HIGHLAND TOWNSHIP MUNICIPAL AUTHORITY

Kevin Moran, Chairman Ph. 837-6974 Bryan Punk, Vice Chairman Ph. 837-6369 Susan E. Swanson, Sec./Treas. Ph. 837-8011 P.O. Box 143, James City, PA 16734-0143 Elk County

MR. APPEALS BOAR

March 14, 2014

Environmental Appeals Board U.S. Environmental Protection Agency 1200 Pennsylvania Avenue N.W. Mail Code 1103M Washington, D.C. 20460-0001

Re: Appeal Request/Underground Injection Control Permit PAS2D025BELK/Seneca Resources
Corporation

To Whom it May Concern:

I received a call from today from the Environmental Appeals Board stating that they had received notice from the U.S. Environmental Protection Agency Region III, in Philadelphia, Pennsylvania, that the authority had submitted an appeal regarding the issuance of above mentioned permit to Seneca Resources.

The caller stated that the Washington, D.C. office had not received a copy of the letter. I informed the caller that I had mailed a copy of the appeal letter out to them on February 14, 2014, however when I checked my records, I found that I had mailed the letter on February 21, 2014.

The caller requested that I over-night a copy of the letter that I had mailed out so that it could be included in the appeals process.

With this letter, I am stating that I did mail a copy of the enclosed letter to the Environmental Appeals Board, U.S. Environmental Protection Agency, 1200 Pennsylvania Avenue N.W., Mail Code 1103M, Washington, D.C., on February 21, 2014. This letter is being over-nighted as requested by the caller.

Sincerely,

Susan E. Swanson Sec./Treas.

Susan & Swanson

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February 14, 2014

Environmental Appeals Board U.S. Environmental Protection Agency 1200 Pennsylvania Avenue N.W. Mail Code 1103M Washington, D.C. 20460-0001

Re: Appeal Request/Underground Injection Control Permit PAS2D025BELK/Seneca **Resources Corporation**

Dear Sirs:

The Highland Township Municipal Authority is appealing your decision to issue a permit to Seneca Resources for an injection well in Highland Township, Elk County, Pennsylvania.

The injection well and its close proximity to our water supply has the community very concerned. The safety of wastewater injection wells has not been satisfactorily proven in this country and the risk to our public water supply should be the top priority. The well has the potential to detrimentally affect our water source either by pollution or possibly by affecting the flow of water to the spring. The high pressure at which this wastewater will be injected could cause a fracture in the rock formation sending the water flowing in a different direction that would dry up the spring. This spring has supplied our community with an abundance of excellent quality water for over 100 years. Without this water supply, our property has no value and our town is dead; and Seneca Resources will not have to guarantee a permanent source of water supply for the town if something goes wrong.

The authority also feels that Seneca Resources Corporation has not done a thorough job of locating and plugging abandoned oil, gas, and water wells in the area. According to what we have been told, Seneca conducted a comprehensive abandoned well survey that included a review of all state and local data bases and well maps. Seneca reportedly found only two wells within a quarter-mile radius of the proposed injection well. It is our belief that there are many undocumented wells in the area that were

drilled and abandoned long before records and databases were kept. We know for certain that American Plate Glass Company had water wells in the area in the early 1900's that were used for glass production and they were abandoned when the plant closed. Seneca apparently didn't find these wells although some local residents have said that they have seen abandoned wells while walking in the woods.

The authority is also aware of recent conflicting press reports stating that charges have been filed in Erie Federal Court alleging that a contractor failed to plug abandoned oil wells in Highland Township and that those falsified records were used by the EPA to issue the permit for this injection well. Other press reports say that this isn't the case, that the contractor was not involved with this permit. This confusion needs cleared up and we believe the permit should be reviewed and put on hold pending an investigation in to whether this contractor was involved in any way with plugging wells in this vicinity. With these allegations in mind, how can the EPA or our community trust that wells are being properly plugged or that a thorough survey for abandoned wells was even done; or done properly? How do we know this isn't the way business is always done with these companies?

We also believe that issuance of this permit by the EPA is violating local law. Highland Township has an ordinance in place banning wastewater injection wells in the township which the township fully intends to enforce. The ordinance is a community based Bill of Rights to clean air and water which we believe supersedes any right Seneca Resources might have to inject toxic wastewater in our township.

We respectfully urge the EPA to reconsider and rescind the permit for this injection well. Thank you for your attention to this matter. We look forward to your response.

We are also enclosing press releases we feel are pertinent to this case.

Sincerely,

Kevin Moran Kevin Moran Chairman

KM:ses Enclosures (2)

cc: U.S. EPA Region III

EPA Wrongly Issues Elk County Injection Well Permit, says Gabler 2/13/2014

JAMES CITY – State Rep. Matt Gabler (R-Clearfield/Elk) is addressing an Erie Times-News story that a permit issued by the Federal Environmental Protection Agency (EPA) for an underground injection disposal well in Highland Township, Elk County, is based on false testimony. According to the report, a Venango County man is facing charges he did not plug three abandoned oil wells in the vicinity of the permit, despite being paid to do so and testifying he had in fact plugged the wells. The case is being investigated by the EPA, Pennsylvania Office of the Attorney General and U.S. Forest Service.

