fact that Pennsylvania is required to de facto house four nuclear waste sites because there is no common disposal site in the United States. How can anyone realistically and rationally ignore the environmental impacts of the manufacturing and disposal issues associated with this industry and just label it as "clean"?

The concept of looking at the big picture is simple. For every so-called "clean" energy process, whether it involves nuclear, wind, solar, hydroelectric or other, there is one common denominator—mining. Mining involves the use of heavy equipment, which is made from steel. Steel, in turn, is made from iron ore and coal, both of which are extracted from the earth by mining. And so, the circle continues with each step having its own environmental impact and emissions.

The RGGI does not look at the whole picture and ignores the multitude of ramifications it generates and encourages, while focusing on the very limited point of emissions. Ignored are questions and considerations regarding the increase in mining activity in the U.S. to provide the raw materials needed to produce "clean" energy; the effect of increased mining in Third World countries to support our "clean" energy goals; and, are we going to accept being dependent on foreign governments and child labor for our "clean" energy materials?

While the goal of addressing climate change is desirable, targeting one part of our energy portfolio as proposed by RGGI is shortsighted. Every energy source has an environmental impact. Our energy mix needs to encompass all of our resources, which includes fossil fuels. ■

Senator Gene Yaw (R-Williamsport) is chairman of the Pennsylvania Senate Environmental Resources and Energy Committee.

DEP announces end date for eWell permitting application

Since the fall of 2018, the Department of Environmental Protection, Office of Oil and Gas Management (OOGM) has had two separate online applications available for the electronic submission of well permit applications—the older eWell and the newer ePermitting.

DEP announced recently that effective January 1, 2021, OOGM will discontinue the use of the eWell application for the electronic submission of new oil and gas well applications. Beginning with the new year, applicants must use ePermitting exclusively for the electronic submission of new applications to drill, alter, renew and/or operate a well. Operators that have submitted applications through the eWell application prior to January 1 still will have access to eWell to complete those applications.

DEP notes that the ePermitting application provides several benefits over eWell, the primary being that ePermitting is an enterprise application used for the electronic submission of permit applications to multiple programs within the department, thereby providing common functionality to users across programs. Additionally, ePermitting is a GIS-based system utilizing layer package and shapefile submissions rather than the DWG file submissions used by eWell.

Well operators are highly encouraged to start familiarizing themselves with the ePermitting application functionality now, DEP stated. For more information about ePermitting, visit www.dep.pa.gov/Business/Energy/OilandGasPrograms/OilandGasMgmt/Pages/ePermitting.aspx. ■

PIOGA's online Career Center

Did you know that our website offers the ability for companies to post open positions? To help in your employee recruitment efforts, go to pioga.org and click on Careers.

President signs memo supporting hydraulic fracturing to protect jobs, national security

During his final campaign rally in Pennsylvania, President Donald Trump announced he signed an executive memorandum dedicated to protecting jobs, economic opportunities and national security by ensuring support of hydraulic fracturing.

The memo cites a 2019 Council of Economic Advisers report that estimated fracking and other innovations had reduced energy prices and saved Americans $203 billion per year. The report also claimed that banning or restricting such technologies would increase the prices of gasoline, electricity, heating and air conditioning, which would greatly harm senior citizens, middle- and lower-income Americans and others on fixed incomes.

"Under my administration, we are no longer beholden to foreign powers or domestic radicals. We are powering our nation on our own terms," Trump said.

In the memo, Trump additionally emphasizes his opposition to misguided policies that would place the United States back at the mercy of foreign oil and natural gas. His continued push for energy independence and new technologies has allowed the United States to become a net energy exporter for the first time since 1953, with American energy exports reaching an all-time high last year.

Specifically, the memo directs the administration to assess the potential consequences of fracking bans—such as job losses—on Americans who are directly or indirectly benefiting from the energy industry and other industries, including mining for sand and other minerals. The administration will also assess potential effects on consumers, property owners, local governments, schools, hospitals and medical clinics.

In March, former Vice President and Democratic Presidential Candidate Joe Biden argued that he would not support new fracking. In October, Biden stated that he would not entirely ban fracking, but wants to transition to zero-emission energy. That is not enough of a promise for the American people and energy industry, Trump said during his Pennsylvania rally.

