

The PIOGA Press

The monthly newsletter of the
Pennsylvania Independent Oil & Gas Association
October 2024 • Issue 174

A WIN FOR PRODUCERS

PIOGA has been working hard and has secured a valuable victory for producers on all Peoples systems. In a settlement with Peoples and the PUC we negotiated the following on behalf of our members:

- **2 cent gathering rate reduction on conventional production (\$0.26 to \$0.24);**
- **Applying that reduced fee to the entirety of the Peoples distribution system;**
- **Peoples water vapor moisture curve will be applied systemwide, streamlining your operations cost to one standard; and**
- **Reserving PIOGA ability to intervene in future Peoples rate cases and challenging proposed tariffs in the future.**

“PIOGA was proud to represent all the conventional producer members and our association in this settlement. Without an advocate at the table the terms would be far less favorable,” said Dan Weaver, PIOGA President and Executive Director. “I truly hope members understand the efforts that went into making this happen. Those that are not members will hopefully consider contributing via the penny and joining PIOGA.”

The win was formalized on September 12, 2024, when the PUC voted 5-0 to adopt the recommended decision of PUC Administrative Law Judge Mary D. Long and approve a non-unanimous settlement, along with a low-income stipulation, for the Peoples Natural Gas distribution system.

This settlement finally unifies all three systems (Equitable, Peoples and TW Phillips) under the same tariff. PIOGA went to bat for our producers with Peoples, the PUC and other parties and achieved a remarkable result.

“The successful settlement and resolution of the rate case with Peoples will bring new certainty to PIOGA members who are within the Peoples’ system first and foremost by finalizing the unification of the Equitable, Peoples, and TW Phillips systems into a single tariff,” explained PIOGA’s General Counsel & Vice President of Government Affairs, Todd Pappasergi, Esq. “Instead of creating adversaries of Peoples, PIOGA worked with Peoples to achieve a consensual settlement that protects and bolsters PIOGA members, the Peoples’ infrastructure needs, and downstream ratepayers.”

In an additional win, PIOGA earned the right for members to participate in the Peoples Producers Cooperation Committee (PPCC). The PPCC will address operational issues, such as gas quality, pipeline replacements and abandonments, seasonal regulator adjustments, and ways to bring more locally produced natural gas to the Peoples system. It will also address issues concerning the Master Interconnect and Measurement Agreement (MIMA) as amended by the 2023 base rate settlement. PIOGA expects new MIMAs to be mailed out for producer execution shortly.

“PIOGA and Peoples will also work together to once again

Continued on page 3

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* October is Cybersecurity Awareness Month



In this monthly edition of the PIOGA Press - readers may notice the use of the color pink throughout the newsletter. PIOGA wanted to recognize **Breast Cancer Awareness Month** (October). A national campaign that promotes breast cancer awareness, education, screening, fundraising and more.

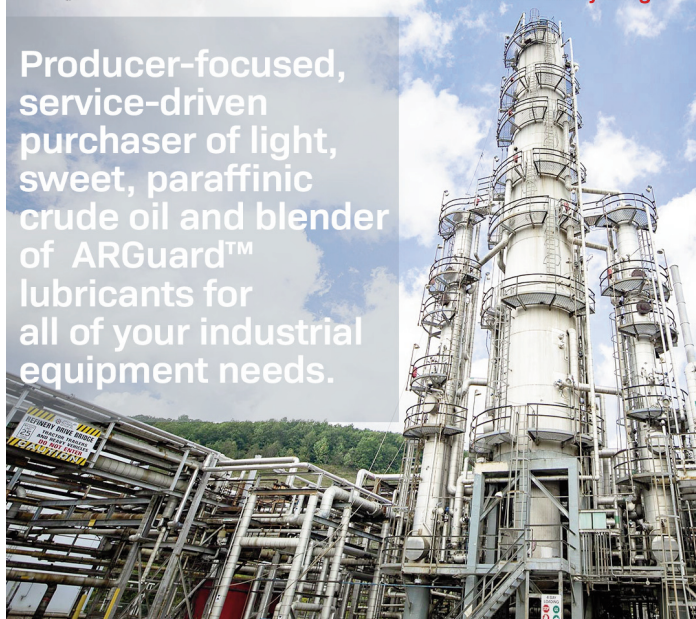
For more information:

<https://www.nationalbreastcancer.org/breast-cancer-awareness-month/>



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Peoples *Continued from page 1*

hold regular meetings of the Peoples Production Cooperation Committee, likely beginning in early 2025,” further explained Pappasergi. “Over the last three years, the PIOGA legal team has developed a collaborative relationship with Peoples’ executive leadership and legal team. As the new general counsel, I will continue to foster this relationship that that great Kevin Moody so solidly built.”

PIOGA producer funds paid for this legal fight. PIOGA has preserved the opportunity for producers to continue operating seamlessly, helping us to help you by protecting the PIOGA penny option. PIOGA kindly asks for producers (members and non-members) to please check the box on your new MIMA that will donate \$0.01/mcf to PIOGA.

This donation will allow PIOGA to continue to fight for you, to be the trusted voice for the industry in Pennsylvania and provide timely and affordable advocacy for its members.

“We are happy with how the settlement turned out; did we want more... Absolutely. However, a reduction in the gathering rate is a great thing especially in this economically depressed pricing environment,” stated Weaver. “PIOGA will continue to battle for you. PIOGA’s member-based actions on legislative and regulatory issues are swift and decisive. PIOGA’s committees are open and interactive and regularly provide concise information to its members.”

If anyone has any questions or once you receive the MIMA (agreement) have questions, please don’t hesitate to get in touch with PIOGA for support. ■

Attention PIOGA Members! We would like to offer our members the opportunity to introduce yourself/your company 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 encourage you to take advantage of this free member service!

Interested in submitting a PIOGA Profile or any other article/news release for The PIOGA Press? Contact Meghan Keely – meghan@pioga.org.

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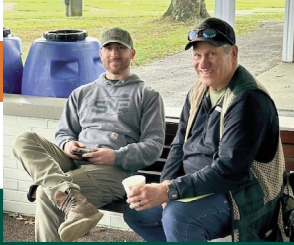
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PIOGA's Birds & BBQ Clay Shoot

PIOGA Members had a blast shooting the bird at the 4th Annual Birds & BBQ Clay Shoot held on September 18th. A big THANK YOU to the Sponsors, all those who attended and the staff at Western Pa. Sportsmen's Club.

