

Meet the New PIOGA Chairman An Interview with Mike Hillebrand

"Curiosity is, in great and generous minds, the first passion and the last." — William Samuel Johnson.

Newly elected PIOGA Chairman, Michael Hillebrand, led by curiosity, found his passion for the oil and gas industry at an early age and has held an internal flame for the industry ever since.

At the young age of 14, in his hometown of DuBois Pennsylvania, Hillebrand spent a lot of time exploring the woods on his dirt bike. It was during one of his scenic rides when he first came across gas wells being constructed.

"At the time, I thought they were drilling for gasoline," Hillebrand joked. "That's how little I knew about the industry. I saw everything from spud to TIL that summer including how to read the exchange meter used to measure the natural gas sales. I continued to frequently visit that meter, long after the construction was complete, to compute how much money the wells made. I was so intrigued and knew from that point on I was hooked."

The energy crisis of the 1970's was Hillebrand's driving force to join the industry and grow his passion for the future of the industry. Hillebrand gained his degree in Petroleum and Natural Gas Engineering from Penn State University, graduating in 1986.

The same year, oil went from \$30/bbl in January to \$8/bbl in May. The industry collapsed, there were many industry bankruptcies and cutbacks,

combined with major layoffs at every level. Hillebrand lost his initial engineering job during this time but was determined to do any job to stay in the industry. As a result, he went from an engineering position to driving a sand truck for an international service company - requiring only a CDL driver's license and the ability to endure hard labor. Hillebrand worked his way up quickly from the bottom, desiring to firsthand operate the various equipment used in wellbore casing cement and reservoir fracture stimulation services.

In 1992, he left the company as a Regional Engineer and joined a four-person start-up, Power Gas, as an equity partner. Hillebrand was the engineer of the four-person business which had procured a drilling partner, Sithe Energies. Sithe Energies was a large New York electric generation company and an early entrant of using natural gas as a main fuel of choice. Power Gas was charged with procuring Sithe a large supply of natural gas reserves via drilling and/or acquisitions. Sithe ultimately purchased

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Power Gas and Hillebrand continued to work for them through the transition.

In 1998, Hillebrand left Sithe to become an equity partner in Huntley & Huntley and once again focus on drilling wells. From 1998 to 2008, Hillebrand helped raise approximately \$150 million from various investors. Hillebrand lead the land, drill, complete, production and hydrocarbon marketing of 480 operated natural gas wells, while supporting participation as a nonoperated partner in approximately 400 more wells located in Texas and Oklahoma.

In 2008, when horizontal well drilling technology displaced vertical well drilling in its application to unconventional reservoirs, Huntley paused drilling vertically and observed the shale boom revolution - learning the applications, techniques, and economics. In 2012, under Hillebrand's vision, Huntley entered the shale business, with the creation of Huntley & Huntley Energy Exploration, now Olympus Energy, LLC. Currently, Olympus operates approximately 100,000 acres located in southwest Pa., and produces approximately 500 MMcf/d of natural gas. Huntley & Huntley is also very active managing its oil and gas mineral real estate interests with a focus of expanding the business.

An Energy Discussion

Recently the newly elected Chairman, Hillebrand, sat down for an interview – detailing his thoughts, motivations, and hope for PIOGA and the industry.

With a passion led by decades of experience, knowledge, and insight, Hillebrand led the conversation with his overall thoughts on the future and history of the oil and gas industry.

"Clean, inexpensive, reliable and plentiful" – words of wisdom spoken often by Hillebrand describing the applicability of the modern-day energy industry.

"Reliable Energy is fundamental for the existence of nearly eight-billion humans and its importance to those beneficiaries is simply taken for granted. To most, it is just as normal for our light switch to work and our thermostats to

adjust temperatures as it is for the sun to rise and set each day. Reliable, inexpensive, and plentiful energy is so fundamental that throughout history those who have it have power over those who do not. So much so, energy is often weaponized against those who become complacent or take for granted the importance of energy independence."

Hillebrand further explained that most have forgotten about the past and the use of oil and gas as a weapon.

"Japan joined WWII because it had no domestic energy sources. In the 70's, the Organization of the Petroleum Exporting Countries (OPEC) was created, and it brought the world to its economic knees limiting access to their vast supplies. The US has exerted its military might and presence within the Middle East to provide supply surety to the world for nearly 80 years. Recently, the European Union leadership left their citizens completely vulnerable by misleading them into believing alternative, unproven energy solutions could and would immediately displace the need for fossil fuel-based energy. After hundreds of billions of dollars invested and while feeling good for the cause, Russia quickly induced a reliable energy reality check when they cut off the supply of natural gas to the European region just before winter last year. In doing so, all that they believed in failed the population, in their ability to maintain their expected lifestyles. Currently and unbelievably, the US is blindly advancing the same policies and enticing the same types of investments that just failed in Europe. Indeed, we are following a broken UK model. We must not pick winners and losers in any quest to advance an initiative. We simply need to state the goal and allow human ingenuity to play its role to the best outcome."

Hillebrand sees a future where natural gas will play the lead role in satisfying our world's unquenchable energy demand, via new technologies.

"From a worldwide perspective, it is common sense, that as we wait for technological advancements that address the concerns of climate change, we advance international use of clean, reliable, inexpensive, and plentiful natural gas. To displace a much larger carbon emitting fuel - coal, with a much cleaner, or less carbon emitting fuel - natural gas. Nothing will come close to the stated goals addressing climate change than the expanded use of clean, reliable, inexpensive, and plentiful natural gas."

Q&A with the Chairman

Q: How do you think your background will help with your role as Chairman?

