

I am here today to speak from the perspective of a small independent producer. My husband and I have a lease on the National Forest, but we also have a contracting business to drill and frac for others and have worked extensively both inside the national forest and on private land for the past 35 years. So we have been around a long time in the oil field. Our sons are now involved and we hope to be able to turn the business over to them some day.

Small independent operators tend to do small projects over a long period of time, often over the operators whole working life. They tend to use their own resources to develop their leases, not money from outside investors. The amount of work they do is influenced by the price of oil & gas, however since they are here to stay, not just for a current boom time, they generally take good care of their leases and continue to produce their wells in both good and bad economies.

We have always had a very good working relationship with both the National Forest Service and the DEP. Most operators try their best to do a good job of protecting the environment. Not only because fines can be costly, but mostly because they love the land that they spend so much time working in. One of the reasons that we bought our lease on the National Forest is because it is a beautiful place to work. We care very deeply for the environment. The DEP has very stringent rules and they are good at enforcing them. The Forest Service does not need to duplicate the DEP's efforts. They should be allowed to focus their time and energy on what they are so good at, not duplicate the responsibilities of the DEP.

If someone tells you that the environment is being destroyed on the ANF, they don't know what they are talking about. Do you know about the early days in both oil & gas and timbering, when there were no rules and regulations? Pictures of the area before the National Forest was formed, show how almost all the land had been clear-cut for timber and it looked like a waste land. If you go there now it is just beautiful, the areas that had been cut are much more vibrant than the old growth areas that feel dead, with almost no wild life in them. The Forest Service has done a good job managing our beautiful forest. If you have been to Drake Well Museum in Titusville you should know that Oil Creek caught fire in the early days because there was so much oil spilled, now it's a State Park with a beautiful bike trail along the creek that we biked with our children many times when they were growing up. You see people fishing and canoeing and it is hard to see the evidence of the early oil endeavors. I am not saying that it isn't important to protect the environment, only that people don't know what they are talking about if they say that the careful methods that are used now, are in some way causing irreparable damage to the Allegheny National Forest.

The next point that I want to make is that there are in reality three different oil & gas fields in this area. The Shallow field, the deeper Medina field, and the new one that is getting so much attention, the Marcellus Shale field. The overwhelming majority of the wells on the Allegheny National Forest are shallow wells. They are usually drilled to a depth of 1,500 – 2,000', opposed to the deeper Medina wells and the unconventional Marcellus field which may not turn out to be a big player in the ANF.

These three fields are very different. The methods of drilling and completion are very different. It doesn't make sense to have a one size fits all policy. We don't need a size 14 shoe for a size 8 footprint. In the shallow field it isn't necessary to have large drill sites and major road building.

The wells in the shallow field tend to have a relatively low output, but it lasts for a very long time. On our lease the older wells seem to blend into the forest and you just may miss seeing them. On the shallow lease next to ours that was developed just a couple years ago, the well sites are twice as big as they need to be and the roads are like a boulevard. This is not necessary. The equipment is much smaller for shallow wells than in the Medina field. The regulations need to fit the application.

My next point is that this delay is causing great harm to the area economy. We have had to lay off 5 men, which is half our work force. We have never laid anyone off before and it was a hard decision to have to make. There have been a lot of people effected. Besides the drillers, service rig operators, rig hands, welders, cementers, loggers, dirt workers, seismic and frac companies, pumpers, engineers, geologists, surveyors, fuel companies, supply companies, manufacturers of heavy equipment, steel pipe, pump jacks, bits, safety equipment and other supplieswho directly are impacted by a stop in oil & gas activity, others, such as restaurants, retailers and manufacturers of boots, gloves, rainwear, work clothing, etc. are also impacted. It goes throughout the whole economy.

My last point is that we must use common sense. It doesn't make sense to have two agencies duplicating efforts, increasing the time frame and cost. It also doesn't make sense that what works on other forests, with a much different history, much different oil & gas field, and much different ownership makeup, will be the best thing for our forest. Pennsylvania can regulate the private property mineral rights of Pennsylvanians. It is working in the rest of the Commonwealth. Another thing is the proposed severance tax on natural gas. POGAM had a very informative article in their Jan-Feb. edition of The Practical Operator which explains that what works in West Virginia doesn't work in PA for our conventional marginal gas producers. This tax could kill us. Please don't let it pass.

In conclusion, my greatest fear is that besides the regulations that make things take too long, this will also open us up to never ending lawsuits. If each well has to be advertised for comment and probable lawsuit by those who have nothing to lose because their lawyer fees are always paid, it will ultimately mean the taking of our private property rights. In our meetings with the Forest Service they have said that the option of not drilling is an illegal one, so it is not to be addressed, but if this course is taken I fear that that will end up being the result.

Respectfully submitted;

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