Energy Secretary Dan Brouillette commended Trump's executive memo, stating that fracking and associated technologies made the United States the No. 1 producer of oil and gas in the world, bringing an eight-fold increase in natural gas productivity since 2007. Additionally, the increased natural gas productivity created millions of jobs and lowered the price of gas by 63 percent.

"President Trump once again reaffirmed his unwavering commitment to the American energy industry," Brouillette said. "A ban on fracking would result in the loss of millions of jobs, the doubling of gasoline prices and the quadrupling of electricity costs. The Department of Energy will swiftly and thoroughly execute our tasks as directed by President Trump today to evaluate the importance of maintaining this technology."

—Pennsylvania Business Report

Read the memo at www.whitehouse.gov/presidential-actions/memorandum-protecting-jobs-economic-opportunities-national-security-americans.

Thompson, Reschenthaler offer orphan well plugging legislation

Pennsylvania Congressmen Glenn "GT" Thompson and Guy Reschenthaler have introduced the Plugging Orphan Wells and Environmental Restoration (POWER) Act. The bill would reauthorize the federal orphan well remediation program under the Energy Policy Act of 2005 for five years at $50 million per year.

The POWER Act would also establish a new grant program for environmental restoration and reclamation of orphaned oil and natural gas wells on state, as well as private and tribal lands, authorized at $400 million per year for five years.

"Pennsylvania is the birthplace of the modern petroleum industry and the Commonwealth's oil and gas industry has helped lead America to energy independence," said Representative Thompson. "We have both an economic and environmental responsibility to ensure abandoned wells are plugged. The POWER Act will ensure these legacy sites are appropriately handled in order to protect the environment while also stimulating jobs in the oil and gas sector. This will be a win-win for Pennsylvania."

"I'm proud to join with Congressman Thompson to introduce the POWER Act, which will provide new economic opportunities for southwestern Pennsylvania's oil and gas workers who are struggling during the COVID-19 pandemic," said Representative Reschenthaler. "In Pennsylvania, we already have a skilled and knowledgeable workforce ready to remediate the estimated 200,000 orphaned wells across the state. By providing federal funding to plug these wells, we can support the creation of good-paying jobs for hardworking Americans while addressing environmental and safety hazards in our communities."

PIOGA believes that plugging orphan and abandoned wells is a win for the environment and a win for the conventional oil and gas industry, and we will support this legislation as it moves through Congress. ■

PIOGA Member News

Babst Calland announces pipeline safety database tool

Babst Calland and its affiliated Alternative Legal Service Provider, Solvaire, announce the availability of PIPES TRACKER™—the most comprehensive and easy-to-use pipeline safety regulatory database search and tracking tool available on the market to today. Now, pipeline operators finally have an easy way to search and track enforcement cases issued by the Pipeline and Hazardous Materials Safety Administration (PHMSA).

PIPES TRACKER™ users can quickly search and identify cases involving a particular citation; evaluate annual reports on developments and enforcement trends; easily search and verify data for counsel, operators and consultants; and track PHMSA cases by citation, region, date, operator name and current status. The tool also is fully keyword searchable, updated monthly, the most affordable pipeline safety regulatory database tool on the market today, and is the only pipeline safety regulatory database search and tracking tool developed, managed and operated by lawyers.

For a customized demonstration, contact Brianne Kurdock at 202-774-7016 or bkurdock@babstcalland.com.

Long Ridge Energy Terminal partners to transition power plant to hydrogen

Long Ridge Energy Terminal in Hannibal, Ohio, has announced plans to transition its 485 MW combined-cycle power plant to run on hydrogen. In collaboration with New Fortress Energy and GE, Long Ridge intends to begin providing carbon-free power to customers as early as next year by blending hydrogen in the natural gas stream and transition the plant to be capable of burning 100 percent green hydrogen over the next decade.

With commercial operations planned for November 2021, Long Ridge will be the first purpose-built hydrogen-burning power plant in the United States and the first worldwide to blend hydrogen in a GE H-class gas turbine. The plant utilizes a GE 7HA.02 combustion turbine, which can burn between 15-20 percent hydrogen by volume in the gas stream initially, with the capability to transition to 100 percent hydrogen over time. Long Ridge has engaged Black & Veatch to assist with developing plans for the plant integration for hydrogen blending and to ensure safe and reliable industrial practices.