A: I think my A-to-Z exposure from the bottom up will help. I have knowledge of the construction and operation of all types of oil and gas well completions. In addition, my background in business economic development and finance within the industry will support my role as Chairman. This experience will help me materially communicate the commercial and educational relevance of the issues facing our industry today and into the future.

Q: What are your priorities/goals for PIOGA?

A: Strength by Unity. One of my main priorities is addressing an issue that has been bothering me for some time. While there are many outside forces directly taking aim at our industry, I am amazed and disappointed in how fractionalized or segmented our industry is within itself. All of us who own or operate a well that involves hydrocarbons, need to appreciate, and factually respect those who achieve it differently than others. We need to unite and stand in solidarity as one industry on topics of education, legislation and regulation while appreciating the factual perspectives of all who operate oil and gas wells in Pennsylvania. If you own or operate a well in the state of Pennsylvania, there are more commonalities than differences on these three subjects. PIOGA is well versed in understanding and appreciating these factions and is the natural platform to unite all those in the industry.

Q: What do you see as the downfalls of the organization? Where should the organization focus?

A: Communication. We must commercially understand, at all levels of our industry, the challenges, and forces against it. The only way to

stand in solidarity, as an industry, is for the players within the industry to communicate truths and respect each other's perspective. By good communication, the industry will stand united and be respected on the subjects of education, legislation, and regulation. We will fail inward and outward without it.

Q: How do you think PIOGA can get more of the membership involved?

A: Leadership that provides a clear vision, respected communication, and an aligned culture of fighting for our industry. PIOGA is Pennsylvania's entire industry protective spear and shield. PIOGA must relate to all of its members that it has the potential to be a mighty force. We must become results oriented, respected and relevant. I have always been amazed that there are so many in Pennsylvania who own and/or operate a gas or oil well, and they have no idea of the many achievements accomplished by an organization like PIOGA. Many have no idea of the battles being fought, won, or mitigated which resulted in protection from a real and/or devastating commercial reality. This must change.

Dan Weaver (PIOGA President) and I have started calling board members to better understand our members and the issues members are facing. We will continue to do this. The more we understand the needs of our membership, the better we can serve the organization.

Q: What do you believe to be the critical issues facing the oil and gas industry?

A: One, the general population's misunderstanding of the benefits of clean, reliable, inexpensive, and plentiful natural gas, that leaves them all very vulnerable to a failed Climate Change agenda.

Two, the worldwide oil and gas industry is grossly undercapitalized. The spirit of entrepreneurship in our industry is being strangled by limited access to capital.

Three, the excessive and inconsistent regulation and overreaching legislation.

Four, the frivolous lawsuits intended only to stall permitted construction.

Continued on page 4

Chairman *Continued from page 3*

Q: How do we as an organization try to solve these critical issues?

A: Ensure that every member is armed with commercially relevant and factual educational and argument tools. All members and non-members of PIOGA must encumber themselves to effectively reach out to others in activism like support, while explaining the importance of our domestic oil and gas industry.

Q: What do you see as your responsibility in advancing the energy discussion? Being a voice for PIOGA?

A: I hope to add commercial insight, be more than a spark in this conversation, and to develop an industry culture that utilizes all affiliated voices with one unified, proud, respected, and strong industry voice. I know PIOGA can be our beloved industries respected shield and spear.

Sparking a flame -The Future of the Industry

In his parting words, Hillebrand detailed his outlook on the industry and his predictions for the future of oil and gas.

"All things that go to a non-factual extreme yield a pendulum force, that typically swings back just as hard, in the opposite direction. Truth always prevails no matter how hard it is manipulated or avoided. Our industry speaks a truth that simply is not appreciated these days by those who benefit from our everyday efforts to supply it. I truly hope it will not be a catastrophic event, like a blackout, extreme storm, etc. that causes the pendulum to reverse its current pull. To whatever the cause, the truth is Pennsylvania's clean, reliable, inexpensive, and plentiful energy will prevail. We just need to keep fighting.

Hillebrand ended the conversation with the same passion and curiosity he had at 14 - with an undoubting and keen stance that oil and gas will play a very important role in the future of energy for a very long time.

"I am hoping, I can help pull the various industry clans together to share each other's factual perspectives of how the same industry challenges have a common impact. As an industry team, we will educate with consistency, lobby legislation with unified respect, and gain trust with our regulators - seeking to enable constructive dialogue, in our quest to operate within the laws that protect our State."■



Michael Hillebrand (Chairman), **Huntley & Huntley, LLC**



PIOGA Members in the Community

PIOGA is looking for more Members in the Community feature stories! If you are a PIOGA member and have a positive community story to share - please reach out to meghan@pioga.org.

We are looking for stories of community impact education programs, volunteering, positive industry outreach, donations, etc.

It is time to showcase all the good in our industry and shed light on the positives! These feature stories/articles will be used in PIOGA's social media and future marketing materials!

If you have any questions or suggestions for articles - please reach out! Together we can educate and promote the Oil & Gas industry!

PIOGATech - Air Quality Compliance Training

PIOGA's Environmental Committee hosted the training in conjunction with our partners Babst Calland, Civil & Environmental Consultants, Inc., CleanAir Engineering, Inc., SLR Consulting, Sommer Technologies and Spilman, Thomas & Battle.

Check out some of the event photos below and make sure to visit the Photo Galleries section at pioga.org to view all photos from all events! (https://pioga.org/about/photo-galleries/).

Make sure to read next month's PIOGA Press for a recap of our December events!





Press Release

Published by American Refining Group, Inc. November 29, 2023.

Joel Simpson Promoted to VP Supply Chain for American Refining Group, Inc.