Check out more photos: <https://pioga.org/about/photo-galleries/>



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Navigate the Current Uncertainty on FinCEN Matters

Babst Calland: Chris Farmakis, Susanna Bagdasarova, Kate Cooper and Dane Fennell

By now, you have likely heard about the U.S. Department of the Treasury's Financial Crimes Enforcement Network ("FinCEN") Beneficial Ownership Information Reporting Rule (the "Rule") from your accountant, attorney, or business colleagues. Promulgated under the Corporate Transparency Act ("CTA"), the Rule requires most business entities to disclose information to FinCEN about their 'beneficial owners': individuals who directly or indirectly own or control such entities.

Enacted as part of the Anti-Money Laundering Act in 2021, the CTA is intended to "prevent and combat money laundering, terrorist financing, corruption, tax fraud, and other illicit activity." The Rule aims to enhance transparency and support the mission of the CTA by requiring domestic and U.S. registered foreign entities to report information about their beneficial owners to FinCEN. Most entities in the U.S. will likely be required to comply with the Rule, and FinCEN estimates approximately 32 million business will be required to make a filing. The Rule exempts 23 types of entities from reporting requirements, primarily large or regulated entities already subject to various reporting requirements, such as banks, SEC-reporting companies, insurance companies, and 'large operating companies', as well as wholly owned subsidiaries of the foregoing. Entities formed before January 1, 2024, have until 2025 to comply, while entities formed in 2024 have a 90-day compliance period.

Under the Rule, reporting companies must provide detailed personal identifying information for each individual beneficial owner, including name, date of birth, residential street address, and unique identifying number (such as a passport or driver's license number). A 'beneficial owner' is a natural person who directly or indirectly owns or controls at least 25% of the ownership interests of a reporting company or who exercises 'substantial control' over the reporting company. Both 'substantial control' and 'ownership interests' are defined broadly to prevent loopholes allowing corporate structures to obscure owners or decision-makers. Companies formed after January 1, 2025, must also provide this information for 'company applicants', the individuals who make or direct the filing of a reporting company's formation or foreign registration documents. The Rule also requires supplemental filings to be made within 30 days of

any change to any of the reported information, for example, a change in residential address. Businesses will need to monitor changes in ownership and management throughout the year for compliance purposes.

FinCEN is authorized to disclose the reported information upon request under specific circumstances to federal agencies engaged in national security, intelligence or law enforcement activities and to state local and tribal law enforcement agencies, as well as certain other limited entities. Failure to comply with the requirements may result in potential civil and criminal consequences, including civil penalties of up to \$500 per day a violation has not been remedied and criminal penalties of \$10,000 and/or up to two years in prison for willful noncompliance.

The future of enforcement is uncertain as the Rule is currently being challenged in the courts on constitutional grounds. Reporting requirements have been paused for certain entities following an injunction issued by the Northern District of Alabama on March 1, 2024, which ruled the CTA unconstitutional because it exceeds Congress's enumerated powers. With this and other cases challenging the validity of the Rule making their way through the courts, what should companies do in the meantime? Given the uncertainty about the constitutionality of the Rule and future enforcement, we recommend the following:

- *New entities formed or registered on or after January 1, 2024, and before January 1, 2025, should comply with the applicable reporting requirements and make their filings within 90 calendar days after formation or registration.*
- *Existing entities formed or registered prior to January 1, 2024, should begin their reporting analysis now to ensure compliance in advance of the New Year's deadline.*

Every entity organized under U.S. law or registered to do business in the U.S. will need to determine (i) whether it is exempt from reporting requirements and (ii) if not, what information it must report. Companies with simple management and ownership structures may be able to navigate the filing on their own. However, where complex management or ownership structures or uncertainty about determinations of beneficial ownership or substantial control exist, an attorney can help you avoid missteps. ■

Deepfake Scams - A Growing Threat

Schneider Downs. Daniel Hooven. September, 2024

Deepfake-driven fraud remains a top concern for CISOs and security professionals, as the frequency and complexity of these scams continue to escalate.

The Team 8 2024 CISO Survey Report¹, presented at their annual CISO Summit, identified deepfake-enhanced fraud as the second highest perceived threat, with 56% of respondents expressing concerns over voice or video fraud.

Similarly, another survey found that over half of businesses in the U.S. and UK have been targeted by financial scams using deepfake technology, with a concerning success rate of 43%. This survey reported an even higher level of concern, with 85% of respondents labeling deepfake-driven fraud as an “existential threat” to organizational financial security.

What are Deepfake Scams and How Do They Work?

A deepfake is media—typically video or audio—of a real person that has been digitally manipulated, often using generative AI, to misrepresent them. In the business context, deepfakes can be employed to impersonate executives or clients, aiming to defraud companies through social engineering tactics.

Perhaps the most notable case involved a Hong Kong finance worker who was deceived into transferring \$25 million² to a fraudster impersonating the company’s CFO during a conference call. A similar incident happened in China, where a financial employee was tricked into transferring more than \$260,000 to a fraudster who impersonated her boss on a video call.

As generative AI technology becomes more accessible and advanced, deepfake scams are on the rise, highlighting the need for enhanced security training. Traditionally, organizations have focused training on the dangers of phishing through emails, texts, and phone calls—threats that can often be easier to identify. However, with the growing remote workforce, video calls have become a primary communication method, making it essential to educate employees about the risks of deepfake technology in this context.

How to Spot and Avoid Deepfake Scams

But what happens when you receive an incoming video call from an AI-version of somebody you trust or know at

work? Here are some best practices and tips to recognize a potential deepfake.

Ask Questions and Think About Requests

If you receive an incoming video call from your CFO asking you to wire money immediately, it’s wise to pause and ask some questions. First, consider whether this is a typical request from your CFO, or if such requests usually come from a manager. Second, if you ask company-specific questions and they can’t answer or sound rehearsed, it could indicate a deepfake. Third, you could always say you’re on mute and wait for a reaction—just kidding... sort of!

Look for Visual or Audio Glitches

While video conferencing quality has improved with the rise of remote work, it’s still not perfect. Deepfakes may exhibit noticeable video and audio glitches since generative AI, while advanced, is not flawless. If you receive unusual instructions or requests, pay close attention to any visual or audio distortions that could suggest you’re speaking to an AI imposter.