To support a green hydrogen transition, Long Ridge is teaming with NFE's new division, Zero, which is focused on investing in and deploying emerging hydrogen production technologies to meet zero emissions targets. NFE's Zero division will support Long Ridge's carbon-free power transition as it scales up novel technologies that can produce low-cost hydrogen.

For initial testing of hydrogen blending, Long Ridge has access to nearby industrial byproduct hydrogen. For the production of green hydrogen with electrolysis, Long Ridge has access to water from the Ohio River. Over time, belowground salt formations can be used for large-scale hydrogen storage.

Combined with Long Ridge's proximity to large scale storage, the plant will be capable of supporting a balanced and diverse power generation portfolio in the future—from energy storage capable of accommodating seasonal fluctuations from renewable energy, to cost effective, dispatchable intermediate and baseload power. ■

Annual Meeting *Continued from page 3*

at the end of this article.

Market development update

Joyce Turkaly, Director of Natural Gas Market Development, said one of PIOGA's roles is making connections to create synergies. Much of this is done by her and the association's Market Development Committee. Turkaly noted the various segments of the industry and how PIOGA can support them, giving the example of helping get stranded gas to market through virtual pipelines.

Over recent months, PIOGA hosted free webinars to help members stay informed and connected, supported a federal rulemaking to allow transport of liquified natural gas via rail, helped promote federal funding opportunities, and have backed efforts to grow the petrochemical industry in our region, including identifying opportunities for underground storage of natural gas liquids.

Turkaly pointed to the many tasks she performs as market development director and encouraged members to reach out if she can assist in any of those areas.

Committee reports

Safety Committee. Wayne Vanderhoof of RJR Safety reported that the committee has been meeting virtually this year and that he is grateful for the help of his new co-chair, Eric Staul of Diversified Gas & Oil. The committee's quarterly meetings feature presentations on topics that have ranged from distracted driving to how to operate safely under COVID-19. The committee also organized trainings as part of PIOGA's Technical Seminar Series. Vanderhoof encouraged members to participate in the committee and noted the group is looking for topics for meetings or trainings in 2021.

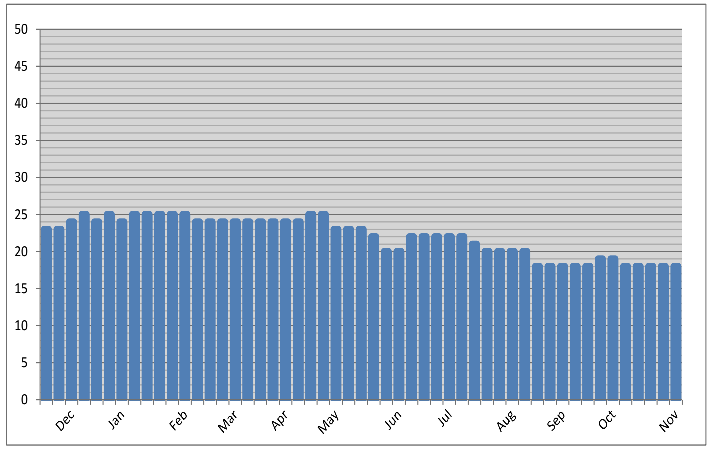
Environmental Committee. Ken Fleeman of ABARTA Oil & Gas, who co-chairs with Paul Hart of Diversified Gas & Oil, echoed Weaver's comments that PIOGA provides its members with world-class value. He noted that it takes management and commitment to achieve what the Environmental Committee does, and he thanked the PIOGA staff and his subcommittee chairs for their hard work, singling out recently retired regulatory consultant Scott Roberts for his expertise and guidance.

