The PIOGA Press

The monthly newsletter of the
Pennsylvania Independent Oil & Gas Association
November 2024 • Issue 175

PA General Assembly Reauthorizes the PA One Call Law

Todd M. Pappasergi, PIOGA General Counsel and Vice President of Governmental Affairs

As the 2023-2024 Pennsylvania legislative session came to a close, one of the most pressing pieces of legislation that remained outstanding for the oil and gas industry was the reauthorization of the Pennsylvania Underground Utility Line Protection Law, commonly known as the PA One Call Law. While Governor Josh Shapiro signed into law Act 127 of 2024 on October 29, 2024, which indeed reauthorized the PA One Call Law, industry leaders are describing the reauthorization as a missed opportunity to remedy issues that have been present in the law since its last reauthorization in 2017. Instead of using the entirety of the legislative session to work on a bill that could address concerns from our industry, excavators, landowners, and utilities, this most recent reauthorization made modest adjustments to the law that will be in effect for the next seven years.

Despite not being the sweeping changes that many hoped for, the newest version of the PA One Call Law does contain some important revisions of which PIOGA members should be aware:

- Provisions within the PA One Call Law regarding horizontal directional drilling have been replaced with a broader term of "trenchless technology", such that all trenchless technology utilization must be pursuant to the best practices of the Common Ground Alliance;
- Facility owners now have affirmative duties to (1) communicate with excavators should lines be unable to be located; and (2) report any line strikes or potential violations of the PA One Call Law to the One Call System regardless of the monetary damage to the line (formerly, line strikes were only required to be reported if the damage caused was more than $2500);
- A new three-year statute of limitations on all potential, alleged, or actual violations from the date the liability arose;
- A specific limitation on the powers of the Damage Prevention Committee, specifically that the DPC's powers are severely limited if an informal determination of an alleged violation is not issued within 270 days of the alleged violation; and
- New administrative penalties of $100 per day up to $5000 if a person or entity fails to pay imposed fees or penalties.

Just as important as what is in the reauthorization act is what is not in the new law. Specific to PIOGA members, the new law does not impose any obligations regarding stripper wells or stripper well lines (which are generally any non-PHMSA jurisdiction line). PIOGA members may continue to voluntarily participate in the PA One Call System with these types of lines without any worry or concern for being subject to fines, penalties, or enforcement actions under the PA One Call Law. This has been the state of the law since 2018, and PIOGA's legal and legislative staff successfully lobbied to keep this status quo.

Finally, and on the horizon, PIOGA's lawsuit against the PA One Call System, Inc. (the private non-profit entity in charge of the PA One Call System) continues. Through this lawsuit, PIOGA will continue to fight and advocate for PIOGA members to have more equitable ticketing rates and representation on the PA One Call System board of directors. Achieving these goals will bring an even greater level of safety to excavation in the Commonwealth by ensuring increased, voluntary participation in the PA One Call System by PIOGA members. ■

IN THIS ISSUE

In honor of all the men and women who served and continue to serve our country "**Happy Veterans Day!**"

Thank you for your service and your sacrifice.

"Honor to the soldier and sailor everywhere, who bravely bears his country's cause. Honor, also, to the citizen who cares for his brother in the field and serves, as he best can, the same cause." — Abraham Lincoln

Conservative Energy Policies Are Two-Edged Sword for Appalachian Producers

Editorial by: David Marks, PA Energy Fuels LLC. November 2024.

Political Agendas Matter for Natural Gas - Appalachian natural gas production – from a combination of shallow sands and shales, and the much deeper shales for the past dozen years - is the highest production in the country and includes some of the richest proven reserves in the world. To maintain sustainability, participants naturally seek both governments and markets as their partners.

A Progressive government agenda, that for years has worked toward the demise of fossil fuels, cannot in the end be sustainable for the natural gas industry. Regulatory agencies controlled by the Left would put permitting on a slower path that it is already. Yet the need for natural gas in agriculture, manufacturing, heating and transportation will drive demand for many years. Progressives must accept this reality, and if they remain in power, must accommodate the need for gas for years to come. However, a strictly Progressive agenda could eventually drive fossil out of the energy mix.

In contrast, a Conservative agenda includes an 'all of the above' policy that would not only recognize the increasing need for natural gas, but ensure its place well into the future. Development of infrastructure, such as pipeline construction, storage capacity expansion, liquefaction and export facility and gas-fired generation construction and more would accommodate this growing demand. Conservative appointees could approve projects that would allow the buildout of infrastructure needed to move production from Appalachia to endusers behind city gates that fetch higher prices.

As an example, city gate prices in the Carolinas are \$2 to \$4 higher than South Point and TCO Pool. Completion of pipelines out of Appalachia to growing markets in the Carolinas would fetch higher prices for producers in Pennsylvania, Ohio and West Virginia.

The conservative agenda, however, includes a plan to drive energy costs down. The Drill Baby Drill mantra that would encourage more gas and oil production could oversupply several regions and put downward pressure on prices. Aside from the anomaly that occurred two years ago driven by gas shortages in Europe, natural gas producers in the U.S. have been harmed from historically low prices for too long now. Without pipelines to move increased production to new markets, prices will remain low and fall further, and could force more small producers out of business.

Pipeline Infrastructure - The gathering and interstate natural gas pipeline systems are the backbones of our energy markets across America. Having the foresight to plan for expansions and new systems to accommodate growth and new technology is paramount to the advancement of our industry. Pipelines are essential to our national identity and our national security. Pipelines are needed to move increasing levels of production.

Already we see increases to serve the massive energy needs for AI computing. The power necessary to sustain the growth of AI is doubling every 100 days. Social media platforms like ChatGPT and Facebook require hundreds, up to thousands of megawatt hours each on a daily basis. To see it another way, one social media platform's needs is enough energy to power tens of thousands of homes. With this scale and speed of growth, it's necessary that the US maintains pipeline systems to meet the rapidly expanding demands of the tech sector and our growing population. And using natural gas to meet these needs is environmentally friendly.

Drill Baby Drill - The two-edged sword rears its ugly head here, as a political campaign slogan makes production company CEOs cringe while it makes manufacturers leap for joy.

Unlike the Permian Basin, where oil developers are capturing big margins and able to offset associated natural gas production losses, other basins are not as oil-rich. Drill Baby Drill works in the Permian while the oil market is fetching prices north of \$60. When a developer is increasing oil production and earning 20% margins on crude, they don't mind flaring more gas and selling the balance at a loss.

The Marcellus Basin, on the complete other hand, is a perfect example of a gas-rich play that cannot afford to open up production all the way. Without pipeline infrastructure to move new production to market, Drill Baby Drill would bottle up massive amounts of gas, jam more supply into storage, and force prices to unsustainable lows.

We have the technology to make more gas in Pennsylvania. But until we can move this new production

Continues on page 4 & 5

Energy Policies *Continued from page 3*

to market, board rooms are not in any hurry to make such plans. Drill Baby Drill must be accompanied by Build Baby Build - we need new pipe.

Gathering Systems - Before production can flow into interstate pipelines and gas utilities, tens of thousands of miles of gathering systems must be in place. And for several years producers have been making as much gas as possible when prices are up. This natural reflex reveals problems in aging systems that are oftentimes several decades old.

Pressuring up old systems has resulted in leaks with a serious increase in Lost And Unaccounted For (LAUF) volumes. And of course legacy gathering systems meant for handling less than 150 pounds of pressure could not possibly accept unconventional shale production at 450 psi and greater. Unconventional producers are forced to build systems that can accommodate the higher pressures from shale.