Watch Out for Phishing Red Flags

While deepfake scams can be sophisticated, they often exhibit the typical signs of phishing attacks. If the video or audio call is unsolicited, demands urgent action, or simply doesn’t sound like the person they claim to be, it’s likely a deepfake. In such cases, end the call and report it to your IT department.

While these tips may not guarantee complete protection against deepfake scams, being aware of their existence is half the battle. If you receive an audio or video call that resembles someone you know but feels off, trust your instincts. Consider verifying their identity through another method, such as an in-person meeting or by calling them back on a verified line or video platform. ■

To learn more, visit Schneider Downs dedicated Cybersecurity page: <https://schneiderdowns.com/cybersecurity/>

¹ <https://team8.vc/rethink/enterprise/ciso-survey-2024-report>

² <https://schneiderdowns.com/our-thoughts-on/25-million-dollar-deepfake-scam/>

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Oil Field Microgrids Will Help Meet Growing Electricity Demand

Published by The American Oil & Gas Reporter. Loyid Fussell

Everyone involved with electric fracturing operations knows all too well that power solutions are becoming scarce. While reciprocating engines have been widely used, natural gas turbines continue to grow in popularity thanks to their power density and therefore smaller footprint on location, as well as their reliability and reduced maintenance requirements.

However, the supply of turbine-based mobile gensets is almost completely deployed. While there are some new gensets in the pipeline, the limited supply of aeroderivative turbines caps that number at a level too small to provide significant relief. In response, the industry is beginning to consider smaller turbine packages, such as Solar Mobile Turbomachinery's SMT130 16-megawatt generator system and SMT-60 6 MW units, as well as JT-6 6 MW systems. Generally, a frac spread with around 40,000 hydraulic horsepower can be powered with seven 6 MW turbines or two 16 MW turbines.

To secure these turbines, electric fleets must compete with other end users. In addition to their oil field roles, mobile turbines support power grids when normal capacity must be taken off line for maintenance or during periods of unusually high demand. More recently, with the vast and rapid growth of data center and AI facilities, turbines have been allocated to get projects up and running when the grid is not yet ready to supply them. This approach prevents long delays before the facilities can start operations.

Returning to the oil sector, mobile turbines also help satisfy the needs of pipeline compressor stations and of oil fields that are on the fringe of the main power grid and need reliable power for electric submersible pumps. These fields of late have suffered from inconsistent power and brownouts.

The demand for power already is beginning to exceed supply. That situation must be addressed if the United States is to remain at the forefront of technological advancement.

"One 3 MW industrial wind turbine with a 33% efficiency rating, which is a realistic measure of efficiency, will actually generate about 1 MW of power, meaning that meeting anticipated power demand in Central Ohio alone would require 3,600 wind turbines."

Alternatives' Limitations

Alternative power is not a viable solution. Ohio illustrates how impractical it can be. In June, American Electric Power Ohio noted that data centers have pushed its wait list for power in Central Ohio to almost 36 gigawatts.

One 3 MW industrial wind turbine with a 33% efficiency rating, which is a realistic measure of efficiency, will actually generate about 1 MW of power, meaning that meeting anticipated power demand in Central Ohio alone would require 3,600 wind turbines. For context, some estimates put the United States' total wind turbine count around 92,000. Adding 3,600 would represent a 4% increase.

One acre of solar panels produces about 1.2 MW, so the state would need 30,000 acres of solar panels to clear Central Ohio's current wait list.

A Real Solution

At this point, many companies are scrambling for answers to this power deficit. And the answer is one of the United States' most abundant resources: natural gas. With proper planning and strategy companies can tap the solution right under their feet. In the past, the United States generally has expanded power capacity by building massive power plants and distributing their output across the grid. Today, regulators and the traditional grid cannot move fast enough to keep pace with demand.

By building independent microgrids to turn natural gas into local power, oil and gas producers could play a critical role in addressing power demand. As they transform into energy companies capable of directly supplying data centers and other emerging power consumers, these producers will generate extra revenue that is insulated from shifts in oil and gas prices. This should help them maintain activity, retain employees and secure access to services throughout commodity price cycles.

What exactly am I proposing? I am suggesting that operators with substantial acreage positions consider the advantages of incorporating power plants into their development plans. This would likely involve laying out independent infrastructure, complete with power lines, transformers, load shedding software and substations that are disconnected from the grid.

The power stations can be sized based on reservoir estimates. Once they have calculated their power production

ability, operators could secure commitments from technology partners that are facing a power drought limiting their ability to expand their data and computational facilities. Access to power could entice data centers to move away from metropolitan hubs to rural areas, bringing jobs and economic development to some of our most underserved communities.

“A power generation facility based around (industrial) turbines would only take up 3,000 square feet of surface space. Add in appropriate emissions controls, and it would pose far less environmental risk than the 120 wind turbines or 100-acre solar farm required to provide the same capacity.”

Other Benefits

Regarding the environment, how could anyone oppose oil field microgrids? Since power generation facilities in this scenario can be stationary, it is possible to implement several emission reduction technologies that are impractical on mobile generators. These include cogeneration and selective catalytic reduction systems that reduce emissions for particulate matter and oxides of nitrogen to near zero.

Industrial turbines are in much greater available supply than aeroderivative turbines. The largest industrial turbines can generate 600 MW, but that would be excessive for this application. The ideal sizes range from 40 MW to 120 MW.

A power generation facility based around such turbines would only take up 3,000 square feet of surface space. Add in appropriate emissions controls, and it would pose far less environmental risk than the 120 wind turbines or 100-acre solar farm required to provide the same capacity.

Because they are powered by locally produced natural gas, these microgrids would be completely self-sufficient and independent from the primary grid. However, if the primary grid gets into a bind during emergencies or unforeseen outages, the microgrids could act as a supplemental safety net that enhances national security.