Fleeman reported the committee had organized two PIOGATech trainings—water and waste management and air quality compliance (coming up December 15). The committee is active in many regulatory and legal activities at the state and federal levels. He stated that the Department of Environmental Protection is starting a major rulemaking aimed at conventional oil and gas operations, a process anticipated to take up to two years and will require significant involvement on the committee's part. The committee also supports PIOGA's representatives on the state advisory committees—the Oil & Gas Technical Advisory Board (Jeff Walentosky) and the Penn Grade Crude Development Advisory

Continues on page 22

Oil & Gas Dashboard

Pennsylvania Rig Count



Penn Grade Crude Oil Prices

Natural Gas Futures Closing Prices

Month	Price
December	$2.865
January 2021	3.007
February	2.983
March	2.913
April	2.793
May	2.783
June	2.823
July	2.880
August	2.896
September	2.885
October	2.921
November	2.995

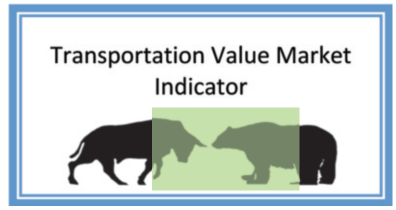
Prices as of November 9

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

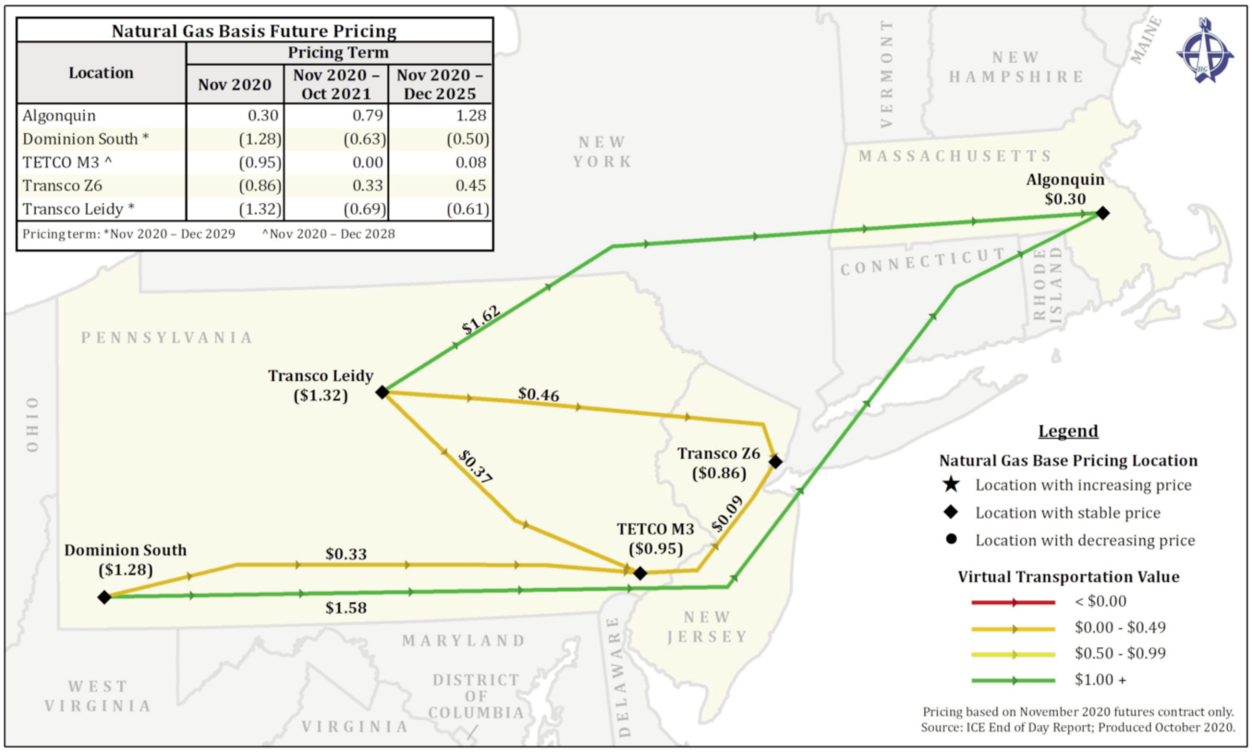
Northeast Pricing Report — November 2020

Every trading point's position was mixed across all trading terms. With front month trading varied for each location. Algonquin saw the greatest increase of $0.91 per MMBtu. However, TETCO M3 and Transco Z6 only increased $0.02 per MMBtu and $0.13 per MMBtu respectively. Dominion South and Transco Leidy both decreased by $0.18 and $0.21 per MMBtu. For the one-year trading term, every trading point dropped in value. Algonquin decreased the most at $0.16 per MMBtu. Transco Leidy decreased the least at $0.03 per MMBtu. Little changed for length of contract trading. Dominion South and Transco Leidy both increased $0.03 per MMBtu while TETCO M3 and Transco Z6 both decreased by $0.02 per MMBtu.