(Bradford, PA) – American Refining Group, Inc. (ARG) announced the promotion of Joel Simpson to Vice President Supply Chain. In this critical role, he collaborates to design, build, and implement supply chain network strate-

gies that efficiently enhance operational capabilities, drive synergies across the business units and maximize profitability. He reports to the President and Chief Operating Officer.

Simpson, an employee of ARG since May 2017, boasts a Bachelor of Science degree in Ceramic Engineering from Alfred University as well as the Association for Operations Management's Certification in Production and Inventory Management (CPIM) known as the premier certification for internal supply chain business operations. He originally joined ARG as Manager Blending & Packaging until his promotion to Director Supply Chain in January 2022. He also continues to serve the organization as an ISO-certified Internal Auditor. A resident of Allegany, NY, he, and his wife Jenice enjoy the many activities of their two daughters, Kendall, and Whitney.

American Refining Group Inc.'s unique facility is situated on approximately 131 acres in Bradford, Pennsylvania, the heart of McKean County and the birthplace of the U.S. domestic oil industry more than 100 years ago. The refinery has a rated capacity of 11,000 barrels per day and processes light, sweet, paraffinic crude oil purchased from sources in Pennsylvania, Ohio, New York and West Virginia. ARG stocks are

converted into high-quality waxes, lubricant base oils, gasoline and fuels, as well as a wide variety of specialty products. State-of-the-art blending and packaging facilities can produce a full spectrum of finished lubricant products deliverable in bulk by rail and truck as well as a broad range of package sizes. In a company-wide commitment to quality, ARG's refinery and packaging plant are both ISO 9001:2015 and Made in USA certified, the first refinery to earn the Made in USA distinction. For more information about ARG, the Authentic Pennsylvania Brand, visit www.amref.com or follow the refinery on Facebook and LinkedIn.



PIOGA's Mix, Mingle & Jingle Holiday Party

Check out some of the event photos below and make sure to visit the Photo Galleries section at pioga.org to view all photos from all events! (https://pioga.org/about/photo-galleries/).

Make sure to read next month's PIOGA Press for a recap of our December events!















THANK YOU TO THE MIX, MINGLE & JINGLE HOLIDAY PARTY SPONSORS!







The Appalachian STEPS Network



he Appalachian STEPS Network's parent organization, The National Service, Transmission, Exploration, and Production Safety (STEPS) Network, has been blazing the trail of collaboration efforts between health, safety, and environmental professionals in the oil and gas industry since 2003. The National STEPS Network oversees 18 regional chapters throughout the US such as in the Permian, Bakken, and Marcellus and Utica shaleplays. Being one of the largest and most active chapters since 2010, The Appalachian STEPS Network holds quarterly learning and networking meetings attended by professionals working in and supporting the oilfield in Ohio, Pennsylvania, and West Virginia. The Northeast-based network is operated by an allvolunteer Executive Committee of officers, board members, and advisors and is fully funded by donations from company sponsors as well as trade organization partners – the Ohio Oil and Gas Association, the Pennsylvania Independent Oil and Gas Association, and the Gas and Oil Association of West Virginia.

NEW YORK MICHIGAN PENNSYLVANIA ANA WEST VIRGINIA VIRGINIA KENTUCKY



The Appalachian STEPS Network's quarterly, four-hour lunch meetings are free to attend, rotated between OH, PA, and WV, and attended both in-person and virtually by nearly 100 employees of operators and service and support companies. Meeting presenters bring their realworld knowledge and expertise around the theme of the meeting – hot topics that range from transportation safety roundtables to contractor management system workshops to pipeline damage prevention seminars. Networking and information-sharing is core; the goal is for participants to leave each meeting with tools and strategies to take back with them to improve their companies. The Appalachian STEPS Network is proud to have become the go-to meetings for the safety committees of OOGA, PIOGA, and GO-WV. You are invited to join for no cost at appalachiansteps.com, sponsor an upcoming meeting, and find us on LinkedIn. ■



RGGI Update

Introduction written by Kevin Moody, PIOGA General Counsel & Vice President of Government Affairs

The two articles below provide a good description of the recent actions in the Regional Greenhouse Gas Initiative (RGGI) litigation, but one significant point is missing.

The environmental groups were denied intervention and therefore "party" status by the Commonwealth Court and accordingly do not have the right to appeal as does the Shapiro administration. So, their appeal asks the Supreme Court to rule on their long-pending appeals of those denials and accept their appeals. If the high court does not, they could still participate in the appeals as *amici curiae*.

Below are two articles with the latest RGGI updates. Followed by statements from Senator Yaw and PIOGA.

Shapiro Administration Appeals Commonwealth Court Invalidation of RGGI

(Babst Calland. Dec. 2023. Kevin J. Garber and Jessica L. Deyoe) On November 21, 2023, the Shapiro administration appealed, to the Pennsylvania Supreme Court, the Commonwealth Court's November 1 ruling that the Regional Greenhouse Gas Initiative (RGGI) is an unconstitutional tax, and therefore is void and unenforceable. See Bowfin KeyCon Holdings, LLC et al v. Pennsylvania Department of Environmental Protection and Pennsylvania Environmental Quality Board (No. 247 M.D. 2022). The Commonwealth Court concluded that, to pass constitutional muster, Pennsylvania's participation in RGGI "may only be achieved through legislation duly enacted by the Pennsylvania General Assembly" and not merely through the rulemaking promulgated by the Environmental Quality Board and the Department of Environmental Protection.

The Shapiro administration said it is appealing the decision because the "Commonwealth Court's decision on RGGI—put in place by the prior administration—was limited to questions of executive authority, and our Administration must appeal in order to protect the important authority for this Administration and all future governors."