It is only a matter of time, and in my opinion not much time, before microgrids begin to spring up around the country. The United States of America is too resilient to allow a solvable problem to hold us back. As demand for power continues to grow, producers that want reliable access to power and a more diverse revenue stream likely will invest in rural microgrids. In the process, they will boost local economies and enable the United States to continue redefining what technology can achieve. ■



Loyid Fussell is the co-founder of FW Consulting Power Solutions, which helps identify and secure power generation solutions for projects that convert natural gas to electricity. Fussell has more than two decades of industry experience, previously serving in management and sales roles at Trisun Energy Services, ResMetrics, EcoStim Energy Solutions, Ely and Associates Corp., PetroQuest Energy, Core Laboratories and Halliburton. A U.S. Army veteran, Fussell holds a B.S. in industrial engineering from Kansas State University.

Link to full article: <https://www.aogr.com/web-exclusives/exclusive-story/oil-field-microgrids-will-help-meet-growing-electricity->



Join us for these December Events

Mix, Mingle and Jingle Networking Event

Tis' about to be the season to get your **mingle** and **jingle** on! Join us on Wednesday, December 11, at the Chadwick in Wexford.

More details and registration information will be coming soon - check out the event webpage for more!

<https://pioga.org/event/piogas-holiday-membership-party/>

Yule be sorry if you don't come celebrate with great food, beverages and company!

Air Quality Compliance Training

PIOGA's annual air quality PIOGATech is coming up December 17th at The Chadwick in Wexford.

More details and registration information will be coming soon - check out the event webpage for more!

<https://pioga.org/event/piogatech-air-quality/>

Information and Registration at www.pioga.org > PIOGA Events

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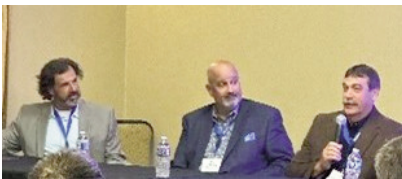
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PIOGATech - Water and Waste Management

After taking a year off, The Environmental Committee had hosted their 7th Water and Waste Management PIOGATech on September 12th and it was another very valuable training on the management of water, wastewater and solids in the oil and gas industry for conventional and unconventional operators.

The sold-out event started the day's training with a panel discussion on PFAS. Colleen Costello from Sandborn Head shared an update on Regulatory and Technical Updates, followed by Joe Tarsavage from Battelle on PFAS Fingerprinting and ended with Devesh Mittal from AquaTech on PFAS Sampling and Treatment Options. Participants then heard from Stacy Arner-Jenkins regarding Facility Response Plan Regulations. In addition, industry experts from our good friends at NETL, DOE (Mengling Stuckman, Max Barczok and Justin Mackey) had a discussion on Critical Minerals. The second half of the day was led by Kris Shiffer from PA DEP giving the group updates in the Department of Environmental Protection on ESCGP-4, Financial Assurance Reform, IJA and IRA. Leak Detection Technology with Beth Powell of Fluid Conservation Services followed Kris's presentation. Participants were then given Trenchless Technology updates by Jeff Walentosky of Moody and Associates. The final Operators Panel was moderated by Teresa Irvin McCurdy and included Joe Harrick of JKLM Energy, Paul Hart of Diversified Energy and Matt Ciprich. The panel discussed Water Trends and the Future Outlooks of Water Management with Q&A from the audience.

Our special thanks go out to all the presenters; Colleen Costello, Sandborn Head; Jean Mosites, Babst Calland; Joe Tarsavage, Batelle; Devesh Mittal, AquaTech; Stacy Arner-Jenkins, ALL4 LLC; Mengling Stuckman, Max Barczok & Justin Mackey from NETL, DOE; Kris Shiffer, PA DEP; Beth Powell, Fluid Conservation Services; Jeff Walentosky, Moody and Associates; Joe Harrick, JKLM Energy; Paul Hart, Diversified Energy and Matt Ciprich. A special thank you goes out to Teresa Irvin McCurdy from TD Connections for leading this event. ■



Operators Roundtable
From Left to Right: Matt Ciprich, Joe Harrick and Paul Hart

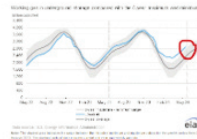
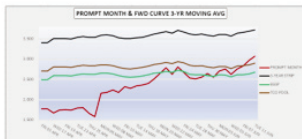


Kris Shiffer, PA DEP and Teresa Irvin McCurdy of TD Connections



From Left to Right: Max Barczok, Mengling Stuckman and Justin Mackey of NETL, DOE

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PIOGA - Putting Energy Into Constructive Civil Discourse

PIOGA's newest **Reality Check** focuses on a simple and vital part of a strong social fabric: the need for civility in all phases of public dialogue. Our association is committed to working constructively with regulators, government officials and public stakeholders to share information on oil and natural gas development, and listen and respond to questions or concerns about our efforts to produce energy in the Commonwealth.

We're putting our energy into constructive public discourse...that is our commitment.

Click [HERE](#) to download/print – **PIOGA - Putting Energy Into Constructive Civil Discourse**

(https://pioga.org/publication_file/PIOGA_Reality_Check_Sept_2024.pdf)

PIOGA's Annual Tax & Accounting Seminar for the Oil & Gas Industry

PIOGA, along with GO-WV and SOOGA, are sponsoring the 2024 Oil and Natural Gas Accounting and Tax Seminar from **9:00 a.m. to 4:00 p.m. on November 7**, in conjunction with Baker Tilly. **It will be a virtual event.**

Oil and natural gas companies continue to face ever-changing economic conditions and new challenges that come with it. In a continuing effort to keep members of the oil and natural gas industry informed of current issues and to help them navigate these challenges, we have once again asked Baker Tilly US to present the Oil and Natural Gas Accounting and Tax Seminar.

Those who should plan to attend are oil and gas investors, operators, royalty owners, service companies, accounting and legal professionals.

Attendees are eligible for 7.0 CPE credits. CLE credits are available by self-reporting to the appropriate state bar association. Time will be allotted for questions during the seminar and the presenters will be available for questions and consultations by phone or email after the seminar.

The following important and timely topics are on the agenda:

General Tax Updates for 2023; Oil & Gas Industry Tax Updates for 2023; Structuring deals from a tax perspective; Purchase/Sale, Valuation, Succession and Estate Planning; and IT Security

This year's presentation will include an update on Tax Reform and updates on not only various federal, state and

local taxes, but will approach each area to explain how oil and gas investors, operators, royalty owners, service companies and professionals should maximize tax and economic benefits. Planning for current and future opportunities and challenges will be emphasized. Baker Tilly presenters will utilize their years of experience in the oil and gas industry to explain key tax benefits as well as standard tax issues that everyone in the oil and gas industry should be aware of and plan for.