Provided by Bertison-George, LLC
www.bertison-george.com

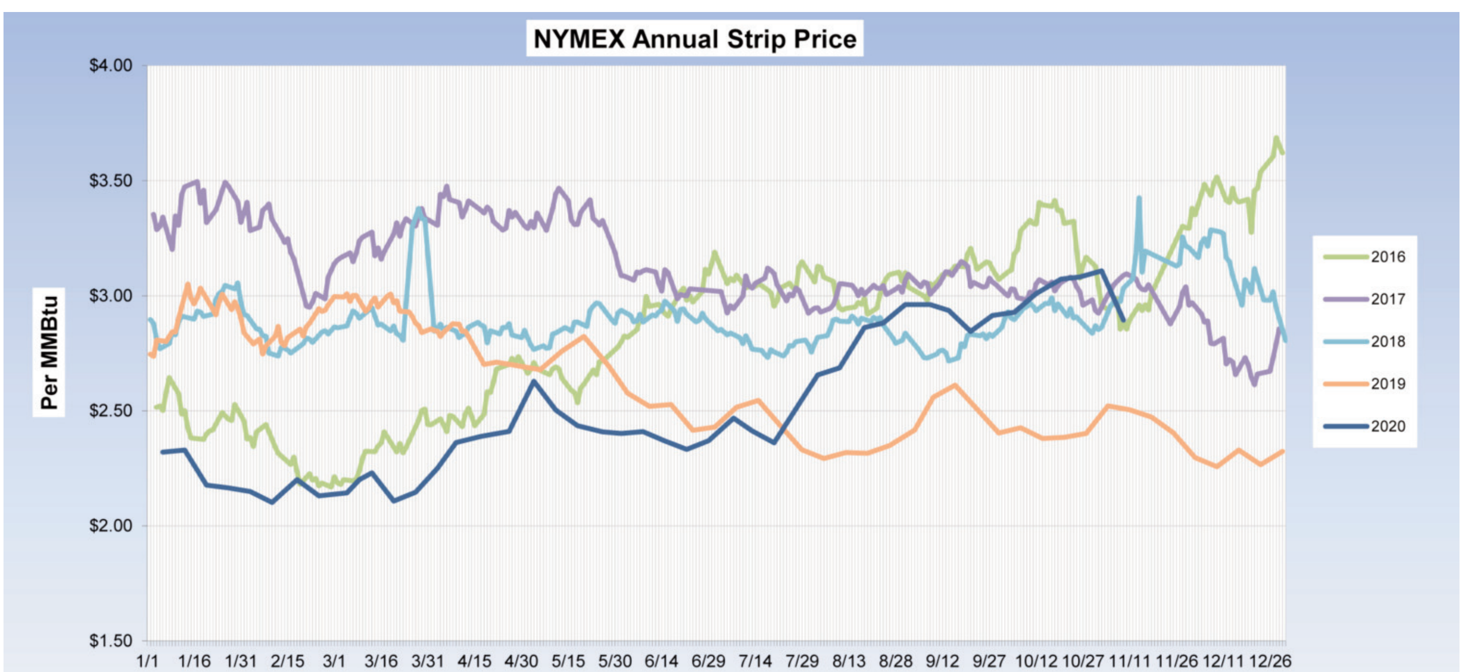
As basis pricing was mixed, transportation values increased across the board. Both Dominion south to Algonquin and Transco Leidy to Algonquin increased the most at $1.09 and $1.12 per MMBtu. TETCO M3 to Transco Z6 increased the least at $0.11 per



Natural Gas Basis Future Pricing

Location	Pricing Term: Nov 2020	Nov 2020 – Oct 2021	Nov 2020 – Dec 2025
Algonquin	0.30	0.79	1.28
Dominion South *	(1.28)	(0.63)	(0.50)
TETCO M3 ^	(0.95)	0.00	0.08
Transco Z6	(0.86)	0.33	0.45
Transco Leidy *	(1.32)	(0.69)	(0.61)

