April 7, 2010

Hart Resource Technologies
Pennsylvania Brine Treatment
Marcellus Shale Water Treatment
HRT Management
Trained and Experienced

- Active members in:
  - West Penn Energy Association
  - Independent Oil and Gas Association
  - Pennsylvania Oil and Gas Association
  - Chairman of Environmental Committee (Paul Hart ‘99-’03)
  - Member of Marcellus Shale Coalition

- Management Team Members each have 20 years experience in the Oil and Gas Industry

- Three NPDES treatment facilities currently in operation
  - Creekside, PA
  - Josephine, PA (Blairsville)
  - Franklin, PA

- Successfully crystallized brine water 1986-1992
HRT CREEKSID, PA
Waste Water Capacity & Treatment at HRT/PBT Facilities
2008

Gallons per Day

Franklin
Josephine
Creekside

Unused
Used

Source: Hart Resource Technologies, Inc.
Untreated Brine and Frac Fluid
Treated Brine and Frac Fluid
Treated Sludge

LANDFILLED SLUDGE
Evaporization/Crystallization

- The Only Evaporization/Crystallization Unit Operated in the State to Remove Salt From Brine Fluids Operated From 1989 to 1994.
- The Plant Processed 30,000 Gallons/day of Water
- The Plant Produced 15 Tons of Salable Salt.
  - 99% Sodium Chloride
  - 1% Other Salts
- The Water was Extensively Pre-Treated Prior to The Evaporation/Crystallization Process
Cost of Water Disposal

New Technology

Disposal Wells

Centralized Treatment Facilities

$- $0.05 $0.10 $0.15 $0.20 $0.25 $0.30

Series 2
Series 1
HRT/PA Brine Facilities

Other Facilities

Source: Hart Resource Technologies, Inc.
The Commonwealth DOES have ability to assimilate additional Total Dissolved Solids (TDS)

- Monongahela River
- Tetra Tech NUS, Inc Study
- Chloride concentrations did not exceed PADEP and EPA water quality criteria
- The study also found that sulfates were most likely the result of mine drainage
Changes to Chapter 95 DOES NOT solve the problem

- DEP cites several studies on other river systems that are impacted by high TDS and sulfates.
- This problem should be addressed by concentrating on the clean-up of the existing AMD, rather than instituting a policy that targets manufacturing, mining, electric generation, and public water and wastewater facilities with end of pipe limitations.
Assimilative capacity does exist

- Chapter 93 provides for the use of assimilative capacity to calculate discharge criteria. The proposed changes to Chapter 95 prevents the use of assimilative capacity.
500 mg/l End of Pipe too Restrictive

- 500 mg/l is only attainable through the use of membrane, evaporation or crystallization technology
- A more suitable approach 500 mg/l in-stream
- 500 mg/l in-stream would
  - protect drinking water throughout the stream
  - protect aquatic life throughout the stream
500 mg/l End of Pipe too Restrictive
(Continued)

- DEP is currently reviewing Chapter 93 regulations
  - Creekside facility capacity would be decreased by 44%
  - Josephine facility capacity would be reduced by 78%
  - Franklin facility capacity would be reduced 30%

- Reduction of 245,000 gallons of fluid processed per day
Best available technology

- High energy demand for crystallization processes
- Increased emissions
- Economic Impact
- Time Frame for implementation of Chapter 95 is too short
Regulation Change is premature

- EPA’s National Secondary Drinking Water Regulations, Part 143.1 “the (secondary drinking water) regulations are not federally enforceable but are intended as guidelines for the States.” Therefore DEP does not need a state-wide treatment-based approach when the technology is not currently available and/or proven and the water quality data presented by DEP is limited to certain watersheds, not all State waters.