



April 7, 2010

**Hart Resource Technologies
Pennsylvania Brine Treatment
Marcellus Shale Water Treatment**

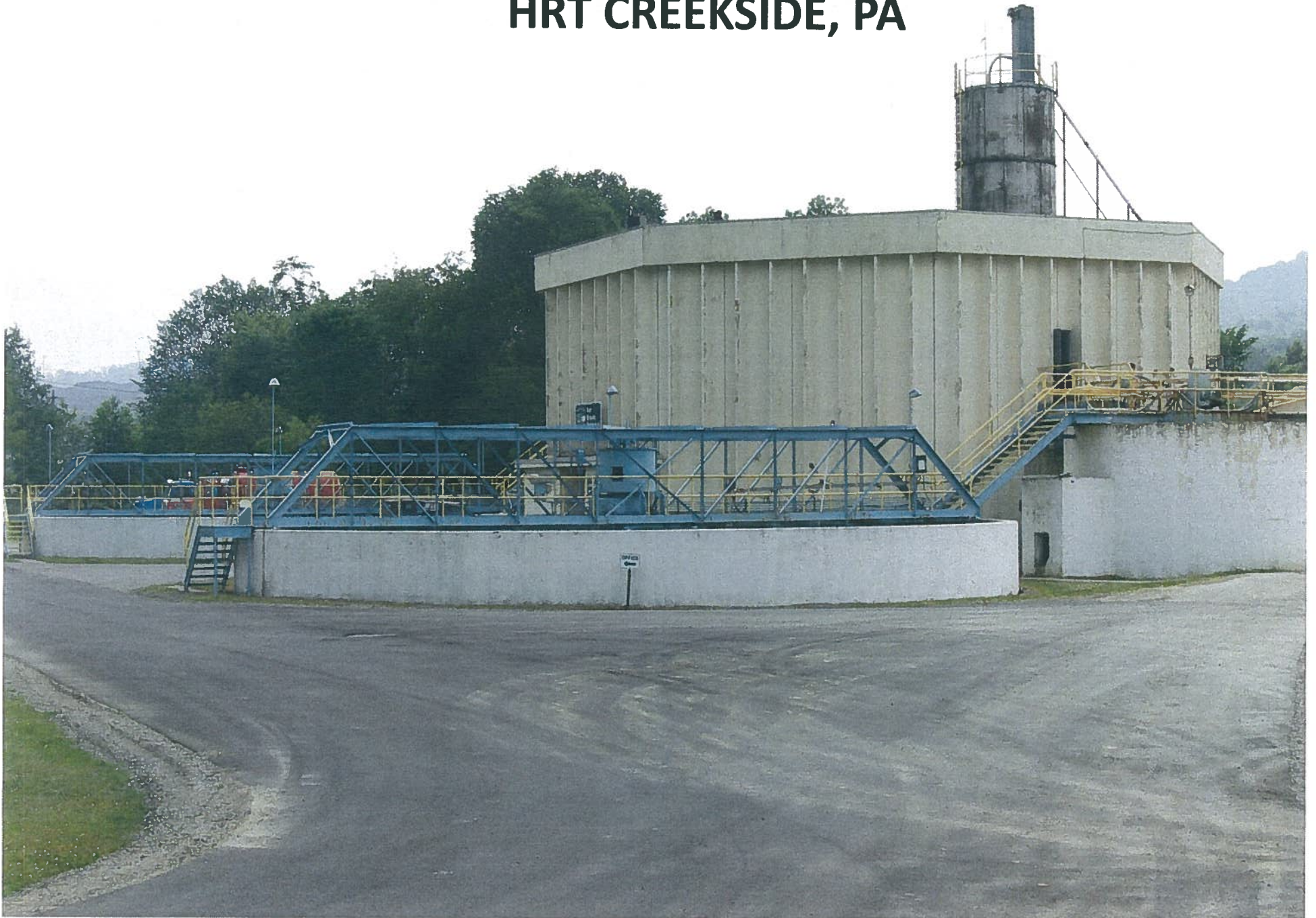
HRT Management

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 CREEKSIDE, PA