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



Spud Report: October 2020

The data show below comes from the Department of Environmental Protection. A variety of interactive reports are available by going to the Office of Oil and Gas Management page at www.dep.pa.gov and choosing Report from the menu. 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
Cabot Oil & Gas Corp	8	10/27/20	115-22644	Susquehanna	Bridgewater Twp
		10/27/20	115-22645	Susquehanna	Bridgewater Twp
		10/27/20	115-22646	Susquehanna	Bridgewater Twp
		10/27/20	115-22648	Susquehanna	Bridgewater Twp
		10/27/20	115-22647	Susquehanna	Bridgewater Twp
		10/27/20	115-22649	Susquehanna	Bridgewater Twp
		10/27/20	115-22650	Susquehanna	Bridgewater Twp
		10/27/20	115-22651	Susquehanna	Bridgewater Twp
Chesapeake Appalachia LLC	8	10/29/20	015-23649	Bradford	Tuscarora Twp
		10/29/20	015-23650	Bradford	Tuscarora Twp
		10/29/20	015-23648	Bradford	Tuscarora Twp
		10/19/20	015-23639	Bradford	Ulster Twp
		10/20/20	015-23640	Bradford	Ulster Twp
		10/7/20	015-23629	Bradford	Wyalusing Twp
		10/8/20	015-23630	Bradford	Wyalusing Twp
		10/13/20	115-22785	Susquehanna	Auburn Twp
Gas & Oil Mgmt Assoc Inc	3	10/27/20	123-48450*	Warren	Mead Twp
		10/28/20	123-48449*	Warren	Mead Twp
		10/29/20	123-48448*	Warren	Mead Twp
Mead Oil LLC	1	10/1/20	123-48473*	Warren	Cherry Grove Twp
MSL Oil & Gas Corp	7	10/5/20	083-57223*	McKean	Hamilton Twp
		10/7/20	083-57225*	McKean	Hamilton Twp
		10/15/20	083-57224*	McKean	Hamilton Twp
		10/21/20	083-57221*	McKean	Hamlin Twp
		10/15/20	083-56773*	McKean	Wetmore Twp
		10/21/20	083-56772*	McKean	Wetmore Twp
		10/28/20	083-56774*	McKean	Wetmore Twp
PennEnergy Resources LLC	6	10/12/20	019-22845	Butler	Winfield Twp
		10/12/20	019-22846	Butler	Winfield Twp
		10/13/20	019-22843	Butler	Winfield Twp
		10/13/20	019-22842	Butler	Winfield Twp
		10/14/20	019-22844	Butler	Winfield Twp
		10/14/20	019-22847	Butler	Winfield Twp
Rockdale Marcellus LLC	3	10/14/20	081-21829	Lycoming	McIntyre Twp
		10/14/20	081-21827	Lycoming	McIntyre Twp
		10/14/20	081-21828	Lycoming	McIntyre Twp
Seneca Resources Co LLC	6	10/2/20	023-20279	Cameron	Shippen Twp
		10/2/20	023-20276	Cameron	Shippen Twp
		10/2/20	023-20277	Cameron	Shippen Twp
		10/2/20	023-20278	Cameron	Shippen Twp
		10/3/20	023-20275	Cameron	Shippen Twp
		10/3/20	023-20266	Cameron	Shippen Twp
SWN Prod Co LLC	3	10/1/20	081-21861	Lycoming	Cogan House Twp
		10/2/20	081-21863	Lycoming	Cogan House Twp
		10/3/20	081-21862	Lycoming	Cogan House Twp

	October	September	August	July	June	May
Total wells	**45**	**58**	**23**	**43**	**35**	**51**
Unconventional Gas	34	51	19	41	34	49
Conventional Gas	0	0	0	0	0	0
Oil	11	7	4	2	1	2
Combination Oil/Gas	0	0	0	0	0	0

Annual Meeting *Continued from page 20*

Council (Dave Ochs and Burt Waite)—and is active in DEP's quarterly industry meetings.