Replacing this aging bare steel is revealing a more complex problem of leaks, redundancies and inadequacies. As one marketer put it, 'repairs are not keeping up with the new leaks.' Peoples Natural Gas is dealing with all of these issues with the Goodwin System. The costs to repair pipe are high and must be passed through.

Some sections of Appalachian gathering, however, are being abandoned. As an example, Hope Gas is moving forward with plans to switch endusers on abandoned sections with propane service. Other utilities have considered the same, with some systems having thousands of endusers connected to old pipe that is now looking to be abandoned while producers shut in low-volume wells that had been making gas for a hundred years.

Joe O'Donnell at IGS Energy Producer Services, who understands the problems in the field as much as the accounting issues, considered all the moving parts along with the flying pieces. Repairing pipe, accounting for construction costs and tracking the dynamic operating and maintenance costs is a big deal. O'Donnell summed it up well by saying "(gathering system operators) are trying to make it make sense on paper. But in the end, rates are going up."

Keeping up with this problem requires more capital. Correcting the problems, coupled with inflation, presents the largest rate increases that producers have ever faced. Neglecting the problem means more conventional producers face even bigger challenges of higher LAUF volumes. The Two-edged Sword stands out here as conventional producers that often cannot make more gas when prices are low are forced with a dilemma when prices rise – they will have to pay more for gathering. Drill Baby Drill does not seem to work for conventional Appalachian producers from a gathering perspective.

Interstate Expansions and Completions - The US population is expected to increase from 331 million to 349 million in the next six years. Over the next 75 years, the US population is expected to grow by 9.7%, or 33 million people. The demand for energy can only increase, and the need for more pipeline infrastructure is paramount to our economy.

The completion of MVP, which allowed more Appalachian production to move south to Virginia and North Carolina, is helping producers to some extent. But the lion's share of increases into MVP depends on downstream pipeline upgrades on Transco. 'Drill Baby Drill' doesn't work until more pipeline capacity can accommodate the production and deliver it to a home that makes sense – one that pays the bills with a margin.

Ultimately, the conversation about a future energy policy without a focus on an improved national pipeline grid is seriously lacking. Suppliers must be ensured deliverability to enduse markets that are both growing and that are developing new technologies that need more natural gas.

Gas Demand - According to the EIA, U.S. gas demand in the short term will see modest growth, driven by LNG exports, with the power sector being the driver of increases here at home. The EIA expects LNG exports to increase by more than 14% next year.

Estimates from Enverus, Kinder Morgan and Goldman Sachs for demand from data centers by 2030 range from 1.3 to 3.3 Bcf/d if fully serviced by gas-fired generation. Expectations are for demand to increase by more than 16 bcf/d across the nation by then.

This demand is increasing due to the rapid expansion of capacity, fueled by the emergence of Artificial Intelligence. AI-powered queries require much more electricity to process than Google searches, and the pace of efficiency gains in electricity use is slowing.

Data center developers are prioritizing speed and reliability over renewable energy sources, which are not available 24/7. Again, this provides growth opportunities for midstream gas transmission companies with pipeline networks.

Deep Rights - Long before anyone drilled into the Marcellus, developers leased lands and cherry-picked locations for development. The leases typically included all minerals except coal, and included everything under the surface to the center of the earth.

Drilling programs largely avoided shales, and common depths into gas-bearing sandstone formations ranged from hundreds of feet to approximately 4,000 feet down. Gas below that depth was uneconomical to recover - technology wasn't there yet.

This changed with the introduction of directional drilling and hydrofracturing, which had been ongoing in Texas for decades, but only recently introduced to the Northeast in the last 20 years.

Range Resources drilled and completed its first Marcellus Shale well in Pennsylvania in 2004. Range's use of modern drilling and completion techniques, learned from the Barnett Shale in North Texas, made the Marcellus Shale economically viable. Deeper formations that held much more gas became accessible, and more importantly, shale production was in the money.

Leases that went for $200 per acre doubled overnight to $400 per acre. A month later the same leases that included Marcellus and Utica below began selling for $1,000 an acre, then $2,000 up to $4,000. When well completions started showing astonishing increases in production, royalty percentages for the mineral owner, which had been at 12½ for decades, jumped to 16% and 18%. Leasing costs have climbed 1,900% and royalty payments have increased anywhere from 28% to 44%.

Deep rights are valuable, and developers are holding onto them, hoping to capitalize on production in the future. Yet some producers have the capability to increase production now, and many leases require that developers are active. Stepped up activities on a large scale are concerning to those holding undeveloped properties. What is the effect of a conservative agenda that includes natural gas and pushes the mantra, Drill Baby Drill? Will overproduction drive down the value of Deep Rights?

Surviving Pennsylvania's Energy Boom - The Marcellus Phenomenon has not only changed the players in the business, but has also created incredible wealth for landowners and mineral owners. Indeed, the Marcellus phenomenon has changed the energy landscape of the entire nation, holding down costs for everything from fertilizers to plastics to giving us the lowest home heating costs in history.

But the downside has affected natural gas and supporting industries for more than a decade. The Marcellus has driven up leasing costs, driven down NYMEX futures and flipped basis prices to the detriment of every northeast producer. Marcellus has even challenged interstate pipelines, as customers such as Appalachian utilities have been turning back and subscribing to less interstate capacity.

The supply glut caused by the Marcellus phenomenon has changed hedging strategies for everyone. There's plenty of gas, but not enough pathways to deliver it. Producers are eyeing $2.50 and considering lock-ins when only two years ago the price was $7 per dekatherm.

For Appalachian producers, it's been a mixed bag. The prolific play has increased Appalachian production from 5 bcf per day in 2011 to 35 bcf per day in 2023, or a 600% increase in 12 years. Hydrofracturing into the Marcellus, and subsequently the Utica, has been the main contributing factor to the increases. Other factors include better drilling technology and more efficient well pad operations. Production at these levels means major producers with low lifting costs, efficient processes and market power are able to combat low prices by making huge volumes of gas.

But this situation has brought prices down from double digits to below $2 per dekatherm several times, and has driven prices to historical lows for sustained periods. Furthermore, the situation has flipped basis prices that were once positive for Appalachia by ten or twenty cents to negative numbers that often are more than a dollar in the red. Smaller producers have had to rely on deep rights leasing and consolidation just to make it through another year. Some are selling their deep rights to get out of debt and others are hoping to produce gas from them in the future.

There are still new markets to explore that will yield higher prices. The huge demand for power from data centers will only continue to grow. And Americans will eventually get used to more electric transportation. Reliable gas-fired generation isn't going away anytime soon. In the end, as demand continues to increase for gas, pipeline buildouts and increased takeaway capacity will ensure a sustainable future.

Two keys to this sustainability are modern pipeline technology and efficient completions. To this end, producers have to work in partnerships with regulators and environmentalists. Natural gas is an absolutely essential component in our national energy mix. Our industry must work with gov-

Continues on top of page 7

PIOGA's Annual Membership Meeting

If there was a theme to PIOGA's Annual Membership Meeting it was involvement - involvement with regulatory agencies, involvement with political matters, and the involvement of members in the association's committees, board, and events, The annual meeting took place October 17 at the Chadwick in Wexford and was attended by approximately 100 members.

The meeting was packed full of updates, where members heard about the work of the association on legislative, regulatory and market development matters that impact the industry. PIOGA Committee Chairs and Co-Chairs gave presentations, reviewing their committee's work in 2024 and their goals for 2025.