PA BRINE JOSEPHINE, PA

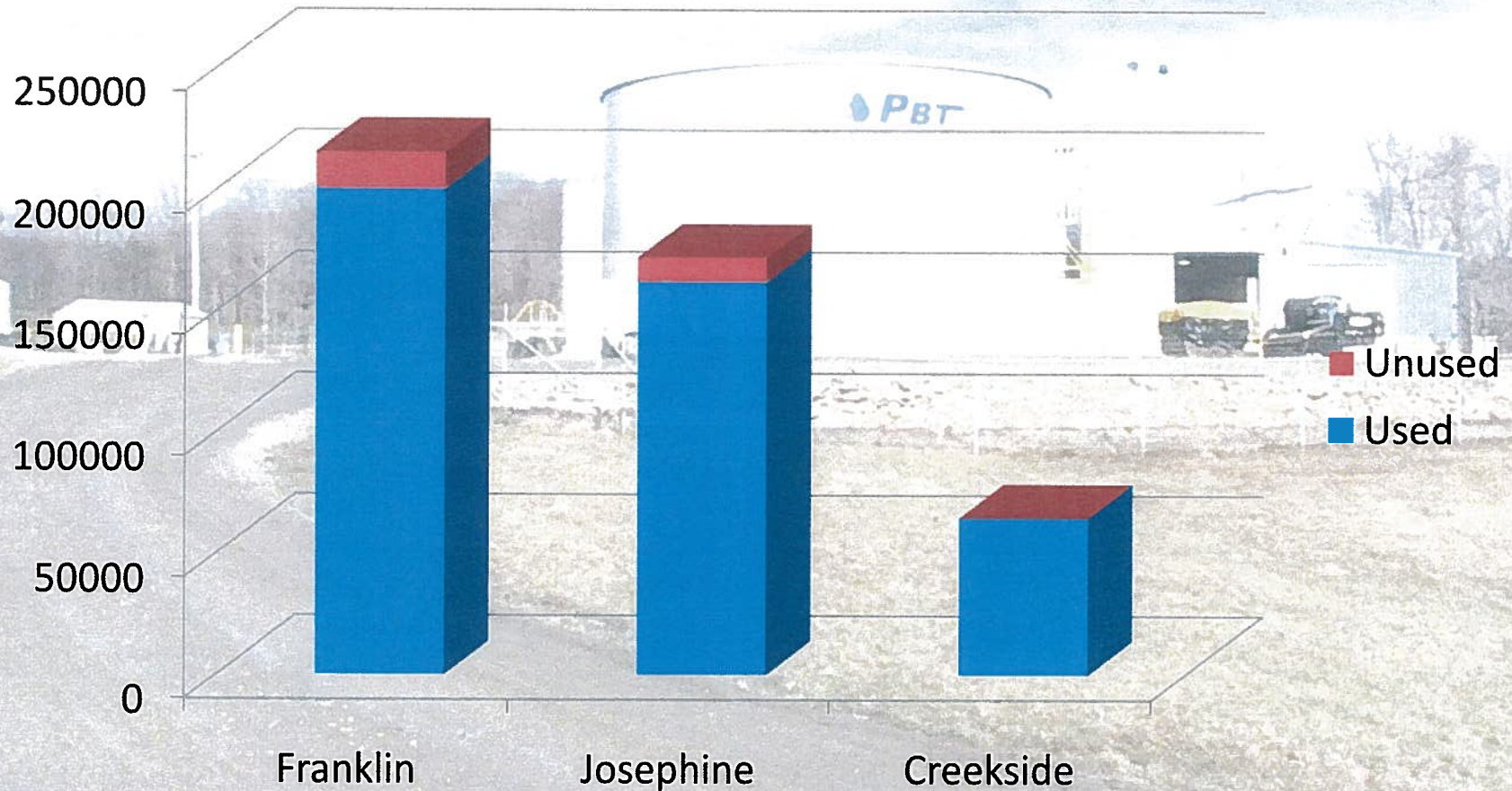


PA BRINE FRANKLIN, PA

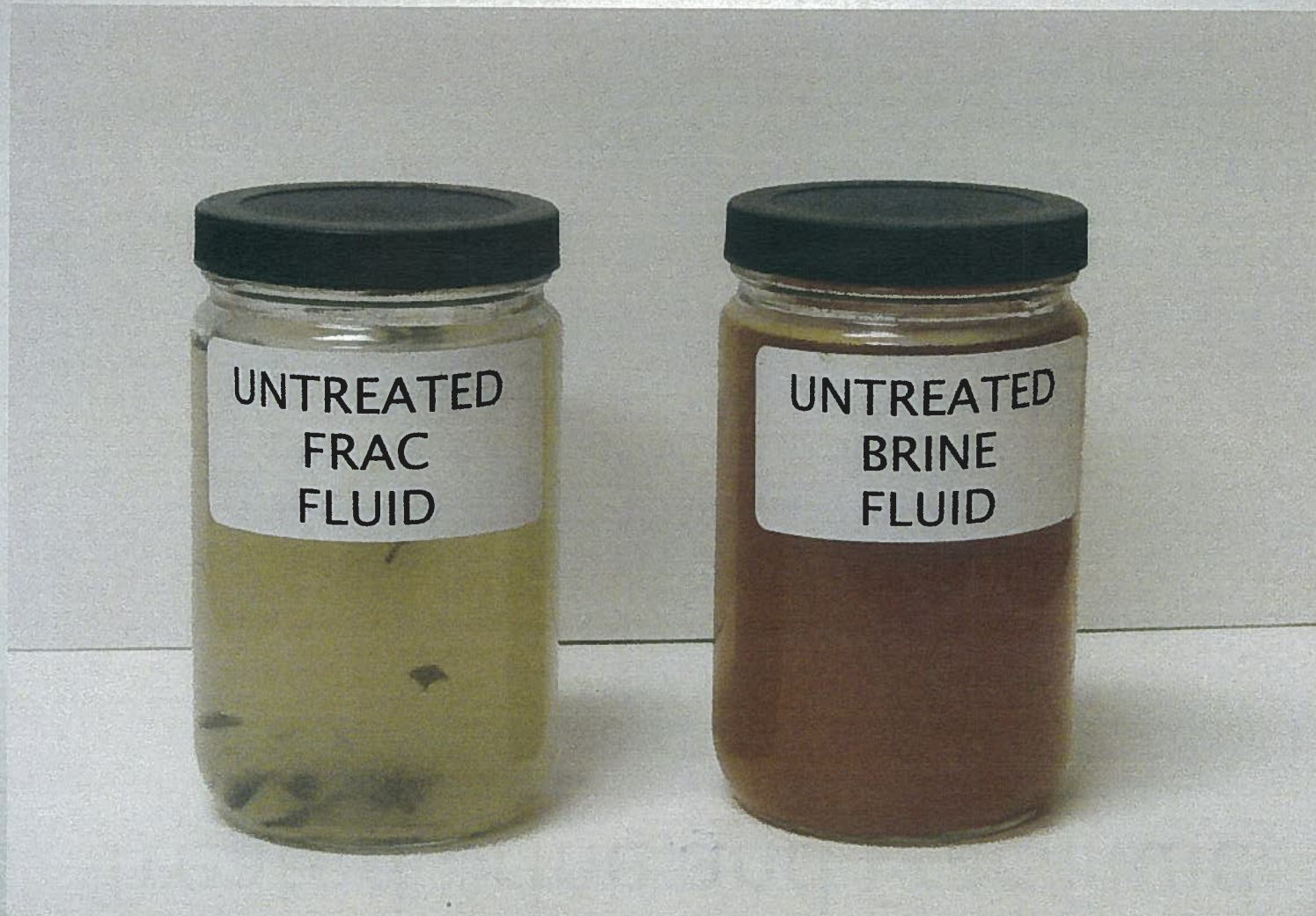


Waste Water Capacity & Treatment at HRT/PBT Facilities 2008

Gallons
per Day