Tax Committee. Bill Phillips of Arnett Carbis Toothman shared that his committee meets quarterly (with one meeting cancelled this year) and has enjoyed great participation by members. The group focuses on identifying tax issues that affect the industry and then communicating the information to the membership via *The PIOGA Press* or e-blasts. Among the topics addressed over the past year were the Marginal Well Credit and changes to Form 1099 reporting that will impact everyone. The committee anticipates significant federal tax legislation in 2020, regardless of who is in the White House.

Market Development Committee. Co-chair David Marks of Dominion Energy Field Services said that in 2020 the group has concentrated on sharing monthly updates of pipeline and virtual pipeline projects, market development updates, public outreach, power generation and more. The monthly committee meetings have included speakers presenting on a variety of topics, and in a normal year the group makes occasional field trips to interesting natural-gas-related facilities. "Join us," he concluded. "It's fun!"

Co-chair Sandy Spencer of Appellation Construction Services talked about some of the issues being addressed by the Public Outreach Subcommittee and explained that the New Projects Subcommittee that is all about sharing information on industry-related projects that are under development. The latter, she emphasized, has often led to business opportunities for PIOGA members.

Political Action Committee. Teresa Irvin McCurdy of TD Connections offered that the fund balance in the PIOGA PAC sounds like a lot, but it's not very much compared to the number of requests the committee routinely receives to support industry-friendly state lawmakers. She encouraged members to take part in PAC fundraisers. "If industry doesn't support those who support us, we'll be in even more trouble than we are," McCurdy said, adding that those who oppose the industry are well-organized and well-funded.

Diversity Committee. Deana Stephens of Steptoe & Johnson recently accepted leadership of the committee and said she is excited to get it rolling. To this point, the committee has created goals including developing a questionnaire about company diversity practices as part of a new-member onboarding packet, providing educational information for PIOGA members about fostering a diverse workplace, and assisting with development of a mentoring program which encourages diversity and inclusion within the membership. The plan for 2021 is to organize and implement educational programs.

Membership Committee. Bob Beatty of InsightFuel and Robert Beatty Oil & Gas, who chairs the committee along with Jessica Houser of WGM Gas Company, said the group's goal is to communicate the value of PIOGA to current, renewing and potential members. The committee meets monthly to review new members, renewing members and nonrenewing members and is collecting membership data to turn that information into useful tools for recruiting and retention. The group also is focused on development of new marketing materials and increased use of social media and digital platforms to promote the association.

Going by the adage, "If you don't ask, you don't receive," Beatty encouraged members to take every opportunity to talk up PIOGA membership among anyone involved in any facet of the industry—not just the traditional types of member companies. Or, for those who prefer not to play the role of recruiter, Beatty said anyone can refer leads to the committee chairs or PIOGA staff. "We are glad to take the ball and run with it," he added.

All of the chairs encouraged interested members to get involved with their committees. To learn about any of the committees, visit the association's members-only website, members.pioga.org, and click on Committees.

Annual Meeting recording and presentations

If you missed the virtual meeting or wanted to review any of the slides that were presented, you can find the material here:

- **Recorded meeting** — pioga.org/publication_file/2020_PIOGA_Annual_Meeting.mp4
- **Presentations** — pioga.org/publication_file/PIOGA_2020_Annual_Meeting_Overview.pdf

We appreciate all our members who connected with us virtually this year to learn about the work of PIOGA and our committees as we all strive to advance the industry during these unprecedented times. ■

Calendar of Events

PIOGA events

Information: pioga.org > PIOGA Events
Due to uncertainty surrounding the COVID-19 crisis, please check our website for event updates.

Marcellus to Manufacturing Conference
November 12, Oglebay Resort & Conference Center, Wheeling, WV

Annual Oil & Gas Tax and Accounting Seminar
November 18, virtual event

PIOGATech: Air Quality Compliance
December 15, virtual event

~~**Holiday Member Mixer**~~
~~December 15, The Chadwick, Wexford~~ *Cancelled*

Other industry events

OOGA Networking/Holiday Reception
December 17, Zanesville, OH
Info: www.ooga.org/events

IOGAWV Winter Meeting
February 17-18, Charleston, WV
Info: iogawv.com

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
814-598-3085

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