The Governor's decision to appeal the

Commonwealth Court's decision does not necessarily mean he supports RGGI, put in place by the previous Wolf administration. Even if the Shapiro administration wins on the appeal, it is unclear whether the Governor will enforce the regulation. In fact, the administration did not oppose the Bowfin KeyCon industry petitioners' application to vacate the automatic stay that arises by law when the Commonwealth appeals a case. That means the RGGI regulation will continue to be ineffective and unenforceable while the appeal is pending.

The Shapiro administration is urging lawmakers to develop an alternative plan, stating in a press release that "should legislative leaders choose to engage in constructive dialogue, the Governor is confident we can agree on a stronger alternative to RGGI." The Governor's spokesperson Manual Bonder indicated that Governor Shapiro "stands ready and willing to implement the recommendations of the RGGI Working Group and he would sign legislation replacing RGGI with a Pennsylvania-based or PJM-wide cap-and-invest program, as they proposed."

Shortly after taking office, Shapiro formed the RGGI Working Group consisting of a mix of labor, business, energy, and environmental leaders to determine whether RGGI would "protect and create energy jobs," "take real action to address climate change," and "ensure reliable, affordable power for consumers in the longterm." The Working Group never endorsed RGGI. Rather, it stated in a September 23, 2023 press release announcing the availability of its Working Group Memorandum that it "reached broad consensus that reducing greenhouse gas emissions in Pennsylvania is both necessary and inevitable . . . [and] that any cap-and-invest program should include policy levers and investment strategies which help avoid any potential emissions leakage, higher localized pollution, increased energy costs, and job loss."

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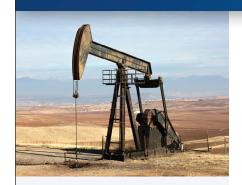
PIOGA's 2023 Holiday Gift Guide for Couch Potatoes!

The Pennsylvania Independent Oil & Gas Association celebrates the 2023 holiday season with a look at the most popular gift ideas for shopping made easy - from the comfort of your couch and the convenience of your computer, all delivered by Amazon. These items come from a gift list compiled by Good Housekeeping Magazine, and include something for everyone, with just about everything containing materials derived from oil and natural gas.

The Facts – In 2022, PIOGA looked at some of the most popular holiday gifts for kids, do-it-yourselfers and for enjoying the outdoors. Like this year, there was one constant in just about every one of them: they were manufactured from materials with oil and natural gas as their primary feedstock, allowing them to be lightweight, durable and relatively inexpensive. As we hang lights, secure inflatables and position snowmen and wise men this season, remember how much we depend on oil and gas to celebrate the season.

To read more from this month's Just the Facts - and to share it with friends and colleagues - visit the Latest News and Blog section at pioga.org.

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New Research and Development Capitalization Requirement **Shuffles System**

Published by Schneider Downs - November 2023. Authored by Mark Dipietrantonio

or tax years beginning before January 1, 2022, taxpayers could deduct research and experimental (R&E) costs in the year they were paid or incurred.

For years beginning after December 31, 2021, however, Internal Revenue Code (IRC) Section 174 requires those taxpayers to capitalize "specified R&E expenditures" (including any amount incurred in connection with the development of any software) and amortize the costs over the five-year period beginning with the midpoint of the tax year in which the expenditures are paid or incurred, essentially allowing the taxpayer to deduct 10% of the R&E expenses in Year 1.

A 15-year period (instead of the five-year) applies in the case of any specified R&E expenditures attributable to foreign research (IRC Section 174(a)(2)(B).

As an example, a calendar-year taxpayer typically pays \$1,500,000 of specified R&E expenses in a tax year beginning after December 31, 2021. IRC Section 174 now requires that taxpayer to amortize the amount paid (\$1,500,000) over 60 months at \$25,000 per month in Year 1. The amortization period begins with the midpoint of the tax year in which the expenses are paid or incurred (July), so the taxpayer's deduction under for the first year would be \$150,000.

This new R&E capitalization requirement has surprised some taxpayers and resulted in a significant increase in their taxable income for 2022. In the example above, the taxpayer would have been allowed to deduct the entire \$1,500,000 of R&E expenses in a tax year that begins before 2022, but for any tax year beginning after January 1, 2022, the taxpayer's taxable income is \$1,350,000 higher after capitalizing \$1,500,000 of R&E expenses and subtracting \$150,000 of amortization expense.

Costs Includible for Section 174 Treatment

A good starting point for determining which costs are required to be capitalized under IRC Section 174 is the "qualified research expenditures" that were used to calculate the R&E credit under IRC Section 41 as a conforming amendment to Code Sec. 41(d)(1)(A), which clarifies that after 2021, qualified research relates to R&E expenditures that are amortizable under IRC Section 174. Costs required to be capitalized under IRC Section 174 are even more broad.

The category "specified research or experimental expenditures" used in IRC Section 174 generally includes all costs incurred in the taxpayer's trade or business related to the development or improvement of a product that would eliminate uncertainty concerning the development or improvement of a product. This includes both direct and indirect costs of carrying out research or experimentation.

An example in the existing regulations – which have yet to be updated to reflect provisions of the current law – includes the following indirect and overhead costs as IRC Section 174 costs to the extent allocable to the research:

- Salaries
- Utilities (heat, light, power)
- Drawings and models
- Laboratory materials and other supplies related to research
- Depreciation of the building attributable to the project Other costs also required to be capitalized under IRC Section 174 include:
 - 100% of qualified contract research expenses, even though only 65% of these costs are permitted when calculating the R&E credit under IRC Section 41

Other indirect costs that may need to be capitalized under Section 174 include:

- Payroll Taxes
- Employee benefits
- Indirect Labor
- Rent
- Maintenance
- Insurance

The change from the ability to fully deduct R&E expenses to being required to capitalize is a change in method of accounting for tax purposes.