Newly Elected Board Members

PIOGA President & Executive Director, Dan Weaver, introduced the newly elected Board Members. New members for the 2024-2027 term, include: Stanley Berdell, BLC, Inc.; Charlie Frantz, CSR Services; Daniel Frick, Diversified Energy Company; Ben Jezovnik, Ergon Oil Purchasing, Inc.; Joe O'Donnell, IGS Energy Producer Services, Inc.; Jim Kriebel, Kriebel Energy, LLC; Len Paugh, Long Ridge Energy & Power; Brad Little, Penn View Exploration, Inc.; Sam Fragale, SEF Consulting; and Deana Stephens, Steptoe & Johnsons PLLC.

PIOGA Pennsylvania Independent Oil & Gas Association

Annual Meeting

MEETING SPONSORS

American Refining Group, Inc. Refine everything.

Diversified energy

ERGON UNITED BY SERVICE. DRIVEN BY SOLUTIONS.

Huntley & Huntley Petroleum & Natural Gas Exploration Established 1912

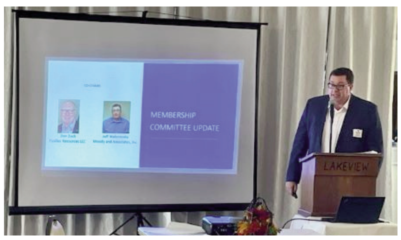
KRIEBEL ENERGY

RJR Safety Inc "Working Safe, Preventing Injuries, & Protecting Profits"

SPEAKER SPONSORS

BLACKROCK RESOURCES

Moody and Associates, Inc.



Energy Policies *Continued from page 5*

ernment to avoid confrontations that lengthen completion time and consequently drive-up construction costs.

A recent example of how time equals money is the delayed Mountain Valley Pipeline. Legal and permitting battles delayed the project for years and contributed to its cost more than doubling since first announced in 2014 with an anticipated completion date of 2018 at a price of $3.5 billion. The actual completion date was this Summer, with the project taking six years longer than expected. The pipeline will have a final price tag of $7.9 billion, or a 116% increase. Six years cost nearly $4 billion.

A common-sense approach to the necessary use and further development of natural gas must prevail. We can work with regulators to ensure a sustainable future. We have the ability to bridge technologies over to the next best things in energy. Natural gas will be needed for a long time yet. We just have to survive the two-edged swords of politics. ■

David Marks

PA Energy Fuels LLC

PIOGA's Online Buyers' Guide

Someone from Strategic Value Media may be contacting you soon via email or phone!

Secure your listing or advertisement! PIOGA is pleased to partner again with Strategic Value Media - a leading nationwide provider of print and digital media solutions for national, state and local trade and membership associations - to produce the 2024 edition of PIOGA Buyers' Guide, the premier resource of relevant products and services for oil & gas professionals. **We encourage PIOGA members to utilize the services or products of our member companies.**

All PIOGA Allies & Provider members get a complimentary basic listing in the guide with the PIOGA logo to indicate your company is a member! Contact Strategic Value Media to discuss other options of getting your business more visibility in the Guide. The Buyers' Guide provides users with an efficient way to browse for goods and services and offers oil & gas suppliers and companies exceptional visibility by showcasing their products and services to a targeted, industry-specific buyer group.

We encourage you to take advantage of this exceptional opportunity to highlight your products and services in the Buyers' Guide.

The Buyers' Guide is accessible through the PIOGA website at www.pioga.org and will be updated soon with new advertisements and updated information.

To learn more, please email pioga-advertise@svmmedia.com.

Grateful for Energy Independence? Thank a Veteran.

PIOGA's Diversity Committee Article: Dr. Jennifer Vieweg, Greylock Energy

America commemorates two very important holidays this month. One encourages us to reflect on what we are grateful for – things like our families, friendships, health, and countless other blessings. And the other reminds us to appreciate our freedoms and to recognize those who served and sacrificed to help protect those freedoms… our veterans.

This month, as we celebrate, let's also honor the diversity of experiences and backgrounds that veterans bring to our communities and industries. Their unique perspectives enrich our industry and inspire us all.

That is why I am taking this opportunity to reflect on the key role veterans play in our industry – and to thank them for their continued service.

Why do we need veterans in oil and gas?

According to the American Petroleum Institute (API), veterans account for more than 10 percent of workers in energy. At Greylock Energy, this includes foremen, well tenders, and other field personnel. It includes team members who work in our IT and Land departments Our leadership also benefits from this diversity, including our vice president of production and our chief operating officer, both of whom are veterans.

We value employing veterans not only for their unique skills but also for the diversity they bring to our workforce. This diversity enhances our problem-solving capabilities and fosters innovation.

For example, an intelligence officer in the military analyzes data and assesses risk while developing critical cybersecurity skills, contributing different perspectives to our operations. Similarly, soldiers installing and repairing electrical instruments are gaining experience that prepares them for roles in the energy sector, enriching our team with a blend of military discipline and diverse backgrounds. Embracing this diversity allows us to create a more resilient and adaptable organization.

Specifically, at Greylock, our veteran team members:

- Tend to be adept at managing work stress, which is critical when working with volatile and explosive elements.
- Are accustomed to working outdoors, long hours, and in challenging conditions, which is essential in our industry – but not always welcomed by some potential employees.
- Practice excellence and are dependable and thorough, which makes them successful in their respective roles.
- Are expert collaborators who are also decisive, inspiring, and effective leaders – all necessary to run an efficient energy company.

Beyond their technical skills, our veterans bring unique perspectives that enrich Greylock's workplace culture. These include:

- On-the-ground exposure to working with individuals from diverse backgrounds around the world.
- Experience thinking strategically in difficult circumstances.
- Shedding light on areas that would otherwise remain hidden.
- Thinking through challenges from different angles.
- Simply seeing things through a different lens.

Veterans represent a diverse group of individuals with varied backgrounds, experiences, and viewpoints that enhance team dynamics. For example, our veteran team members tend to exhibit greater situational awareness, which is a critical skill in decision making. Having veterans' unique and diverse perspectives around the table has helped Greylock innovate, solve problems more effectively, and generally, make better decisions.

How can we demonstrate appreciation to our veterans?

So, at Greylock, we are very thankful for the service of our veterans – both to our country and to our industry. How can the energy industry show our veterans that we appreciate their service? By continuing to value their skills and potential contributions.

Many veterans are not prepared to stop serving when they complete their service in the armed forces. In fact, many are actively seeking to apply their skills, experiences, and expertise in new and different ways. So, one of the best ways we can thank them for serving is to make room for them in our organizations and our industry.

Continues on next page

Veterans *Continued from page 8*

Unfortunately, recruiters and hiring managers do not always appreciate veterans' unique perspectives or recognize how their skills in the armed services could transfer to the natural gas field. That is why API has developed and deployed Veterans Energy Pipeline (*https://veteransenergypipeline.com/*), an online tool designed to help hiring managers see how veterans' skills translate to our industry. It also outlines how veteran's life skills are exceptionally suited to be deployed in the energy industry. This can be a helpful tool for you when recruiting or evaluating a veteran for a position within your organization.

So, to our veterans at Greylock and throughout the greater energy industry, I want to thank you for your efforts to preserve our freedoms, serve our industry, and help secure America's energy independence.

A Call to Action for PIOGA Members

To PIOGA's membership, I encourage you to broaden your perspective and encourage veterans to consider transitioning to careers in energy. If you do, I expect you will find you receive more than skills with a veteran hire – you receive a unique point of view that will ultimately help you operate a more effective and efficient business. ■

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.

For more details and to register - 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.

For more details and to register - check out the event webpage for more!

