



Senate Environmental Resources and Energy Committee

Senator Mary Jo White
Chairman

Adam Pankake, Executive Director

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April 13, 2011

Ms. Pamela Bush, Esquire
Commission Secretary and Assistant General Counsel
Delaware River Basin Commission
P.O. Box 7360
25 State Police Drive
West Trenton, NJ 08628-0360

Dear Ms. Bush:

I write to express my concern with the Delaware River Basin Commission's proposed amendments to the Water Quality Regulations, Water Code and Comprehensive Plan concerning natural gas development projects. The goal should be to provide proper safeguards for protecting our environment without burdening the industry with new, draconian rules.

The Marcellus Shale natural gas play has offered Pennsylvania an economic and clean energy opportunity. Natural gas benefits the state's landowners and employees, particularly in these troubled economic times. With rapidly increasing oil prices, there is no better time to safely extract and mold a clean domestic source of energy. Marcellus natural gas can assist the state and nation in acquiring energy security and dramatically decrease our dependence on foreign resources.

The proposed regulations include well pad siting requirements, design and well construction and operation procedures, all of which are currently regulated under the statutory authority of the Pennsylvania Department of Environmental Protection. Pennsylvania has a long history of oil and gas development and has the resources to properly regulate this aspect of development.

The proposed regulations have a number of flaws. For example, the regulations mandate the project sponsor to obtain a Natural Gas Development Plan. Under Section 7.5 (c), the NGDP requires an array of studies and maps which are intended to "*identify foreseeable natural gas development in a defined geographic area, facilitate analysis of potential water resource impacts and identify measures to minimize these impacts.*" While I understand the intent, I disagree with the assumption that this information is readily available. There are a vast array of variables which play into a development plan, including the available capital and current price of natural gas. This future planning provision has the ability to impede the development in taking the most appropriate, cost effective and environmentally friendly path.

Furthermore, the regulations would require the project sponsor to provide a bond of \$125,000 per gas well. I agree the current state bonding levels for oil and gas wells are low, but this bond amount is extremely high and would tie up a substantial amount of capital.

I urge the commission to reconsider the proposed regulations and focus on managing water resources within the basin. Duplicative and overlapping environmental regulations with the Pennsylvania DEP will only create confusion and hinder already strong, consistent enforcement. Thank you for your consideration of my views.

Sincerely,

A handwritten signature in black ink that reads "Mary Jo White". The signature is written in a cursive, flowing style.

Mary Jo White, Chair
Senate Environmental Resources & Energy Committee