The capitalization requirement under IRC Section 174 will likely result in businesses allocating more of their operating cash to fund taxes for years beginning after 2021. It will be critical for taxpayers to consult with their advisors to comply with the requirements of IRC Section 174 and to implement other strategies to minimize their tax liabilities.

For more information, check out Schneider Downs website: https://www.schneiderdowns.com/

Marginal Well Credit Back to Zero for 2023 Tax Year

Published by Schneider Downs - December 2023. Authored by Josh Gailey.

lust months after declaring the total phase-out of Uthe 2022 Marginal Well Credit, the IRS has released Notice 2023-58, announcing that the Marginal Well Credit will be zero for the 2023 tax vear as well.

For background, the Marginal Well Credit was enacted in 2004 and is a production-based tax credit granted to taxpayers that hold an operating interest in qualified marginal wells. To qualify, wells must be domestic, and their production cannot exceed 25 barrel-of-oil equivalents per day. The credit amount is adjusted each year based on the applicable reference price of natural gas and an inflation factor. Generally, the credit is phased-out if the reference price for the tax year exceeds \$2.00 per MCF, adjusted for inflation. These figures typically represent the prices and inflation from the prior tax year. For tax year 2023, the reference price is \$5.57; and the inflation factor is 1.4993.

Due to the higher natural gas prices during the prior tax year, the credit reduction amount exceeds the tentative credit amount, causing the 2023 credit to be completely limited for the year. More information on the calculation of the credit and limitations can be found in our prior article. (Link: https://www.schneiderdowns.com/our-thoughtson/energy/marginal-well-credit-major-opportunity-reducetaxes.)

About Schneider Downs Tax Services

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For more information, check out Schneider Downs website: https://www.schneiderdowns.com/

PIOGA Diversity Committee New Co-Chair

PIOGA's Diversity Committee has a new Co-Chair - Whitney Nightingale.

The Diversity Committee would like to welcome Whitney Nightingale as Co-Chair of the Diversity Committee.



Whitney, an attorney with Steptoe & Johnson PLLC, has been a member of the committee for approximately one year and looks forward to becoming further involved in PIOGA.

As we enter 2024, keep an eye out for "Fun Facts" and articles of interest in future editions of the PIOGA Press.

"We hope our entire membership, has a safe and wonderful holiday season." - Deana Stephens (Steptoe & Johnson.Co-Chair, Diversity Committee.)

Choose how you get your news



If you now receive a printed copy of The PIOGA Press in the mail each month but prefer to read it online only, please email Deana McMahan at deana@pioga.org to opt out of the hard-copy version.

Current and past issues are always available by clicking on the News & Resources tab at pioga.org.

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.





Welcome to PIOGA! We would like to offer you the opportunity to introduce yourself to other members via our monthly newsletter, The PIOGA Press. The PIOGA Profile section of the newsletter gives members a chance to share information about their company and the products and services they offer to others in Pennsylvania's oil and natural gas industry. We encouage you to take advantage of this free member service.

PIOGA Profile submission guidelines

- Include a brief history of your company. When and where was the company founded, and by whom? Is the company new to the oil and gas industry in general or to Pennsylvania?
- Describe the products and services you offer specifically for the oil and gas industry. Do you have a product in particular that sets your company apart from the competition, or a new product you would like to highlight?
- If applicable, tell how the business has been positively impacted by Pennsylvania's oil and gas industry? Have you expanded, added employees or opened new locations?
- Include a website address and/or phone for readers to use.
- Your submission may be a maximum of 400-450 words and should be provided as a Word document. Please use minimal formatting—bold and italic fonts are fine, as are bulleted or numbered lists. Your submission is subject to editing for length, clarity and appropriateness.
- Include your company logo or a photo. Images should be high-resolution (300 dots/pixels per inch or higher) and in any common graphics format. Please include identifications for any people or products in a photo. Send image files separately, not embedded in your document.
- All material should be emailed to Meghan Keely, PIOGA Director of Internal Communications, at meghan@pioga.org. Your submission will be confirmed on receipt, and we will use submissions in the order in which they are received. This is a free service to our member companies and publishing dates are at the discretion of PIOGA. If you have questions or want to follow up on a submission, email Meghan or call 814-671-2484.

Interested in submitting articles, news releases or advertising for The PIOGA Press? Contact Meghan Keely at the email address or phone number shown above.

PIOGA's Membership Matters & We Need You!

Do you have a passion for the Pennsylvania oil and gas industry and want to see PIOGA's membership grow? Are you someone who loves to connect with other business colleagues and talk about the benefits of the industry and the importance of being involved in the industry trade association? Well, if you do, then PIOGA needs YOU!

Did you know that PIOGA has an active Membership Committee that's focused on growing and retaining PIOGA members. The Committee's mission statement is to ensure the sustainability and growth of PIOGA via connection with current

members, potential members, and the public about the value the association holds in the oil and gas industry.

The Membership Committee is Co-Chaired by Jessica Houser - WGM Gas Company, Inc., and Don Zuch - Fusilier Resources, LLC.

The committee is in search of members to join the committee and help with their efforts. We are looking for more committee members that can bring fresh ideas and new connections to the committee. WE NEED YOU! Contact Jessica Houser (wgmgascompany@gmail.com) or Don Zuch (dzuch@fusilierresoures.com) if you'd like to join the committee and get more involved!

Additionally, if you or someone you know has social media experience, we are asking you to get involved on the committee to help PIOGA grow its social media presence. Getting involved is a great resume builder and helps you to connect with other industry representatives.