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

Currently looking for Exhibitors - reach out to Deana McMahan deana@pioga.org

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

Corporate Transparency Act: Is your small business or entity required to report?

PIOGA's Tax Committee Article: Phillip D. Zlokas, CPA - Partner, H2R

Under the Corporate Transparency Act, certain entities will be required to provide information related to their "beneficial owners" – the individuals who ultimately own or control the company – to the Financial Crimes Enforcement Network.

Who is required to report? It is anticipated that millions of small businesses will need to file a beneficial ownership information (BOI) report. Any company considered to be a "reporting company" will be required to file the report. For these purposes, a reporting company includes any corporation, limited liability company or other legal entity created through documents filed with the appropriate state authorities. This includes both domestic and foreign entities registered to do business in the United States who were registered in the United States by filing a document with the Secretary of State or similar office.

Entities are required to report certain information related to the entity itself and provide information for those considered to be beneficial owners, which primarily encompasses individuals who, directly or indirectly, exercise substantial control over a reporting company or owns at least twenty-five percent of the ownership interests of a reporting company.

Notably, because the reporting requirements apply to any entities that were organized by filing documents with the state, the requirements would apply separately to single-member limited liability companies, including those within a tiered entity structure who do not meet an existing exemption. This would subject those holding working interests through a single member limited liability company to the reporting requirements, absent the entity meeting any of the twenty-three exemptions.

When is the report due? For entities created before January 1, 2024, the due date of the filing is January 1, 2025. For entities created during 2024, the filing must be made within ninety days from the date of the entity's registration. For entities created during or after 2025, the filing must be made within thirty days from the date of the entity's registration. Corrections or updates to any information filed as part of an initial BOI report must be made within thirty days of discovery of inaccurate information or changes to the originally reported information.

Who is exempt from reporting? There are twenty-three exemptions that, if met, preclude an entity from having to file a BOI report. Two such exemptions are the large operating company exemption and the inactive entity exemption. An entity qualifies for the large operating company exemption if it employs more than twenty full-time employees in the United States, has an operating presence at a physical location in the United States, and has more than $5 million in gross receipts reported on their prior year tax return. An entity meets the inactive entity exemption if it was in existence on or before January 1, 2020, is not engaged in active business, is not owned by a foreign person, has not experienced a change in ownership in the preceding twelve-month period, has not sent or received funds in an amount greater than $1,000 in the preceding twelve-month period, and does not hold any kind or type of assets, whether in the United States or abroad, including any ownership interest in any corporation, limited liability company, or other similar entity.

What are the penalties for non-compliance? Penalties for filing a fraudulent report or for willfully not complying with the BOI reporting requirements can result in criminal or civil penalties of $500 per day and up to $10,000 with up to two years of jail time.

Given the potential penalties and rules surrounding whether an entity is considered a reporting company, it is recommended that you reach out to your CPA or attorney to discuss the matter before year-end. ■

Legislative Update - Election Results

Gmerek Government Relations and PIOGA Staff

As the dust settles on this election season, we want to share the final outcomes of the federal and Pennsylvania's key state legislative races. With every remaining race now called, Gmerek Government Relations is able to provide a closing update, reflecting on the latest results and their impact moving forward.

President: In the early morning hours of November 6th, former President Donald Trump was declared the winner of Pennsylvania, a pivotal battleground state. Around 2 a.m. (November 6), with 95% of jurisdictions reporting, Trump led by just over 2 percentage points, with about 4% of the vote left to count. This margin gave Trump the largest Republican win in Pennsylvania since Reagan, setting a record for total Republican votes in the state. At the time, he led Kamala Harris by a count of 3.44 million to 3.29 million. His increased appeal among working-class voters, including some Black and Latino communities, and a targeted campaign effort to register new voters drawn to his style contributed to his success. Early results showed him outperforming his 2020 totals in Luzerne, Berks, and Lehigh counties and winning the following counties that President Joe Biden won in 2020: Bucks, Centre, Erie, Monroe, and Northampton.

On November 6, Donald Trump, the 45th president of the United State, became America's 47th president after crossing the 270 electoral college-vote threshold necessary to cling the presidential election and defeat Kamala Harris.

While a handful of stated had yes to declare official winners, Trump locked down all the states he was expected to, as well as several pivotal battleground states including North Carolina, Georgia, Pennsylvania and Wisconsin. He also was on track to win the popular vote for the first time in his three campaigns for America's highest political office. At 11 a.m., the day after the election, the vote totals were:

Trump: 71,571,051 votes (515)
Harris: 66,712,662 votes (47.5%)

U.S. Senate: The race between incumbent Democrat Bob Casey and Republican challenger Dave McCormick, has drawn considerable attention, with Republican Dave McCormick declared the winner over Casey (D). McCormick leads with 48.3% (3,340,649 votes) to Casey's 47.9% (3,308,961 votes). Given the slim margin of less than 0.5%, Pennsylvania law mandates an automatic recount, which the Casey campaign has already indicated it will pursue. A spokesperson from Casey's team stated Casey remains hopeful that the recount could alter the outcome.

U.S. House of Representatives: All U.S. House races have been called, leading to a shift in Pennsylvania's congressional delegation from a narrow 9-8 Democratic majority to a 10-7 Republican majority. Notable results include Congressman Scott Perry (Republican) of the 10th District retaining his seat over Democratic challenger Janelle Stelson, winning by a margin of 50.8% (203,460 votes) to 49.2% (197,048 votes). In the 8th District, Democrat Matt Cartwright lost his seat to Republican Robert Bresnahan, who won with 50.99% (192,926 votes) over Cartwright's 49.01% (185,413 votes). Similarly, in the 7th District, incumbent Congresswoman Susan Wild (D) was defeated by Republican Ryan Mackenzie, who secured 50.7% of the vote (200,544 votes) to Wild's 49.3% (195,004 votes).

Pennsylvania House of Representatives: In the Pennsylvania House, every incumbent retained their seat. Additionally, in districts with open seats, each party held onto control, maintaining the Democrats' narrow 1-seat majority. As a result, the House remains split at 102-101 in favor of the Democrats.

Pennsylvania Senate: In the Pennsylvania Senate, there were notable changes with a Democratic flip in Harrisburg and a Republican flip in Northeast Philadelphia. Despite these shifts, the Republican majority holds stead at 28-22.

In the upcoming weeks, both chambers (Pa House and Senate) will reconvene to elect leadership for the upcoming term, with results expected by end of month. Due to several retirements, it is anticipated that committee chair appointments will also be forthcoming, though these will not be finalized until the 2025-2026 legislative session.

Attorney General: Republican Dave Sunday has been declared the winner, securing 47.7% of the vote to Eugene DePasquale's 43.3%.

Auditor General: Incumbent Republican Tim DeFoor has been declared the winner, securing 48.2% of the vote to Malcolm Kenyatta's 43.3%.

State Treasurer: Incumbent Republican Stacy Garrity has been declared the winner, securing 48.9% of the vote to

Continues on next page

Erin McClelland's 42.9%.

These results represent a notable shift in Pennsylvania's political landscape, with Republicans gaining ground in both state and federal offices. Gmerek Government Relations will continue to monitor the final counts/recount processes and provide updates.

In the past week, the Pennsylvania General Assembly concluded its final days of scheduled session, which will officially end on November 30th. Beyond passing a few bills left on the agenda, the House and Senate Democrat and Republican caucuses elected their new leadership teams for the upcoming session – see below.

Senate Republicans:

President Pro Tempore: Senator Kim Ward (R-Westmoreland): Requires a majority vote of the Senate in the new 2025-2026 Legislative Session.

