

To: Senate Majority Policy Committee
Senator John Pippy, Chairman

My name is David Reese. I am the Chairman of the Penn Township Supervisors. During my testimony I plan to provide the committee with information concerning gas well drilling in Penn Township. The areas of my testimony will be road maintenance, visual and environment impacts of drilling, and gas company relations with the township and the residents with wells being drilled on or near to their property. Before beginning my testimony I should state that Chief Oil and Gas representatives have told me on numerous occasions that I will be part of the Barto Gas Well Unit. I live approximately 700 yards from the drill site and my property line is approximately 100 yards from the drill site.

Penn Township is a rural township in the eastern part of Lycoming County. The population of the township was listed at 900 in the 2000 census. The township is approximately fifty percent zoned agriculture. The remaining area is zoned countryside living with a few small sections of resource protected.

There are three main roads in Penn Township that are maintained by Pen Dot, Beaver Lake Road, Green Valley Road and Beaver Run Road. During the drilling and fracking process the main road into all of the sites has been the Beaver Lake Road. The amount of travel by heavy trucks is far greater than ever before. That has resulted in the Beaver Lake Road pavement breaking up and the road is very rough. Pen Dot has attempted to improve the bad sections, but the result is that sections of Beaver Lake Road are now dirt roads.

Penn Township maintains 53 miles of roads. Approximately 15 to 20 miles of the township roads are paved. The remaining roads vary in development from dirt roads to oiled and chipped roads. The gas company, Chief Oil and Gas, uses short sections of Township roads to arrive at the drill sites. Township roads were not constructed to handle the volume or weight of the traffic. Those roads that are paved have broken up in patches. Dirt roads and oiled and chipped roads have become rough. At the March public township meeting our road master stated that Chief Oil and Gas has repaired all of the main damage to our roads at their cost. This entire process of drilling and fracking wells may last quite a few years. If Chief Oil and Gas continues as they have in maintaining our roads and if we have the same cooperation with other companies the township will not be left with a large bill to repair the roads.

Even though there are only four active sites at the present, I believe that there are plans for many sites in the Township, not only by Chief Oil and Gas, but other gas companies. Thus over the next years there may be a lot of gas drilling activity in Penn Township. So over the winter the township adopted a weight limit for our roads. The road master has been instructed to install weight limit signs and develop procedures to notify companies of our weight limits.

My second area of testimony will be visual and environmental impact of drilling. In developing a well site a flat area of a few acres is established. A lot of ground is moved from one side of a slope to the down slope side. This land is covered with shale and gravel and packed hard to support the weight of the heavy equipment needed for drilling. At the completion of drilling I have read that the site is to be returned to the original slope with only the well head showing. Although we have not arrived at that stage in our township, I believe that a site needs to be returned to as close as possible to the original condition.

In order to frack a well a large quantity of water is needed. All of that water has been trucked into the township. This water trucking has been a large reason why our roads have broken up. This water is then stored in a pond that has been lined with plastic. At the

completion of the drilling in our area when these ponds are no longer needed there should be some set procedures for re-grading the ponds to the original slope or maintain them as farm ponds for the property owners.

An environmental concern of residents in our township is what will happen to the large quantity of water used in fracking the wells. I have heard that the water will be trucked to a treatment facility. My question is how long it will remain on site before being trucked away, and how much over capacity is built into the pond so that there will not be an overflow.

I live within 700 yards of a drill site and I can attest to the noise of drilling and fracking a well. I can state that it is no louder than a large tractor plowing in those fields.

Finally I would like to address the issue of how the gas company has dealt with the township and residents of the township. As stated earlier in dealing with our roads Chief Oil and Gas has been very cooperative and they have had repairs done to our roads at their expense.

All property owners who have drilling done on their land are pleased that the drilling is being done on their land and recognize that they may substantially gain financially. They have stated that the only thing that Chief Oil and Gas could do is communicate with them more about what is happening on their land.

Personally in my dealings with Chief Oil and Gas field representatives the meetings have been cordial and friendly. Every other property owner that I have talked to has also stated that their meetings have also been cordial and friendly. For those property owners who are along side of a well being drilled it seems that the gas company makes the decision as to whether that property owner is in the Unit for the well. Therefore the meetings are friendly because the rules concerning the size of a unit around a well are all in favor of the gas company. The only choice that a small farmer or property owner has is to sign or not sign the addendum lease forms. If they do not sign the additional forms the small farmer or property owner may jeopardize the opportunity to be part of the unit. Some property owners have reported that they were told if they did not sign the additional forms they were not being included in the unit.

I believe that gas companies have the right to decide where their wells should be. They are the ones that are investing large sums of money to drill the wells and extract the gas. But the decision as to how large and which small farmers or property owners are included in the unit should not be the decision of the gas company. In deciding a Unit there should be some rules and regulations set forth by the state to protect small farmers and property owners near a well, especially if the statement 'if you don't sign you will not be part of the unit' is true.

Finally I would like to take this opportunity to thank the Committee for allowing me to testify. I appreciate their concern for how gas drilling is effecting and will affect the small rural areas of north central Pennsylvania. I believe that by all of us, state and local governments, property owners, and gas companies, working together, the gas drilling in our area will have a beneficial effect on our communities.

Respectfully submitted:

David Reese, Chairman of the Penn Township Supervisors



Barto Well Compressor station and well site



Barto Well Pond



Kensinger Well