After completion of the course, participants will be able to address current accounting and tax issues in the oil and gas industry for themselves and their companies, have increased awareness of IT security issues and maximize their tax benefits. There are no prerequisites required for this update level course, and no advance preparation is needed for this course recommended for 7.0 CPE credits in the areas of accounting, taxes, information technology and specialized knowledge. CLE credits are available by self-reporting to the appropriate state bar association.

All instructors are provided by Baker Tilly and include: Marlin Witt, Partner, CPA, CFP, CGMA; Bill Phillips, Partner Emeritus, CPA; Tyler Cornell, CPA; Chad Parker, CPA; Jonathan Jones, CPA; and Benjamin Ellis, Director, Technology.

For more information and registration:

<https://pioga.org/event/2024-oil-natural-gas-accounting-tax-seminar/>

Surviving below the Cybersecurity poverty line

SherTech/Techhelp2U - Josh Peterson

Recently an article came out titled “How to survive below the cybersecurity poverty line” which raised some interesting points for small to mid-sized businesses (SMBs). The cybersecurity poverty line is defined as the point at which an organization does not “have the means and resources needed to achieve and maintain a mature security posture and protect data”. Ian Thornton-Trump points out this is the point where “doing more with less” becomes “can’t do anything because we have nothing”. It is the point where “the cybersecurity leadership has abjectly failed”.

You will be forgiven for seeing words like poverty and resources and immediately thinking in terms of money and expenses. Plenty of businesses spend a great deal of money on their IT systems, including expensive cybersecurity response software or security firms, yet still fall below the cybersecurity poverty line. Because while the organization spends money on outside resources, they have failed to develop their internal and non-technical resources. The issue, as pointed out in the article, is failure of leadership. Security is just as much about your people and processes, as it is about your technology. Only by securing all three, and especially by increasing your personnel’s cyber-security awareness, and by implementing robust processes, can you fully protect your business.

The danger of course is increasing tech and security debt. Issues pile up and critical controls are missed. When, not if, an incident occurs, organizations who are failing to secure their system are more likely to suffer significant financial losses. Operating below the baseline increases the risk your business will not survive a security incident. SMBs are particularly vulnerable to the financial disruptions caused by incidents. By failing to adequately invest in their people and processes, they can increase the likelihood of an incident and decrease their ability to detect and respond to such incidents.

Rising above the poverty line is less about the amount of money spent, and much more about identifying and implementing the “essential” security controls. Essential controls will vary from organization to organization. What separates a successful security posture from an unsuccessful security posture is having the expertise, whether internal or external, to identify and manage the essential functions and

controls that permit the organization to run and generate revenue. Again, these essential functions may be technology based, or they may be person based. Ignoring either is simply too expensive for any company to afford.

In an environment where every dollar counts, it is critical that security spending have the greatest impact possible. Identifying and protecting your essential functions streamlines IT spending, lowering your overhead, and freeing up resources to protect what truly matters to your business. ■

SherTech is devoted to steering small to midsize companies towards technological excellence. Our focus on People, Processes, and Technology defines us as your reliable technology consulting and auditing partner, harnessing over two decades of industry expertise.

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by SherTech LLC



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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 Member News

American Refining Group (September, 2024): **Bradford, Pa** - American Refining Group (ARG) is pleased to showcase our Kendex® 0834, Heavy Resin as an exceptional product offering unrivaled performance in industrial lubricant applications and beyond. A paraffinic resin, Kendex 0834 offers enhanced protection, reliability, and versatility in a broad range of uses due to its high viscosity and shear stability.



“Our resin is unlike others because of the type of crude oil we refine,” states Mike Kozminski, Vice President of Research and Development at ARG. Originating from specially selected Penn Grade crude oil, Kendex 0834 is well-known for exceptional quality. In fact, Kendex 0834 is a high viscosity paraffinic resin that continues to be refined from light sweet paraffinic crude oils that do not contain an appreciable level of asphaltenes. As a high-viscosity Newtonian fluid it provides superior film thickness and will not undergo permanent shear loss in boundary lubrication regimes and therefore maintains constant viscosity across varying shear rates.

“Because it is naturally paraffinic, the Kendex 0834 is an excellent viscosity builder in lubricant formulations such as Industrial Gear Oils, open gear compounds, wire rope lubricants, greases, and other industrial lubricant applications” notes Kozminski.

When used in a variety of quench oil applications including fast and medium quench oils, the Kendex 0834 ingredient serves to accelerate the vapor to boiling phase in the quenching process. In addition to lubricant and grease applications, it also provides some unique attributes in roofing asphalt with improved ductility, durability, and weatherability. The paraffinic nature of the Kendex 0834 also serves as a moisture barrier ingredient in products formulated for underground use and other barrier-type functions. It passes Method IP 346 testing for dermal carcinogenicity of base oils and is therefore non-carcinogenic.

Kendex 0834 has a long and proven performance history over many generations. Over the course of the long history of Kendex 0834 it has been referred to by many different names including: Penn (Pennsylvania) Resins, 2600 SUS Resin, and Heavy Resins.

Available in 55-gallon steel drums, along with bulk shipments in trucks, railcars and ISOtainers, it is REACH registered for imports to Europe, and available for purchase worldwide. ARG’s top-notch sales and customer service teams can easily support shipment both domestically and internationally.

For more information: <https://www.amref.com/landing-page/arg-kendex-0834/>.

ShalePro Energy Services (September 2024): **Houston, Pa** - ShalePro Energy Services ("ShalePro"), a portfolio company of Turning Basin Capital, announces the appointment of Sean Brake as Chief Executive Officer effective September 16th, 2024. Sean has nearly thirty years of industry experience, spanning a breadth of roles with both energy service providers and key industry operators in a multitude of geographic areas: Pennsylvania, Texas, Louisiana, the Gulf of Mexico, California, and Argentina. As CEO, Sean will lead the company’s growth strategy and oversee all operational and financial functions.



Brake began his career as a Petroleum Engineer and has worked for several industry leaders, including Chevron, Halliburton, Consol Energy, and Seneca Resources where he served as Director of the West Division. While in California, Brake was an active advocate for the energy industry and served as Chairman of the Board for the California Independent Petroleum Association. His most recent professional role was with Aera Energy as an Executive Consultant specializing in transformation and innovation.