Majority Leader: Senator Joe Pittman (R-Indiana)

Majority Whip: Senator Ryan Aument (R-Lancaster)

Appropriations Committee Chair: Senator Scott Martin (R-Lancaster)

Policy Committee Chair: Senator Dan Laughlin (R-Erie)

Caucus Secretary: Senator Camera Bartolotta (R-Washington)

Caucus Administrator: Senator Lisa Baker (R-Luzerne)

Caucus Chair: Senator Kristin Phillips-Hill (R-York)

Senate Democrats:

Minority Leader: Senator Jay Costa (D-Allegheny)

Whip: Senator Christine Tartaglione (D-Philadelphia)

Appropriations Committee Chair: Senator Vince Hughes (D-Philadelphia)

Policy Committee Chair: Senator Nick Miller (D-Lehigh)

Caucus Secretary: Senator Steve Santarsiero (D – Bucks)

Caucus Administrator: Senator Judy Schwank (D-Berks)

Caucus Chair: Senator Maria Collett (D-Montgomery)

House Republicans:

Minority Leader: Representative Jesse Topper (R – Bedford)

Minority Whip: Representative Tim O'Neal (R – Washington)

Appropriations Committee Chair: Representative Jim Struzzi (R – Indiana)

Policy Committee Chair: Representative Dave Rowe (R – Snyder)

Caucus Secretary: Representative Clint Owlett (R-Tioga)

Caucus Administrator: Representative Sheryl Delozier (R-Cumberland)

Caucus Chair: Representative Martina White (R – Philadelphia)

House Democrats:

Speaker: Representative Joanna McClinton (D – Philadelphia)

Majority Leader: Representative Matt Bradford (D – Montgomery)

Majority Whip: Representative Mike Schlossberg (D – Lehigh)

Appropriations Committee Chair: Representative Jordan Harris (D – Philadelphia)

Policy Committee Chair: Representative Ryan Bizzarro (D – Erie)

Caucus Secretary: Representative Tina Davis (D – Bucks)

Caucus Administrator: Representative Leanne Krueger (D – Delaware)

Caucus Chair: Representative Robert Matzie (D – Beaver)

Please feel free to join the Legislative Committee for more information and monthly updates – the Legislative Committee meets the first Thursday of every month. Reach out to Deana McMahan for more information – deana@pioga.org. ■

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.

CDAC Update on SPEED Program

Below message is from the PA Department of Environmental Protection (DEP) regarding the invitation to Bid for the new SPEED Program.

As you may know, the DEP created the Streamlining Permits for Economic Expansion and Development (SPEED) Program in July 2024 to continue the DEP's Permit Modernization effort to move further and faster in permit processing and keep Pennsylvania moving at the speed of business. Through SPEED, permit applications for select permits will be able to use DEP-approved qualified contractors to conduct initial reviews of applications for expedited review. DEP staff will review recommendations from the qualified contractor and make the decision to approve or deny the permit or issue a technical deficiency letter to the applicant.

Eligible permit Types

1. Air Quality plan approvals (state-only) (Chp. 127)
2. Earth Disturbance permits (Chp. 102)
3. Individual Water Obstruction and Encroachment permits (Chp. 105)
4. Dam Safety permits (Chp. 105)

DEP is coordinating activities across the state to meet the implementation deadline. Permit Decision Guarantee and PAyback review timeframes will still apply to SPEED permits.

Qualified Professional Requirements

The PA Department of Environmental Protection (DEP) is seeking to engage qualified professionals to review permits on an expedited basis as part of the SPEED Program. Below are the requirements to become a DEP-approved qualified contractor:

1. Licensed professional who may be necessary to review applications under the eligible permitting program.
2. Has five years of experience of relevant permitting experience in PA.
3. Holds all professional licenses as required by law.
4. Has not been convicted of or pled guilty to a crime
5. Has not had a professional license revoked by the state license board within the previous 10 years.
6. Agrees to be responsible for the review costs if the review is deemed inadequate or untimely.
7. Has not performed work for the applicant in the last 3 years.
8. No other conflicts of interest.

If you're interested in becoming a DEP-approved qualified contractor, please review the invitations for bid (IFB) below:

Air Quality

https://www.emarketplace.state.pa.us/Solicitations.aspx?SID=6100062192

Earth Disturbance

https://www.emarketplace.state.pa.us/Solicitations.aspx?SID=6100062194

Individual Water Obstruction and Encroachment

https://www.emarketplace.state.pa.us/Solicitations.aspx?SID=6100062193

Dam Safety

https://www.emarketplace.state.pa.us/Solicitations.aspx?SID=6100061926

For more information/questions, reach out to DEP's contact: Brian Franklin: bfranklin@pa.gov.

THANK YOU TO OUR 2024 PIOGA PARTNERS

PIOGA® Pennsylvania Independent Oil & Gas Association

PARTNERS 2024

KEYSTONE PARTNERS

American Refining Group, Inc.® Refine everything.™

ERGON® a company that works™

EXECUTIVE PARTNERS

Huntley & Huntley — Petroleum & Natural Gas Exploration — Established 1912

Kriebel Energy — Developing Resources Sharing Successes

Penneco Environmental Solutions, LLC

Snyder Brothers Inc. — Snyder — Kittanning, PA

MEETING PARTNERS

Babst Calland — Attorneys at Law

Steptoe & Johnson PLLC

T&F Exploration

GOLF PARTNERS

BLX — Independent Producer of Natural Gas

Billman Geologic

igsenergy

Pipeliners Union 798 United Association

Energy Transfer

GES®

ShalePro Energy Services

CLAY SHOOT PARTNERS

CEC — Civil & Environmental Consultants, Inc.

Cleveland Brothers CAT

GES®

Patriot Exploration Corporation

COMMITTEE/PIOGAtech PARTNERS

Moody and Associates, Inc. — Groundwater and Environmental Professionals Since 1891

NETWORKING PARTNERS

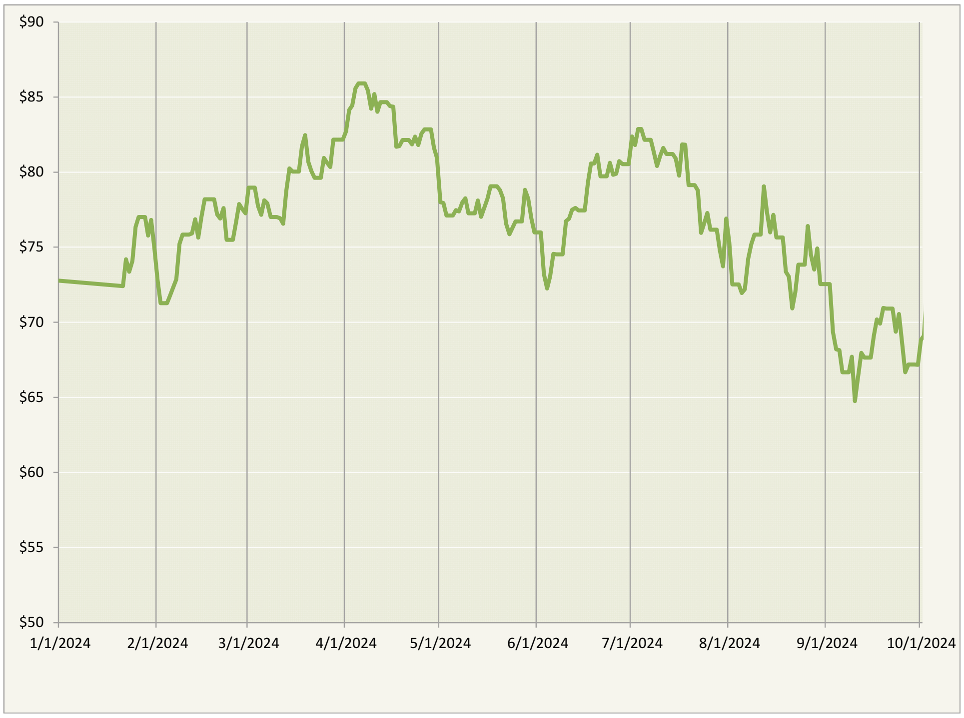
Gmerek Government Relations, Inc.