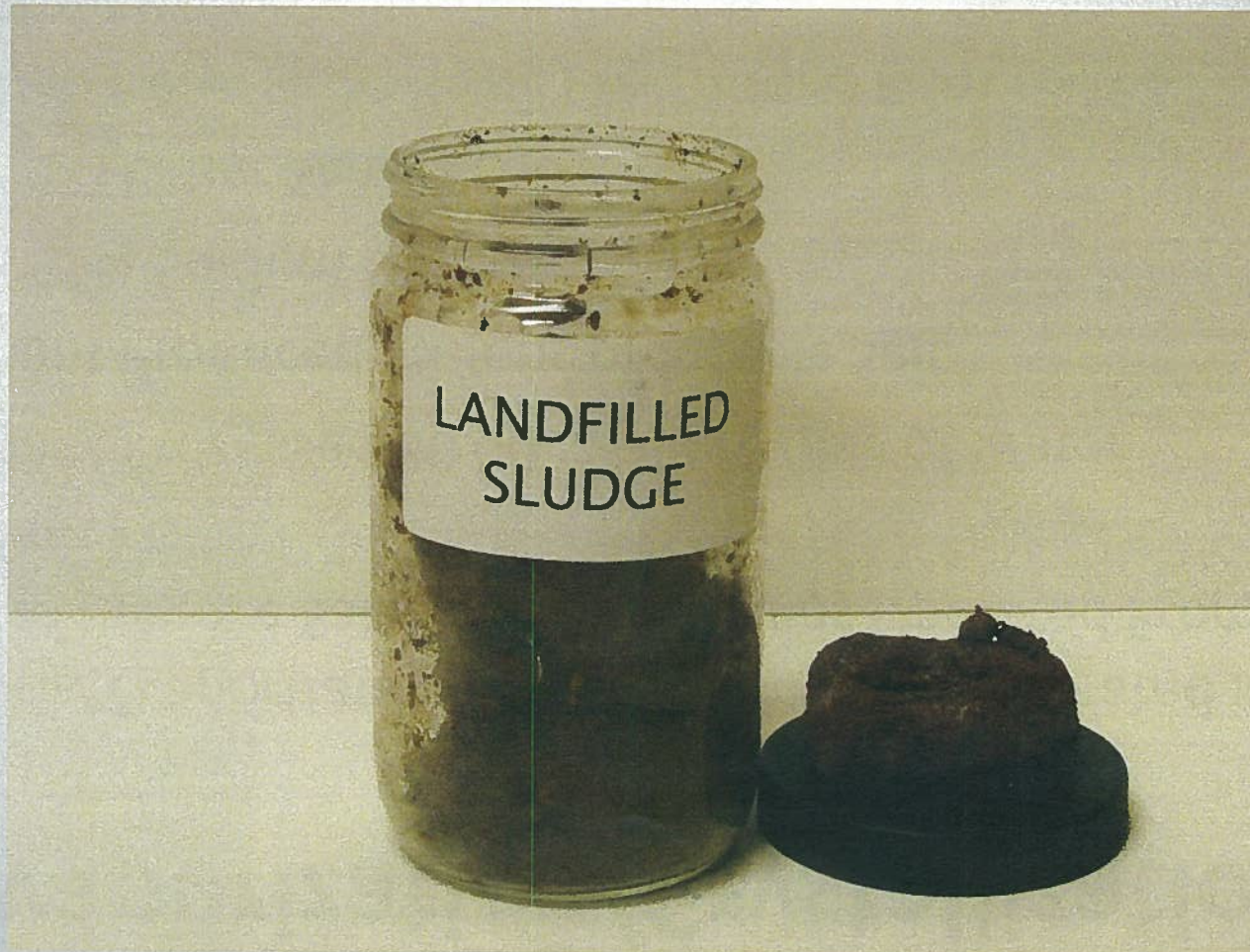
Untreated Brine and Frac Fluid



Treated Brine and Frac Fluid



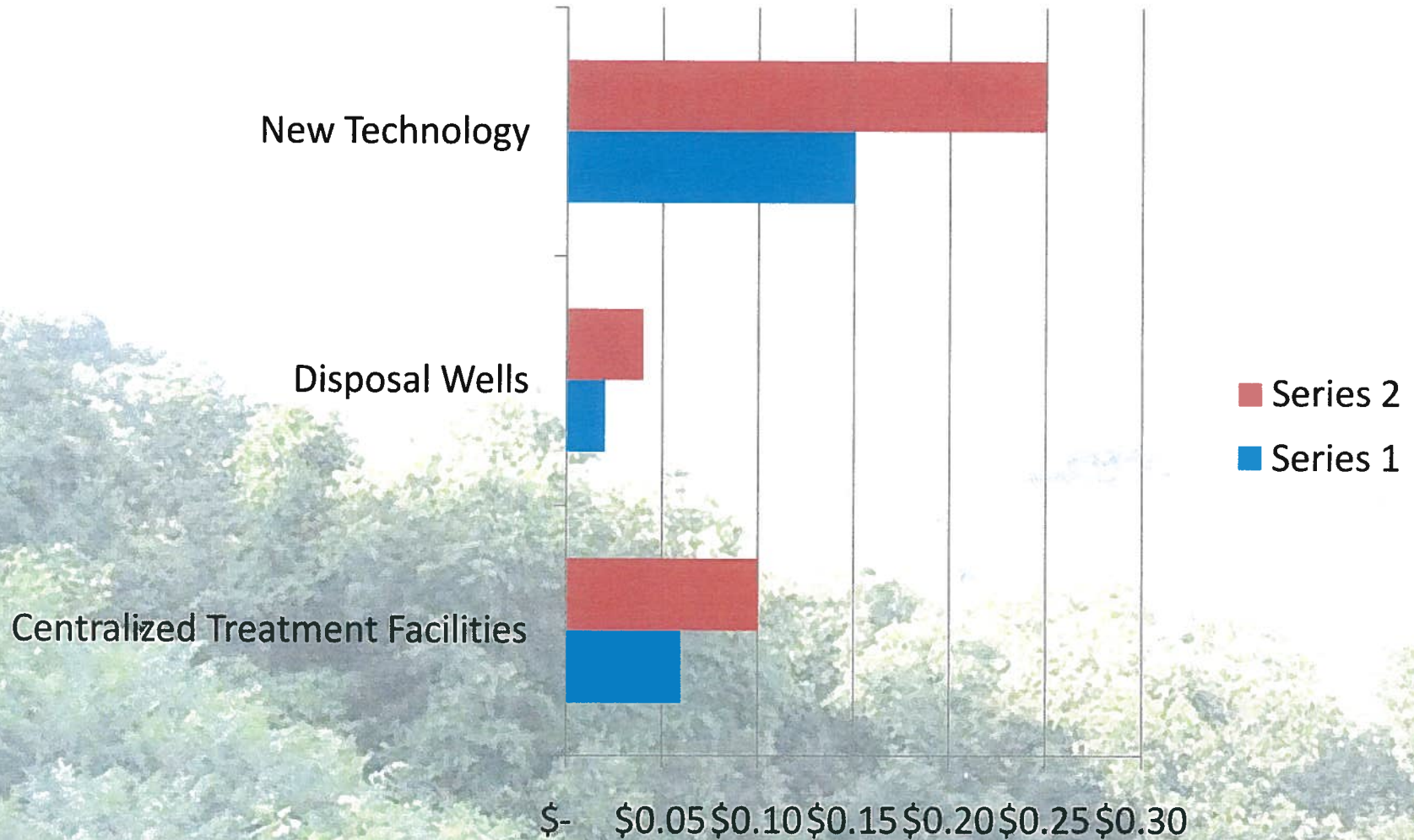
Treated Sludge



Evaporization/Crystallization

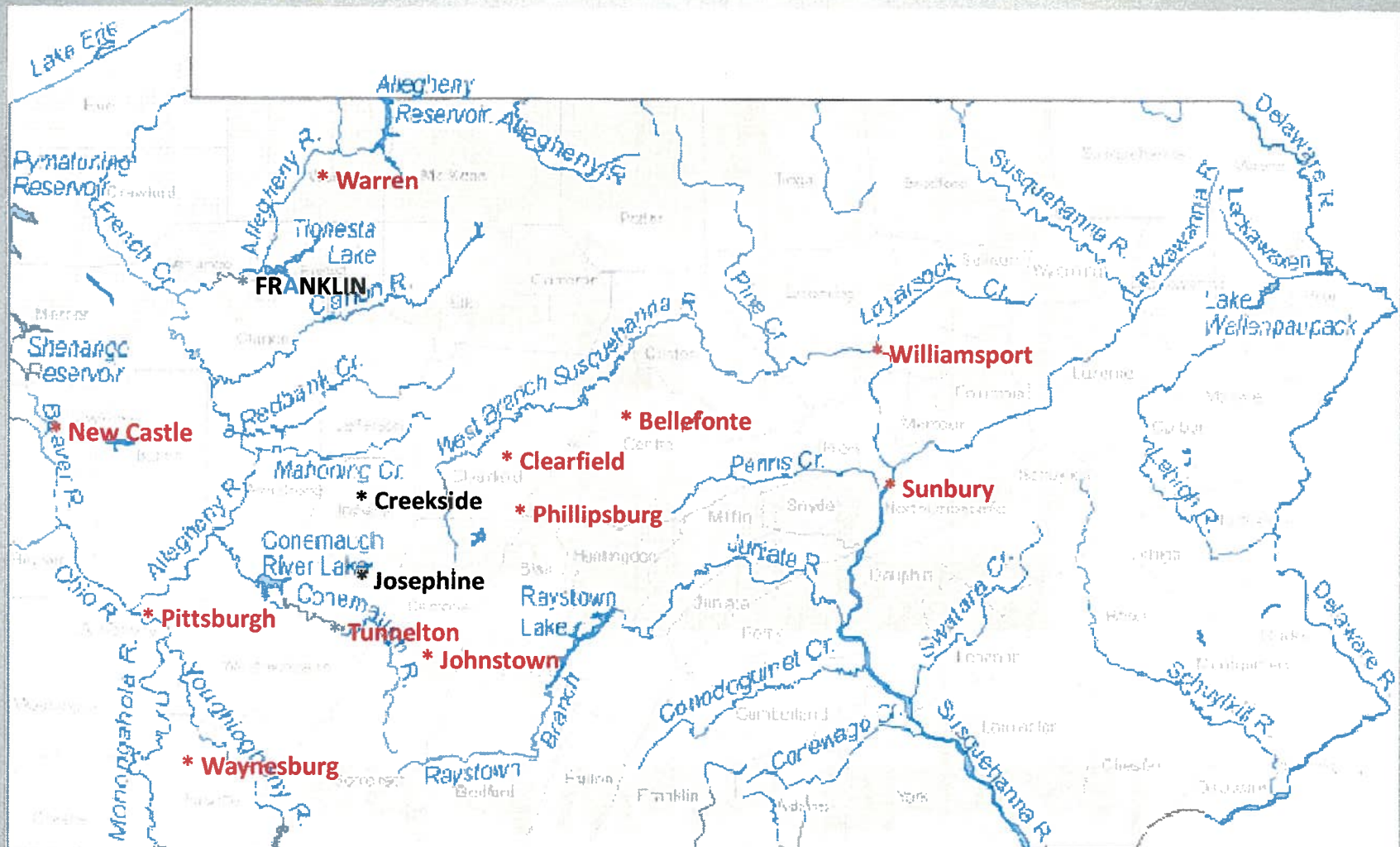
- The Only Evaporization/Crystallization Unit Operated in the State to Remove Salt From Brine Fluids Operated From 1989 to 1994.
- The Plant Processed 30,000 Gallons/day of Water
- The Plant Produced 15 Tons of Salable Salt.
 - 99% Sodium Chloride
 - 1% Other Salts
- The Water was Extensively Pre-Treated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

Cost of Water Disposal



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

A scenic view of a river flowing through a forested area with autumn foliage. The river is in the foreground, with white water rapids over rocks. The background shows a dense forest of trees with yellow and orange leaves, and a blue sky with light clouds.