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RGGI Continued from page 9

Pa. environmental groups file appeal of RGGI ruling

(Pennsylvania Capital-Star. 11.29.23. Cassie Miller)

Four Pennsylvania environmental groups — PennFuture, Clean Air Council, Sierra Club, and Environmental Defense Fund — have filed an appeal of the Nov. 1 Commonwealth Court ruling that bars Pennsylvania from joining a multi-state carbon credit program known as the Regional Greenhouse Gas Initiative or RGGI.

The suit follows a similar appeal from Gov. Josh Shapiro filed last week.

"We look forward to the opportunity to defend PA's RGGI Rule and our members' rights under the Pennsylvania Constitution's Environmental Rights Amendment in this case," Jessica O'Neill, senior attorney at PennFuture, said on behalf of the parties. "While we support the Commonwealth's appeal of the misguided decision by the lower court, our groups have a distinct interest in appealing the decision and upholding Pennsylvania's regulations aimed at reducing climate emissions and improving the health of our most burdened communities."

Shapiro announced that he would appeal the decision just a few days shy of the 30-day appeal deadline, on the grounds that it could directly affect the power of future governors.

"The Commonwealth Court's decision on RGGI - put in place by the prior administration - was limited to questions of executive authority, and our Administration must appeal in order to protect that important authority for this Administration and all future governors," Shapiro spokesperson Manuel Bonder said in a statement announcing the appeal.

In a jointly issued statement Wednesday, the environmental groups urged the Pennsylvania Supreme Court to overturn the prior decisions of the Commonwealth Court.

"Participation in the RGGI program would bring huge, known benefits to Pennsylvanians including lower carbon emissions, reduced air pollution, consumer cost savings, and job creation that would prioritize those most in need. It would

also spur clean energy investments that provide additional public health, environmental, and economic benefits," the statement reads.

Statement from Sen. Yaw on Gov. Shapiro's RGGI Appeal

(Sen. Yaw News Release. 11.22.23)

HARRISBURG – Sen. Gene Yaw (R-23) issued the following statement on Gov. Shapiro's decision to appeal the Commonwealth Court's ruling that entrance by the Department of Environmental Protection (DEP) and state Environmental Quality Board (EQB) into the Regional Greenhouse Gas Initiative (RGGI) without legislative approval violates the Pennsylvania Constitution.

"For four years, Pennsylvania taxpayers have footed the bill for the previous administration's unconstitutional, unilateral decision to enter Pennsylvania into RGGI. I am disappointed to see Gov. Shapiro seemingly follow in those footsteps with today's announcement, despite his prior admission that RGGI could have a detrimental impact on Pennsylvania during his candidacy.

"RGGI is wrong for Pennsylvania, and a bipartisan majority of Pennsylvania legislators have consistently voted against it when the issue has been brought to the floor. It is time to leave this discussion behind us and put forth commonsense, environmentally responsible energy policy that recognizes and champions Pennsylvania as an energy producer.

"This legal stunt continues the Wolf administration's pattern of reckless disregard for the Constitution and the residents of this Commonwealth, and I hope that Gov. Shapiro will reconsider his appeal and honor the Commonwealth Court's decision."

Statement from PIOGA on Governor's Plans to Appeal RGGI

WEXFORD, Pa. (Nov. 22) - The Pennsylvania Independent Oil & Gas Association (PIOGA) issued the following statement regarding Governor Shapiro's recent decision to appeal Commonwealth Court's RGGI decision:

"Governor Shapiro's decision to appeal a 4-1

Commonwealth Court ruling to affirm the Pennsylvania Legislature's role in enacting state taxes is extremely unfortunate and ill-advised. The effort to unilaterally join the Regional Greenhouse Gas Initiative now spans more than four years, during which there were multiple determinations that the development of tax policy such as joining RGGI requires the authorization of the state House and Senate. The Governor's position that he supports the recommendations of his RGGI Working Group in the form of some type of "RGGI Lite" ignores the fact that the group did not endorse RGGI and did not agree on a policy framework to establish any type of carbon tax in the state. Such a program would cost Pennsylvanians billions of dollars in taxes, put our power grid at risk and impact thousands of hard-working residents of the Commonwealth, without benefiting our environment. This has always been an unconstitutional power grab by the executive branch, and PIOGA will join a broad-based coalition of businesses, labor unions, energy producers and taxpayers' rights organizations to oppose this scheme before the State Supreme Court."



Have you discovered the many features of PIOGA's membership management system?
Click on Members Only at the top right of our homepage to get started

www.pioga.org

PIOGA Member Benefit

Did you know as a PIOGA member you are entitled to one-on-one time with a seasoned professional attorney!

Kevin Moody, Esq., General Counsel & Vice President of Government Affairs at PIOGA, has been providing legal counsel to the association and its members since April 2011. First as outside counsel for 11 years and now General Counsel.



Moody is the core legal and business advisor to our association, bringing a broad skillset and industry knowledge to the resolution of matters affecting our industry, association, and members. He manages PIOGA's legal representation in litigation in state and federal courts, including personally representing PIOGA in most of our litigation, as well as PIOGA's trademarks.

How General Counsel Can Benefit You

Moody can provide legal advice and guidance to members on industry matters involving: public utility mergers/acquisitions & rates, terms and conditions of service; state and federal pipeline safety laws and regulations; PA One Call; Act 13 impact fees; Pennsylvania's Environmental Rights Amendment; zoning; Home Rule Charters; state regulatory agencies (DEP, DCNR, Game Commission, Fish & Boat Commission, PennDOT); federal regulatory agencies (EPA, DOE, FERC, Army Corps of Engineers, US Coast Guard, Forest Service); multistate/federal regulatory agencies (SRBC, DRBC); state and federal rulemakings; as well as issues involving oil and gas leases, royalties, taxes, and bankruptcy.