Greylock Energy

Kinder Morgan

Oil & Gas Dashboard

Penn Grade Crude Oil Prices



Sources

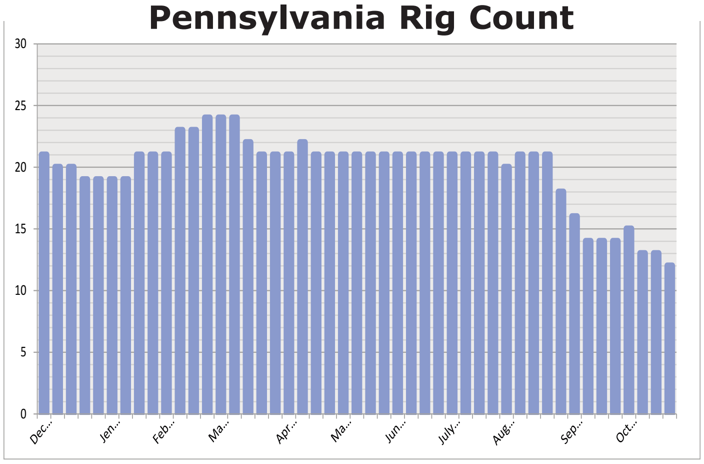
American Refining Group: www.amref.com/Crude-Prices-New.aspx
Ergon Oil Purchasing: www.ergon.com/crudeoil
Gas futures: quotes.ino.com/exchanges/?r=NYMEX_NG
Baker Hughes rig count: bakerhughesrig-count.gcs-web.com/na-rig-count
NYMEX strip chart: Mid American Natural Resources
Basis futures values: BHE Eastern Energy Field Services

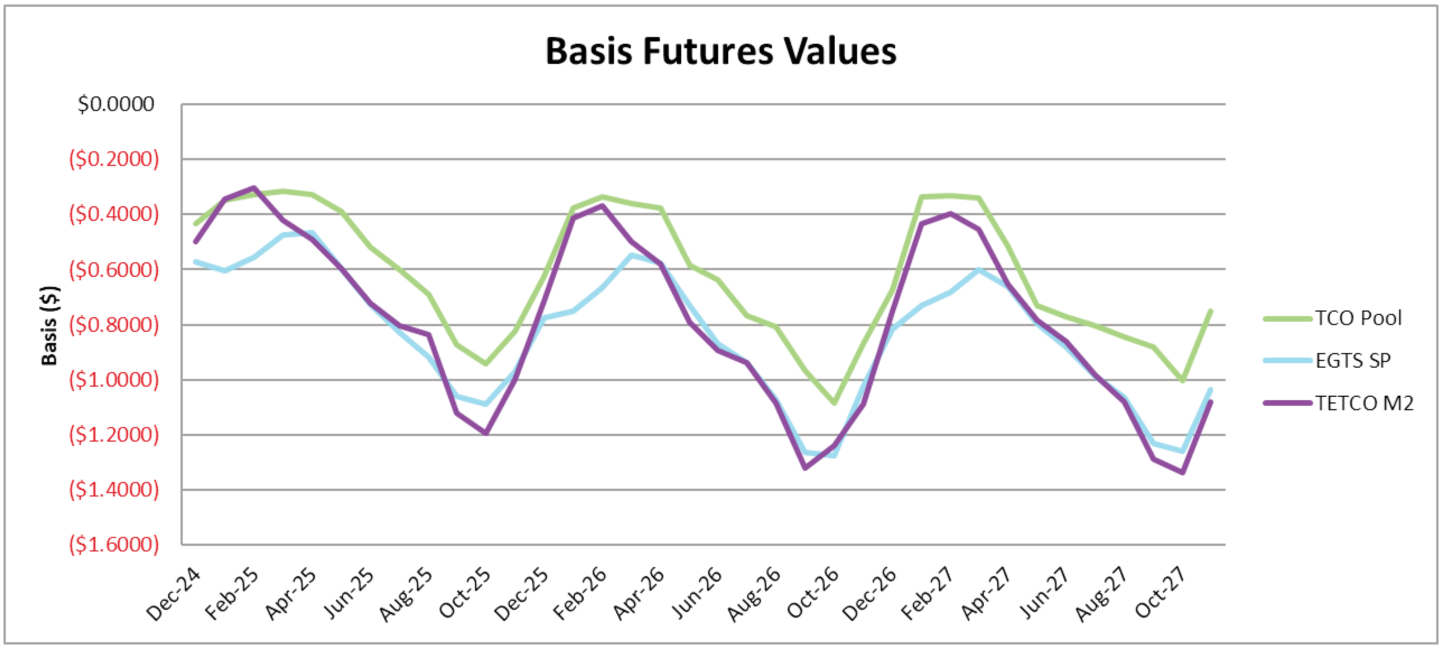
Natural Gas Futures Closing Prices

December 2024	2.693
January 2025	2.948
February 2025	2.854
March	2.630
April	2.603
May	2.703
June	2.862
July	3.036
August	3.080
September	3.063

Prices as of Nov. 8, 2024

Pennsylvania Rig Count

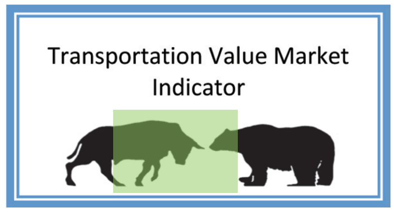




Northeast Pricing Report — November 2024

As of early November 2024, natural gas prices in the U.S. have seen some fluctuations. The Henry Hub spot price, recently rose to $1.94 per MMBtu. However, the futures market shows a slight decrease, with the December 2024 contract price dropping to $2.845 per MMBtu1. Overall, prices have been influenced by factors such as mild weather, which has dampened demand, and regional variations, with some areas like Northern California experiencing higher prices due to maintenance on gas transmission paths. Domestic production is anticipated to remain relatively flat, which will contribute to the upward pressure on prices. Overall, while prices are expected to rise, they will still be influenced by various factors, including weather patterns, production levels, and global market dynamics.