“We are very excited to have Sean join our team,” said ShalePro’s Board Member and Interim CEO, Frank Henderson. “His diverse experience in the oil and industry will complement our existing leadership team as we continue to grow our O&M, Construction, and RNG services for our entire customer base and beyond.”

Brake is excited to be returning to Appalachia and his roots in the region. “I’m honored to invest in ShalePro’s future, to be a part of the team, and I’m looking forward to sharing my strengths and experience as we continue to grow and thrive as a company. It’s good to be home.”

For more information: www.ShalePro.com

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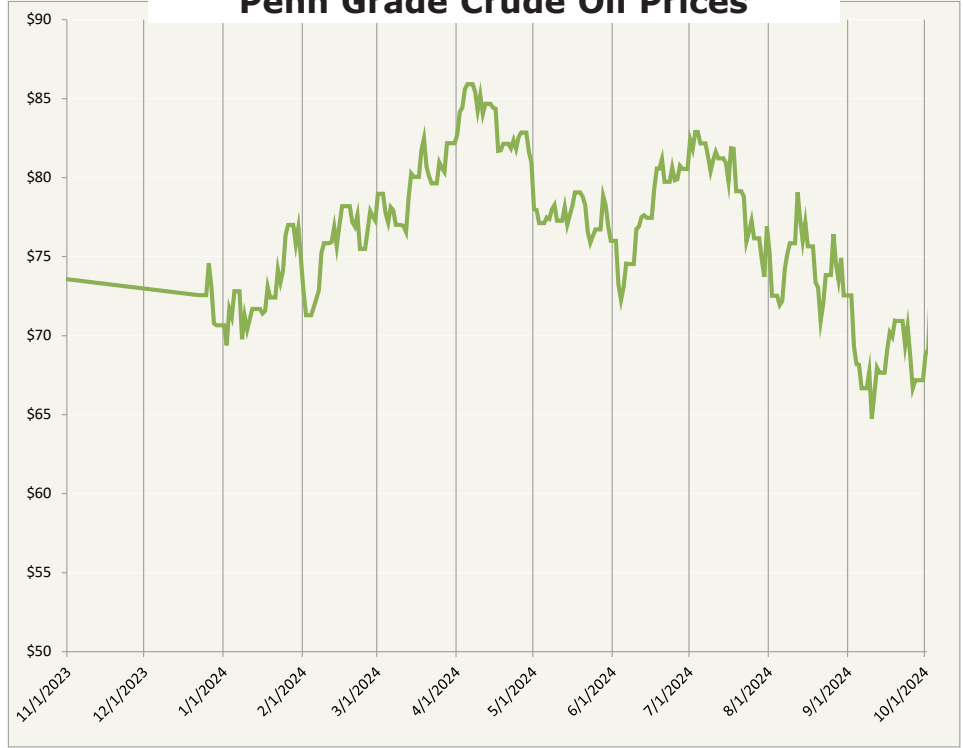


Oil & Gas Dashboard

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: bakerhughesrig-count.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

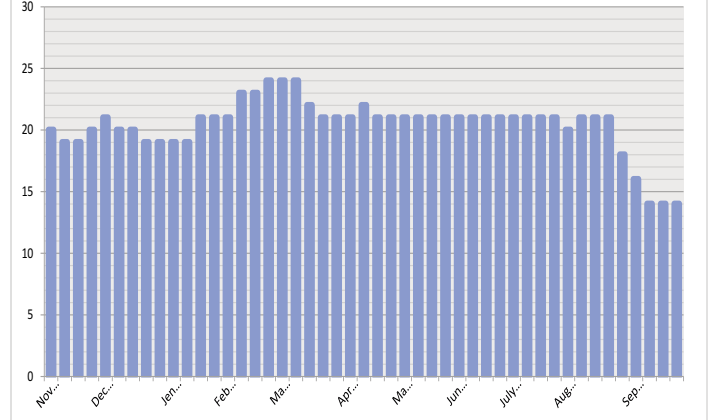


Natural Gas Futures Closing Prices

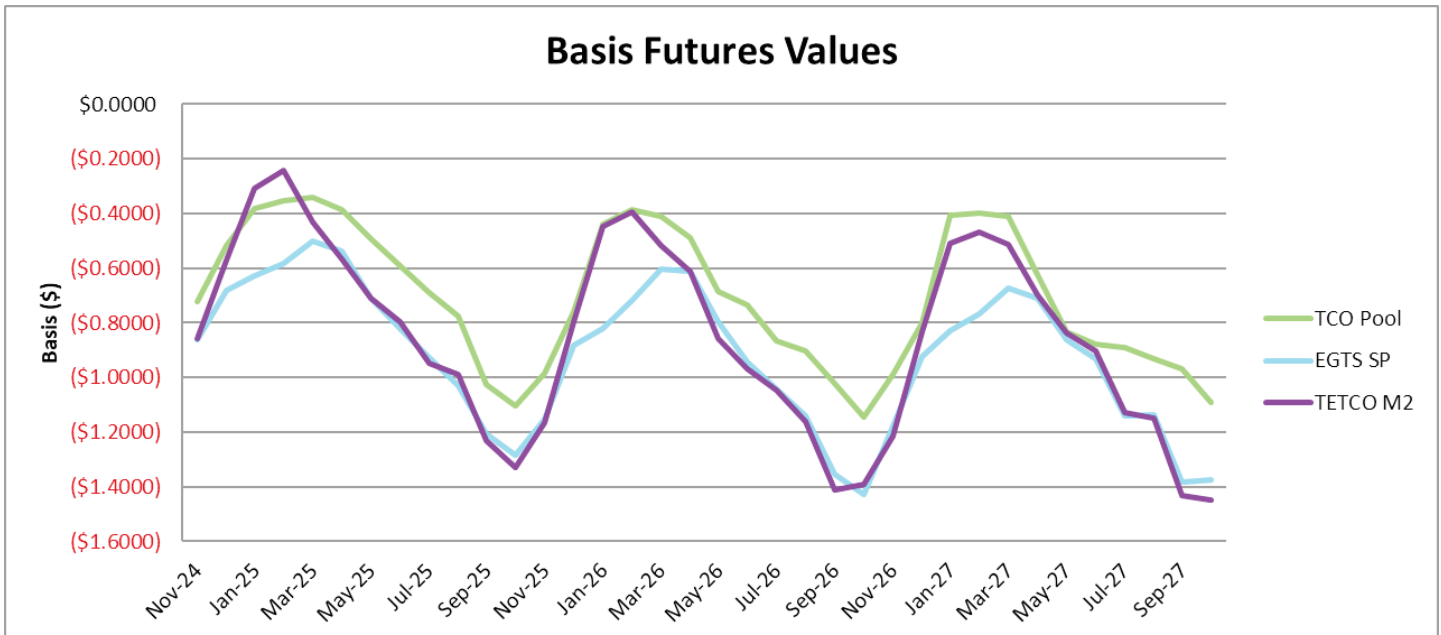
November 2024	2.854
December	3.305
January 2025	3.574
February	3.461
March	3.184
April	3.032
May	3.067
June	3.202
July	3.352
August	3.380