Gabler issued the following statement in response to the story:

"Today's report is yet another devastating indictment of the EPA's underground injection well permitting process. Reports show the EPA is investigating a case of fraudulent testimony – testimony which they relied upon to issue the injection well permit near James City, despite an ongoing investigation into the validity of the testimony. "Without a doubt, the EPA is dead wrong in their recent issuance of permits in both Clearfield (Brady Township) and Elk counties. The Obama Administration's obvious disregard for our region is on display in both cases. This unaccountable bureaucracy needs to be reined in and held accountable for the decisions they make that have a real impact on the lives of rural Pennsylvanians.

"As a state official and citizen, I am infuriated by our Federal Government's failure to live up to its core responsibilities to the health and welfare of the citizens of our area. I am committed to continuing the fight by advocating good policies in Harrisburg and by working with our federal officials to ensure better protection for our families, friends, neighbors and communities across Pennsylvania."

Questions about this or any other legislative issue should be directed to Gabler's DuBois office at (814) 375-4688 or his St. Marys office at (814) 781-6301.

State Rep. Matt Gabler
75th Legislative District
Pennsylvania House of Representatives
Media contact: Scott B. Little
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Charges filed in Highland Township injection well fight

By COLIN DEPPEN Era Reporter c.deppen@bradfordera.com | Posted: Thursday, February 13, 2014 11:42 pm

An environmental law firm has been tapped to represent Highland Township as it challenges federal approval of a planned underground injection well near a municipal water supply in James City.

The ongoing situation has also drawn the attention of state Rep. Matt Gabler, R-DuBois, who is urging federal authorities to intervene and review the permit for the well.

The decision to seek legal representation came during a packed public meeting in Highland Township on Wednesday — two weeks after the U.S. Environmental Protection Agency approved a project permit and one day after charges were filed in Erie federal court alleging those same permits had been fraudulently obtained.

An indictment filed against Ronald A. Wright, 44, of Pleasantville, alleges the defendant falsely attested to plugging abandoned wells in the vicinity of the proposed Highland Township injection well site.

Court documents indicate Wright was employed by S&T Services and Supply Inc. and contracted by American Refining Group to plug the abandoned oil wells, a step needed to bring the Seneca Resources Corp. injection well project into compliance with environmental laws.

Between 2009 and 2011, it is alleged Wright filed three false certificates of well plugging with the EPA. The documents were later cited by the agency in granting project approval.

The indictment came to the attention of Gabler, who on Thursday urged federal authorities to review the permit and if warranted, withdraw it.

Gabler questioned why the permit was approved after a joint investigation of Wright had been launched by officials with the EPA, U.S. Forest Service and Pennsylvania Office of the Attorney General.

"Reports show the EPA is investigating a case of fraudulent testimony — testimony which they relied upon to issue the injection well permit near James City, despite an ongoing investigation into the validity of the testimony," Gabler said.

With Wright not directly connected to Seneca Resources Corp., the company behind the Highland Township injection well, Gabler questions whether Wright's alleged criminal actions are enough to invalidate the permit.

The charges against Wright carry a maximum sentence of 15 years in jail and a \$750,000 fine.

Wright is currently free as he awaits arraignment on three felony charges of falsifying government documents.

The charges come nearly one year after the Highland Township Supervisors passed an ordinance banning injection wells in the township, claiming the activity — a method of disposing of fluids created in the natural gas drilling process —threatens to pollute the local water supply.

Chad Nicholson, a Pennsylvania Community Organizer with the Community Environmental Legal Defense Fund, has agreed to represent the township — free of charge aside from incidental costs — in its ongoing battle against the Seneca Resources injection well. Nicholson said Wright's alleged criminal actions have less bearing on the permit validity than the standing township ordinance.

Any efforts by Seneca Resources to make the injection well operational are in violation of local law, according to Nicholson.

"The community on Wednesday night nearly unanimously pressed the supervisors to press the terms of the ordinance, even if it draws a lawsuit," Nicholson said. "We stand ready to assist them and represent the community as well."

Highland Township Supervisor Paul Burton supports the Community Environmental Legal Defense Fund intervention but has concerns about whether the township can afford lengthy litigation.

"We agreed to go with legal experts. They said they could stop it but I don't know if they can or not," Burton said. "They also said it may require legal action by the township against Seneca ... down the road it might cost Highland Township money one way or another. They could stop the injection well but if Seneca sues us, we're done.

"This could go on for quite some time," Burton said of the legal challenges.

"Seneca ... they could sue us and they could break this township no doubt about it. But 133 families live here and we depend on our drinking water," Burton said.

Seneca Resources is currently accepting public comment on the injection well proposal through Feb. 28.