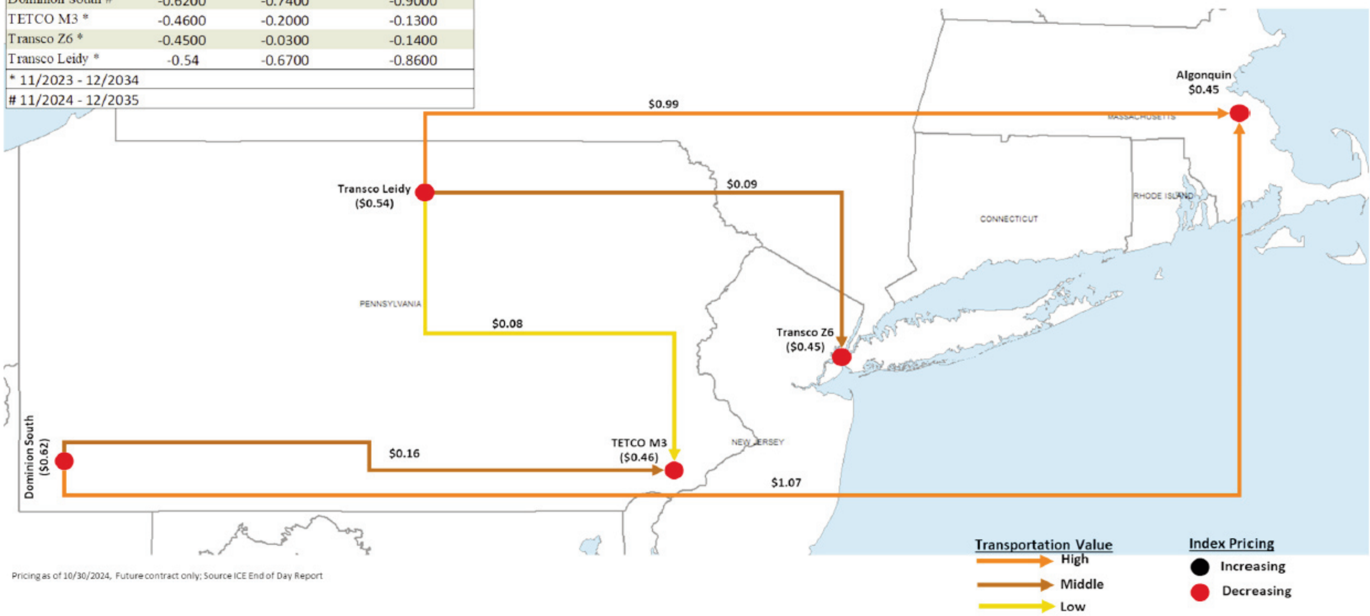
Transportation routes all increased from October. Dominion South and Transco Leidy to Algonquin increased by $0.67 and $0.59 per MMBtu. Dominion South to TETCO M3 increased $0.13 per MMBtu. All the other transportation routes increased slightly.



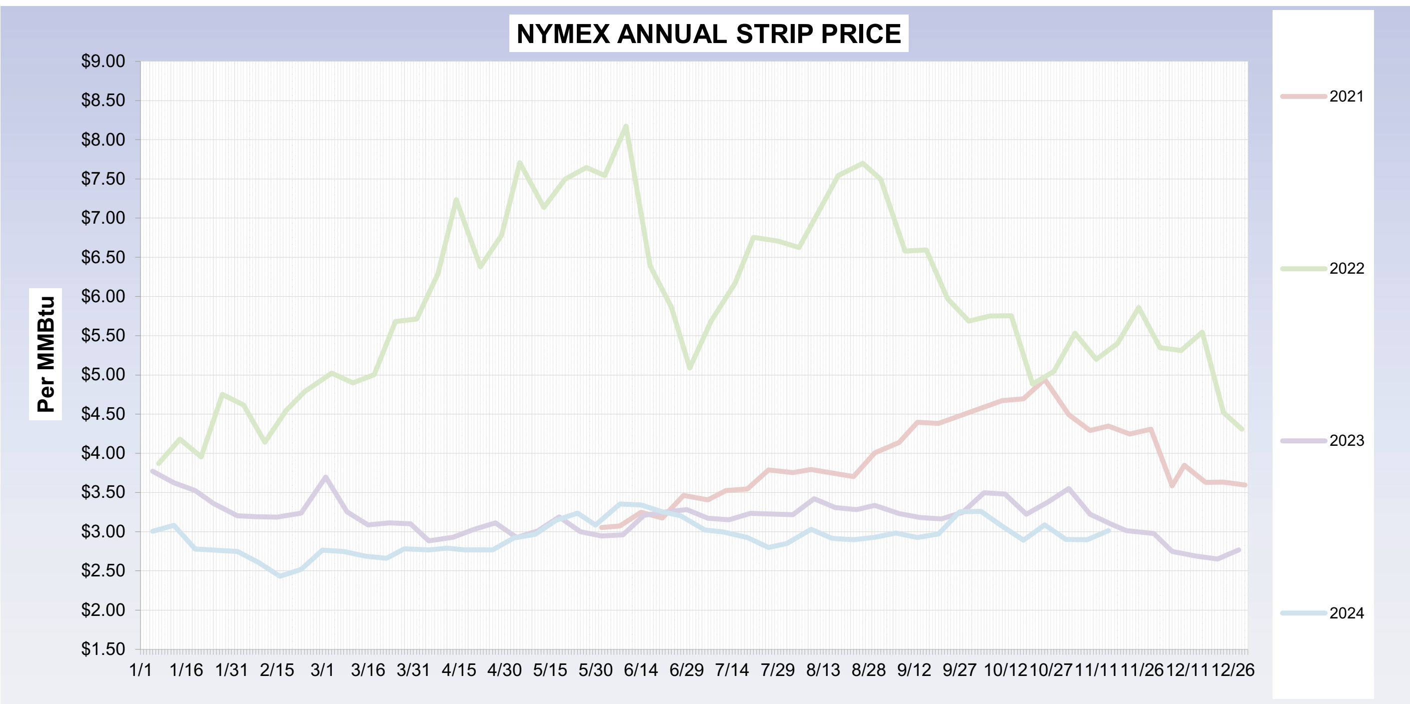
Provided by Bertison-George, LLC
www.bertison-george.com

Natural Gas Basis Future Pricing ($/MMBtu)

Location	Pricing Term 11/2024	11/2024-10/2025	11/2024-12/2029
Algonquin	0.4460	1.6900	1.8800
Dominion South #	-0.6200	-0.7400	-0.9000
TETCO M3 *	-0.4600	-0.2000	-0.1300
Transco Z6 *	-0.4500	-0.0300	-0.1400
Transco Leidy *	-0.54	-0.6700	-0.8600
* 11/2023 - 12/2034			
# 11/2024 - 12/2035			



Pricing as of 10/30/2024, Future contract only; Source ICE End of Day Report



Spud Report: October

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
Cameron Energy Co *	3	10/10/24	123-48867	Warren	Sheffield Twp
		10/16/24	123-48870	Warren	Sheffield Twp
		10/28/24	123-48923	Warren	Sheffield Twp
Chesapeake Appalachia	8	10/8/24	015-23944	Bradford	Monroe Twp
		10/8/24	015-23945	Bradford	Monroe Twp
		10/9/24	015-23940	Bradford	Monroe Twp
		10/9/24	015-23941	Bradford	Monroe Twp
		10/10/24	015-23942	Bradford	Monroe Twp
		10/10/24	015-23943	Bradford	Monroe Twp
		10/21/24	015-23938	Bradford	Overton Twp
		10/21/24	015-23939	Bradford	Overton Twp
CNX Gas Co LLC	4	10/21/24	125-29135	Washington	West Finley
		10/21/24	125-29136	Washington	West Finley
		10/21/24	125-29137	Washington	West Finley
		10/21/24	125-29138	Washington	West Finley
Curtis & Son Oil *		10/21/24	123-48963	Warren	Farmington
EQT Prod Co	9	10/21/24	059-28414	Greene	Gilmore Twp
		10/21/24	059-28346	Greene	Gilmore Twp
		10/21/24	059-28415	Greene	Gilmore Twp
		10/21/24	059-28416	Greene	Gilmore Twp
		10/21/24	059-28417	Greene	Gilmore Twp
		10/21/24	059-28410	Greene	Gilmore Twp
		10/21/24	059-28411	Greene	Gilmore Twp
		10/21/24	059-28412	Greene	Gilmore Twp
		10/21/24	059-28413	Greene	Gilmore Twp
Equitrans LP		10/7/24	059-28368	Greene	Center Twp
Howard Drilling Inc *	4	10/3/24	083-57661	McKean	Wetmore Twp
		10/14/24	083-57665	McKean	Wetmore Twp
		10/21/24	083-57670	McKean	Wetmore Twp
		10/24/24	083-57672	McKean	Wetmore Twp
INR Opr LLC	2	10/14/24	063-37559	Indiana	Young Twp
		10/14/24	063-37556	Indiana	Young Twp