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.

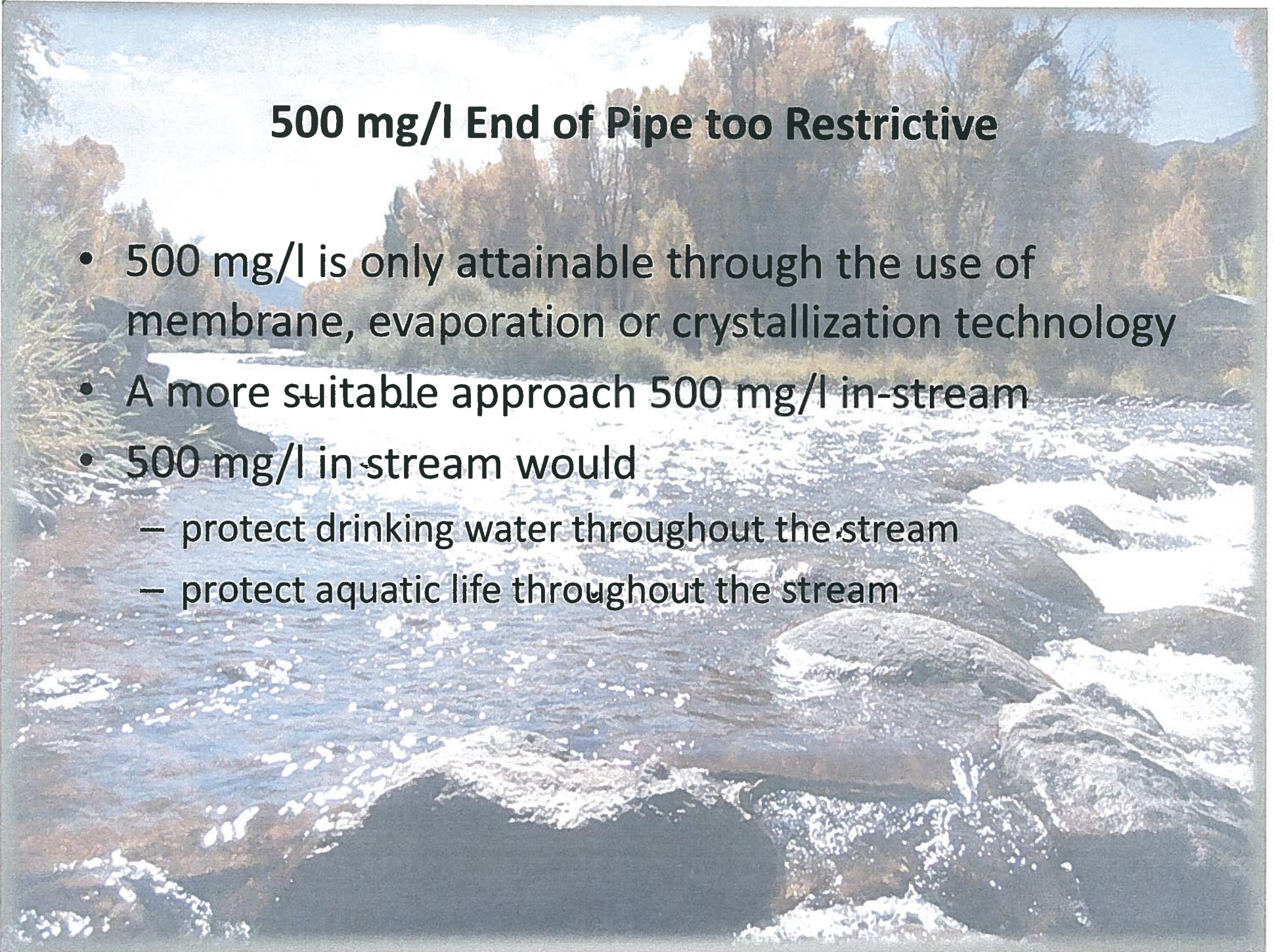


Assimilative capacity does exist

- 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**