Prices as of Oct. 7, 2024

Pennsylvania Rig Count



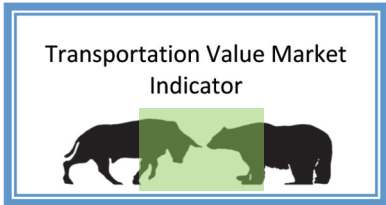
Basis Futures Values



Northeast Pricing Report — October 2024

The U.S. natural gas market is experiencing a notable shift, with futures climbing to a 15-week peak due to a decrease in production this year, impacting the volume of gas stored for the winter season. Record low storage injections have been reported over the summer months, a consequence of reduced drilling after a significant drop in spot prices at the Henry Hub. Despite this, gas inventories remain slightly above the average, cushioned by the mild winter's low heating demand. This dynamic has influenced the NYMEX, where November gas futures have recently seen a modest increase, maintaining an overbought status for consecutive days. In the Northeast, front-month basis prices did not benefit from the NYMEX increase. Every trading point dropped for both the front month and twelve-month floating average.

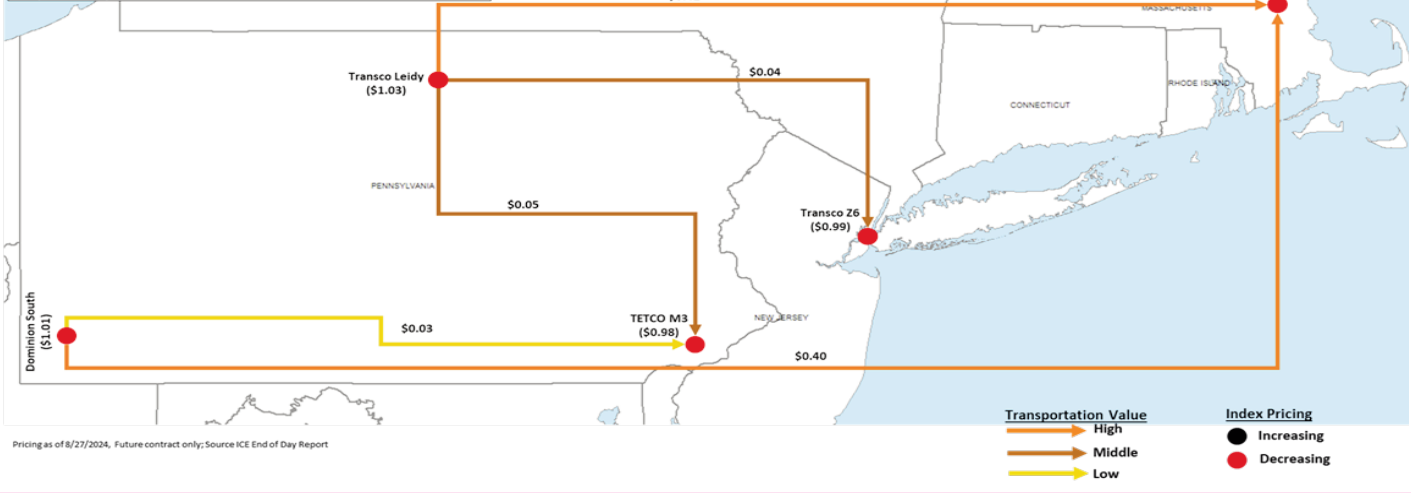
Transportation routes were mostly flat. Dominion South and Transco Leidy to Algonquin increased by \$0.07 and \$0.09 per MMBtu. The TETCO M3 market fell consistently. Dominion South and Transco Leidy to TETCO M3 fell by \$0.06 and \$0.04 respectively. All other routes increased slightly.