Contacting Moody can save members possibly hundreds of dollars in legal fees - these savings can repay the cost of their membership dues!

To contact Kevin Moody – kevin@pioga.org 717.234.8525

Op-ed: Refund Due for Pitt's Poor Work

Late this summer, the University of Pittsburgh released the so-called findings of a "study" by the School of Public Health examining the health impacts of shale gas development in southwestern Pennsylvania. The study, funded by a \$2.5 million state grant under contract with the Pennsylvania Department of Health in 2020, is inherently and deliberately misleading and disingenuous.

In what was supposed to be a scientific undertaking, the University commissioned lead researcher, Dr. Evelyn O. Talbott, who has publicly expressed opposition to natural gas in the past, to complete their study. Dr. Talbott tipped her hand in 2021 when she stated her support for increased setback distances at a Penn State Public Health Forum. Despite what was widely suggested, the report did not demonstrate any causation from unconventional shale development to any of the health risks studied, such as childhood cancers, asthma, and birth conditions.

Authors refused site tours offered to them prior to conducting the study, claiming they were well versed in drilling and production techniques. They exerted no effort at all to understand the issue of natural gas development or talk to any experts. Instead, the entirety of the study was based upon a review of old documents in databases and surveys mailed to homeowners that had a less than stellar response.

Even the terminology used in the report shows that the authors either did not have a comprehensive understanding of the drilling process or were seeking to deliberately mislead the public by using the wrong choice of words. A clear example of this is the use of the term "frack site." Hydraulic fracturing of a gas well is a process which takes about one week, after which all the equipment is cleared from the site. There is no evidence whatsoever that any health issues attributed to a "frack site" occurred in the

one week when activity was taking place, nor does the report attempt to mention or correlate the length of exposure with any particular health outcome.

Among the most egregious flaws of the study are its benchmarking sites. Researchers made proximal associations using skewed measurements without attempting to account for other factors that impact health. In other words, the study only evaluated whether proximity to natural gas sites were a determining factor of health impacts, and its authors chose to ignore critical factors like weather, work, air dispersion, lifestyle choices and other sources.

Many more significant caveats have been lost in the noise of this study and I believe we must call into question the process being used to conduct important public health research and the legitimacy of their results. Prioritizing public health and safety is possible while conducting factbased, objective analyses. They are not mutually exclusive.

The University of Pittsburgh should be embarrassed to have their name attached to this work. Pennsylvania taxpayers deserve a refund. ■



Senator Gene Yaw - Serves the 23rd District (Bradford, Lycoming, Sullivan, Tioga & Union Counties)

Website: https://www.senatorgeneyaw.com/



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Oil & Gas **Dashboard**

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: Mid American Natural Resources

Basis futures values: BHE Eastern Energy Field Services

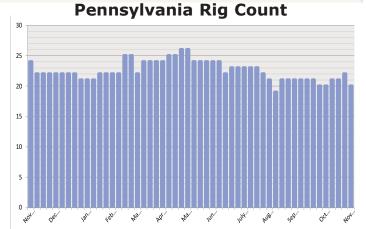


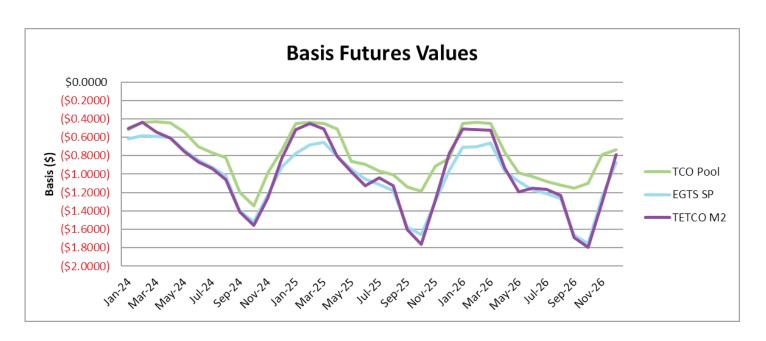
Penn Grade Crude Oil Prices

Natural Gas Futures Closing Prices

December 2023	2.790
January 2024	2.809
February	2.770
March	2.649
April	2.603
May	2.664
June	2.801
July	2.953
August	3.000
September	2.997

Prices as of Dec.1, 2023





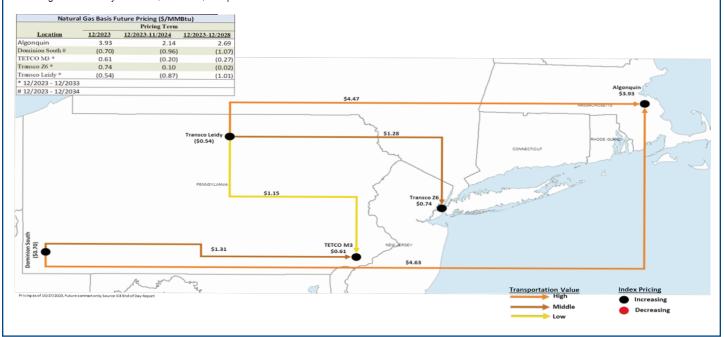
Northeast Pricing Report — November 2023