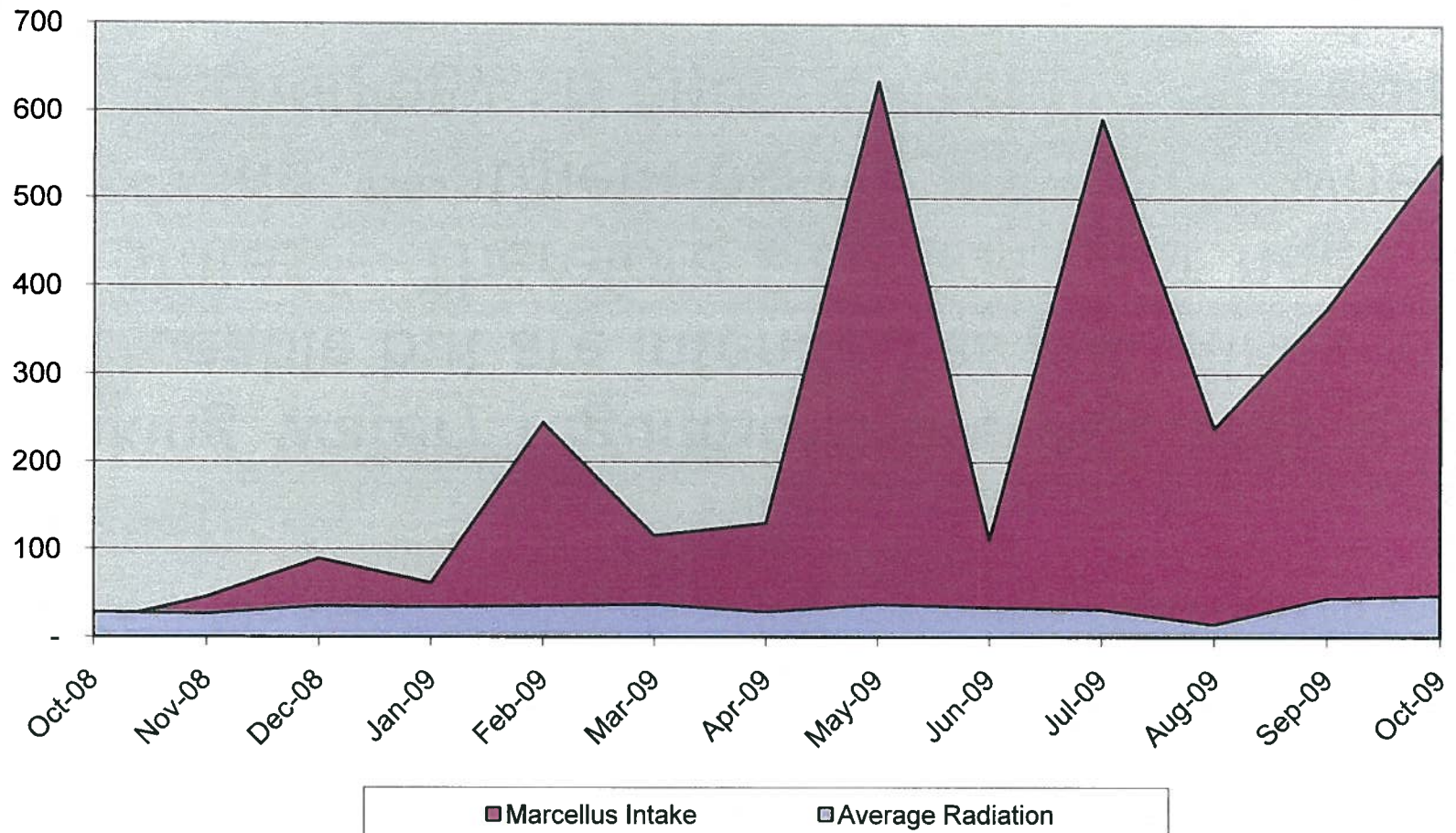


Regulation Change is premature

- 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.

NORM

Marcellus Intake vs. Radiation





Questions?