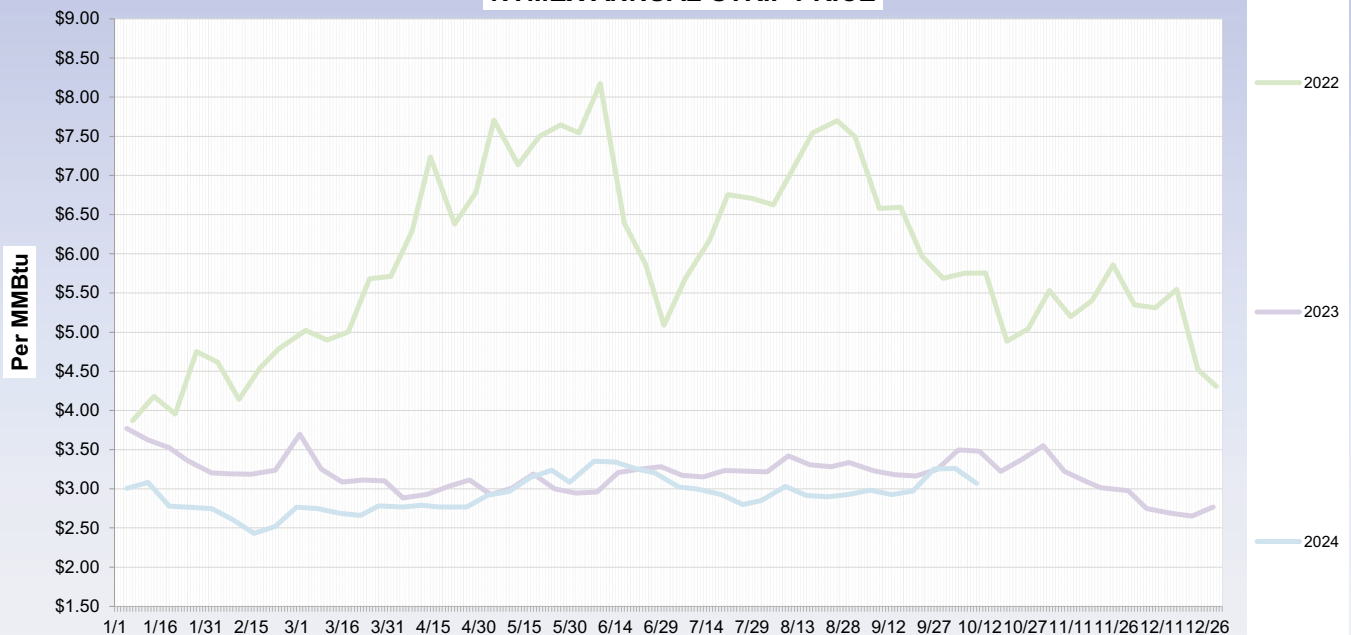
Provided by Bertison-George, LLC

www.bertison-george.com

Location	Natural Gas Basis Future Pricing (\$/MMBtu)		
	Pricing Term		
	10/2024	10/2024-9/2025	10/2024-12/2029
Algonquin	-0.6100	1.7900	2.0700
Dominion South #	-1.0100	-0.7900	-0.9400
TETCO M3 *	-0.9800	-0.2300	-0.1200
Transco Z6 *	-0.9900	-0.0200	-0.1500
Transco Leidy *	-1.0300	-0.7300	-0.9000



NYMEX ANNUAL STRIP PRICE



Spud Report: September



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
Cameron Energy *	2	9/20/2024	123-48862	Warren	Sheffield Twp	Range Resources	7	9/25/2024	125-29149	Washington	Amwell Twp
		9/30/2024	123-48860	Warren	Sheffield Twp			9/25/2024	125-29150	Washington	Amwell Twp
Chesapeake Appalachia	2	9/17/2024	113-20483	Sullivan	Elkland Twp			9/25/2024	125-29151	Washington	Amwell Twp
		9/17/2024	113-20482	Sullivan	Elkland Twp			9/26/2024	125-29128	Washington	Amwell Twp
Curtis & Son Oil *		9/3/2024	123-48962	Warren	Farmington			9/26/2024	125-29148	Washington	Amwell Twp
Howard Drilling *	4	9/4/2024	083-57666	McKean	Wetmore Twp			9/4/2024	125-29121	Washington	Blaine Twp
		9/11/2024	083-57660	McKean	Wetmore Twp			9/4/2024	125-29129	Washington	Blaine Twp
		9/19/2024	083-57663	McKean	Wetmore Twp	Seneca Resources	4	9/12/2024	081-22006	Lycoming	Lewis Twp
		9/24/2024	083-57662	McKean	Wetmore Twp			9/12/2024	081-22007	Lycoming	Lewis Twp
Jett Oil *		9/24/2024	123-49062	Warren	Pleasant Twp		9/13/2024	081-22005	Lycoming	Lewis Twp	
Kaib & Kaib		9/16/2024	065-27129	Jefferson	Warsaw Twp	William Southwell & Son *	2	9/16/2024	123-48909	Warren	Conewango
KCS Energy *	2	9/9/2024	123-48887	Warren	Pleasant Twp			9/25/2024	123-48908	Warren	Conewango
		9/16/2024	123-48885	Warren	Pleasant Twp						
Keystone Dev & Opr		9/3/2024	123-49024	Warren	Conewango						
Kylander Oil *		9/26/2024	123-48973	Warren	Glade Twp						
Mead Oil *	2	9/16/2024	123-48955	Warren	Mead Twp						
		9/19/2024	123-48953	Warren	Mead Twp						

	Sept	August	July	June	May
Total Wells	30	48	39	35	47
Unconventional Gas	13	29	21	19	32
Conventional Gas	1	0	0	0	0
Oil	15	17	15	8	10
Combination Oil/Gas	1	2	3	7	5

New PIOGA Membership Category - Gas Storage Operator

PIOGA has a new Membership Category - Gas Storage Operator!

If you are an individual or business entity engaged in the storage of natural gas with the Commonwealth of Pennsylvania - you can now join PIOGA!

Any current PIOGA members who know anyone in the gas storage operations sector, please share the news! Help PIOGA increase our membership and get more industry operators involved!

Storage members are entitled to vote.

For information on the new gas storage operator membership, dues and other memberships, visit:

<https://pioga.org/about/membership-and-benefits/>



New PIOGA members Welcome!

Forager Station

Patrick Ho
321 Ballenger Center Drive, STE 125. Frederick, MD. 21703
Allies & Provider

Keystone Acquisitions LLC

Cortney Nicholson
860 Main St. Anita, Pa. 15711
Producers

Maple Grove Enterprises, Inc. (rejoined)

Herber Radaker
1873 Flick Rd. Rimersburg, Pa. 16248
Producers

Stedman Energy, Inc.

Kevin McChesney
P.O. Box 1006 Chautauqua, NY 14722
Producers

Calendar

PIOGA events

Information: www.pioga.org > **PIOGA Events**

PIOGA's 2024 Oil & Natural Gas Accounting & Tax Seminar

November 7. Virtual

PIOGA's Holiday Membership Party

December 11. The Chadwick. Wexford, Pa.

PIOGATech: Air Quality

December 17th. The Chadwick. Wexford, Pa.

Other events

PA Chamber Annual Environmental Conference

October 24

(<https://pioga.org/event/pa-chamber-annual-environmental-conference/>)

IPAA 95th Annual Meeting

October 28-29

(<https://pioga.org/event/ipaa-95th-annual-meeting/>)

DUG Appalachia

November 7

(<https://pioga.org/event/dug-appalachia/>)

The Appalachian STEPS/PIOGA Safety Committee Meeting

November 14

(<https://pioga.org/event/the-appalachian-steps-network-quarterly-meeting-piogas-safety-committee-meeting-3/>)

Full Calendar - PIOGA Event & Meeting Schedule -

<https://pioga.org/event/pioga-event-and-meeting-schedule-2024/>

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



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

Pennsylvania Independent Oil & Gas Association

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