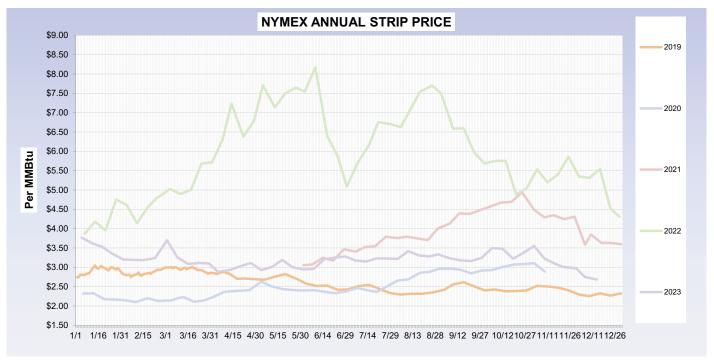
Despite the chilly weather sweeping across the US, reaching regions as far south as Florida, the prices of US natural gas futures have taken a dip on Wednesday. It may seem counterintuitive, especially when we consider the technical bounce observed on the daily chart. It appears there's a fascinating interplay between the demand driven by weather patterns and the technical aspects of the market. Although we might expect an uptick in prices due to increased demand during cold weather, other factors are influencing the market dynamics. It's a complex and intriguing situation, one that highlights the intricate nature of the natural gas futures market. The Appalachian area is continuing it's bullish run. Algonquin's front month contract increased \$3.54 per MMBtu while TETCO M3 and Transco Zone 6 increased \$1.65 and \$1.78 per MMBtu respectively. The rolling one-year trading period was mixed with Algonquin, TETCO M3, and Transco Z6 all dropping between \$0.25 and \$0.17 per MMBtu. Dominion South and Transco Leidy increased slightly. The full-term trading period saw a small downward change.



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

All transportation routes experienced a raise in value. Dominion South and TETCO M3 to Algonquin saw the greatest increase of \$2.86 and \$2.81per MMBtu, while the remaining routes rose by between \$1.15 and \$1.31 per MMBtu.





The information in this report was obtained from reliable sources but is not guaranteed for accuracy.

The views and opinions set forth are solely those of the author(s), and are subject to change without notice.

Spud Report: November



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 Operator indicates a conventional well.

Operator	Wells	Date	API#	County	Municipality	Operator	Wells	Date	API#	County	Municipality
Anderson Energy SVC Cameron Energy Co*			123-48775 053-31059 053-31057	Warren Forest Forest	Pleasant Twp Kingsley Twp Kingsley Twp	Howard Drilling Inc* PA Gen Energy Co LLC			083-57655 083-57654 081-21968	McKean McKean Lycoming	Wetmore Twp Wetmore Twp Plunketts Creek
Chesapeake Appalach	ia 11	11/20/23 11/20/23 11/20/23	015-23744 015-23874 015-23875 015-23876	Bradford Bradford Bradford Bradford	Franklin Twp Franklin Twp Franklin Twp Franklin Twp	Seneca Resources Co	·	11/18/23 11/20/23 11/23/23	081-21969 081-21970 081-21971 117-22222	Lycoming	Plunketts Creek Plunketts Creek Plunketts Creek Richmond
		11/6/23 11/6/23 11/6/23 11/6/23 11/16/23	113-20472 113-20473 113-20474 113-20475	Sullivan Sullivan Sullivan Sullivan Wyoming	Cherry Twp Cherry Twp Cherry Twp Cherry Twp Windham Twp	SWN Prod Co LLC	3	11/30/23 11/30/23	081-21983 081-21982 081-21984	Lycoming	Cogan House Cogan House Cogan House
EQT Prod CO	11	11/20/23		Wyoming Wyoming Greene Greene Greene	Windham Twp Windham Twp Wayne Twp Wayne Twp Wayne Twp						
		11/20/23 11/20/23 11/20/23 11/6/23 11/6/23 11/6/23	059-28342 125-29084 125-28883 125-29085	Greene Greene Greene Washington Washington Washington	Wayne Twp Wayne Twp Wayne Twp W. Bethlehem W. Bethlehem W. Bethlehem	Total Wells Unconventional Gas Conventional Gas Oil Combination Oil/G	0 13	58 37 0 8 11	Aug 55 37 0 11 7	July 46 26 0 13 7	June 68 45 1 17 5
Gas & Oil Mgmt Assn	3	11/6/23 11/1/23 11/8/23 11/24/23	125-29086 123-48768 123-48771 123-48770	Washington Warren Warren Warren	W. Bethlehem Mead Twp Mead Twp Mead Twp						

PIOGA Office News

Closing to move and for the holidays!

The PIOGA Office will be closed December 21st and December 22nd as we move to the new office!

For the holidays, the PIOGA Office will be closed December 25th, 26th and January 1st.



New PIOGA members — welcome!

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Joe Slezak 875 Greentree Rd. Seven Parkway Center - Suite 1000 Pittsburgh, Pa 15220

Allies & Providers

Calendar

PIOGA events

Information: www.pioga.org > PIOGA Events

PIOGA's Cigar Networking Event

February 29. Location TBD

PIOGA's Spring Meeting 2024 Happy Hour

April 17. Pittsburgh, Pa.

PIOGA's Spring Meeting 2024

April 18. Rivers Casino. Pittsburgh, Pa.

Other events

GO-WV 2024 Winter Meeting

January 17-18, 2024. Marriott Town Center Hotel. Charleston, WV. (https://pioga.org/event/go-wv-2024-winter-meeting/)

Appalachian STEPS - Quarterly Meeting

January 18, 2024.

(https://appalachiansteps.com/about-us/)

2024 NAPE Summit

February 7-9, 2024.

(https://pioga.org/event/2024-nape-summit/)

PIOGA Members and Industry Partners - Please email meghan@pioga.org to advertise upcoming events.



The PIOGA Office will be moving! Starting
December 21st our new address will be:

100 Allegheny Drive, Suite 104 Warrendale, Pa 15086



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Meghan Keely (meghan@pioga.org), Director of Communications (also newsletter advertising & editorial contact)

Deana McMahan (deana@pioga.org), Director of Administration and Committee Liaison

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