Operator	Wells	Date	API#	County	Municipality
Jett Oil LLC *		10/3/24	123-49063	Warren	Pleasant Twp
Kylander Oil Inc.*	4	10/9/24	123-48972	Warren	Glade Twp
		10/17/24	123-48971	Warren	Glade Twp
		10/25/24	123-48970	Warren	Glade Twp
		10/31/24	123-48969	Warren	Glade Twp
Laurel Mountain Production	5	10/9/24	019-22968	Butler	Parker Twp
		10/9/24	019-22955	Butler	Parker Twp
		10/9/24	019-22965	Butler	Parker Twp
		10/9/24	019-22966	Butler	Parker Twp
		10/9/24	019-22967	Butler	Parker Twp
Mead Oil LLC *		10/1/24	123-48954	Warren	Mead Twp
Olympus Energy, LLC	2	10/2/24	129-29266	Westmoreland	Allegheny Twp
		10/2/24	129-29267	Westmoreland	Allegheny Twp
Range Resources	6	10/14/24	007-20662	Beaver	Independence
		10/14/24	007-20663	Beaver	Independence
		10/15/24	007-20664	Beaver	Independence
		10/16/24	125-29111	Washington	Smith Twp
		10/17/24	125-29112	Washington	Smith Twp
		10/21/24	125-29113	Washington	Smith Twp
Ristau Ricky J *	2	10/14/24	123-48975	Warren	Pleasant Twp
		10/23/24	123-48940	Warren	Pleasant Twp
Seneca Resources Co LLC	7	10/2/24	117-22253	Tioga	Delmar Twp
		10/2/24	117-22254	Tioga	Delmar Twp
		10/2/24	117-22255	Tioga	Delmar Twp
		10/2/24	117-22256	Tioga	Delmar Twp
		10/2/24	117-22257	Tioga	Delmar Twp
		10/2/24	117-22258	Tioga	Delmar Twp
		10/2/24	117-22233	Tioga	Delmar Twp
William Southwell & Son *		10/8/24	123-48910	Warren	Conewango

	Oct	Sept	August	July	June
Total Wells	**61**	**30**	**48**	**39**	**35**
Unconventional Gas	41	13	29	21	19
Conventional Gas	1	1	0	0	0
Oil	17	15	17	15	8
Combination Oil/Gas	1	1	2	3	7

New PIOGA members Welcome!

Eagle Up Drones, LLC
Brian Burke
12631 Forrest Drive. Edinboro, Pa. 16412-1273
Allies & Provider

Gasp Investments, LLC
Mark Fry
305 Cush Creek Rd. Cherry Tree, Pa 15724
Allies & Provider

Calendar

PIOGA events

Information: www.pioga.org > PIOGA Events

PIOGA's Holiday Membership Party
December 11. The Chadwick. Wexford, Pa.

PIOGA's 2024 Oil & Natural Gas Accounting & Tax Seminar
December 16. Virtual

PIOGATech: Air Quality
December 17th. The Chadwick. Wexford, Pa.

Other events

Renewable Natural Gas Conference
December 9 - 12
(https://pioga.org/event/renewable-natural-gas-conference/)

17th Annual National Aboveground Storage Tank Conference & Trade Show
December 10 - 12
(https://pioga.org/event/17th-annual-national-aboveground-storage-tank-conference-trade-show/)

2025 NAPE Summit
February 5
(https://pioga.org/event/2025-nape-summit/)

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.

PIOGA Board of Directors

Michael Hillebrand (Chairman), Huntley & Huntley, LLC
Ben Wallace (Vice Chairman), Penneco Oil Company, Inc.
Frank J. Ross (2nd Vice Chairman), T&F Exploration, LP
James Kriebel (Treasurer), Kriebel Energy LLC
Sam Fragale (Secretary), SEF Consulting, LLC
Gary Slagel (Past-Chairman), Steptoe & Johnson, PLLC.
Ben Jezonik, Ergon
Robert Beatty Jr., Coolspring Gas & Oil Co., LLC
Stanley J. Berdell, BLX, Inc.
Dan Billman, Billman Geologic Consultants, Inc.
Brad Little, Penn View Exploration, Inc.
Brian Bittinger, Bittinger Drilling, LLC / D&B Gas Production, LLC
Mark Cline, Cline Oil Company
David Cook, American Refining Group, Inc.
Carrie Crumpton, CNX Resources Corp.
Charlie Frantz, CSR Services.
Daniel Frick, Diversified Energy Company PLC
David Hill, Hill Drilling
Deana Stephens, Steptoe & Johnson PLCC
Paul Castelnovo, WGM Gas Company Inc.
Paul Kanouff, Civil & Environmental Consultants, Inc.
Bruce King, Greylock Energy
Joe O'Donnell, IGS Energy, Inc.
Len Paugh, Long Ridge Energy & Power
Gene Pietrowski, BlackRock Resources, LLC
Sean Brake, ShalePro Energy Services
Jake Stilley, Patriot Exploration Corporation
Bryan Snyder, Snyder Brothers, Inc.
Jeff Walentosky, Moody and Associates, Inc.

Committee Chairs

Diversity Committee
- Deana Stephens, Steptoe & Johnson PLLC
- Whitney Nightingale, Steptoe & Johnson PLLC

Environmental Committee
- Paul Kanouff, Civil & Environmental Consultants, Inc.
- Angelo Albanese, CNX Resources Corp.

Legislative Committee
- Ben Wallace, Penneco Oil Company

Market Development Committee
- Gene Pietrowski, BlackRock Resources, LLC.
- Joseph O'Donnell, Eastern Energy Field Services, Inc.

Safety Committee
- Wayne Vanderhoof, RJR Safety, Inc.
- Eric Staul, Diversified Energy Company PLC

Tax Committee
- Woodrow Morris, CPA, Schneider Downs & Co., Inc.

Membership Committee
- Donald Zuch, Fusilier Resources, LLC.
- Jeff Walentosky, Moody and Associates, Inc.

Staff

Dan Weaver (dan@pioga.org), President & Executive Director
Todd Pappasergi (todd@pioga.org), Vice President & General Counsel
Debbie Oyler (debbie@pioga.org), Director of Member Services and Finance
Meghan Keely (meghan@pioga.org), Director of Communications (also newsletter advertising & editorial contact)
Deana McMahan (deana@pioga.org), Director of Administration and Committee Liaison

Pennsylvania Independent Oil & Gas Association

100 Allegheny Drive, Suite 104. Warrendale, PA 15086
724-933-7306 • www.pioga.org

Oil Region Office (Meghan Keely)
304 East Bissell Ave., Oil City, PA 16301
814-671-2484

PIOGA®
Pennsylvania Independent Oil & Gas Association
Pennsylvania: The Keystone to America's Energy Future®

100 Allegheny Drive, Suite 104
Warrendale, PA 15086

Address Service Requested

PRESORTED
STANDARD
U.S. POSTAGE PAID
PITTSBURGH, PA
15290
PERMIT NO. 1211