

EXHIBIT 12

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US ENVIRONMENTAL PROTECTION AGENCY
PUBLIC HEARING ON A PROPOSED PERMIT UNDER THE
FEDERAL UNDERGROUND INJECTION CONTROL PROGRAM

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Tuesday, June 12, 2011

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The transcript of a Public Hearing, taken before
me, the undersigned, Jacquelyn P. Sherwood, held at
the Seneca Volunteer Fire Department, 3494 State
Route 257, Seneca, Pennsylvania 16346, commencing at
7:45 p.m., the day and date above set forth.

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ORIGINAL

1 P-R-O-C-E-E-D-I-N-G-S

2

3 MS. JOHNSON: I'd like to call this public
4 hearing to order. Thank you for your attendance
5 tonight.

6 This is a formal public hearing on a
7 proposed permit under the Federal Underground
8 Injection Control Program, or the UIC program, for a
9 project consisting of one brine disposal well known as
10 a Stonehaven Energy disposal well, Latshaw No. 9, in
11 Cranberry Township, Venango County, Pennsylvania.
12 Public notices for this permit were distributed to
13 state and local government officials, interested
14 parties who have written or called EPA and also
15 published in the Oil City Derrick on May 1st, 2012.
16 For those of you who have already submitted
17 comments in writing, they are already part of our
18 administrative record and will be addressed in our
19 response to all the administrative comments this
20 evening. I ask for your cooperation in adhering to
21 the procedures I will outline for you shortly so we
22 may make the most of this opportunity for public
23 comment.

24 I would like to introduce myself and other
25 members of the agency in attendance tonight. I am

1 Karen Johnson, I am the chief of the ground water and
2 enforcement branch of the water protection division
3 located in the U.S. Environmental Protection Agency's
4 office in Philadelphia, Pennsylvania.

5 With me tonight, again, are Stephen Platt,
6 our senior hydrologist for the UIC program, and David
7 Rectenwald, our oil and gas inspector working in
8 western Pennsylvania.

9 I would like to acquaint you with the
10 basic goals of the UIC program which EPA is
11 administering in the Commonwealth of Pennsylvania.
12 The Federal Safe Drinking Water Act of 1974 and its
13 subsequent amendments recognized the importance of
14 safe-guarding our nation's drinking water supplies in
15 a number of ways.

16 Sections 1421 through 1424 of the Safe
17 Drinking Water Act addresses the provisions which
18 authorize the UIC program, and covers the procedures
19 under which EPA must implement a Federally
20 administered program in those states such as
21 Pennsylvania whenever a state will not or cannot
22 assume primacy, or primary enforcement responsibility
23 for the program.

24 Since June 25th, 1984, EPA has been
25 enforcing the Federal UIC program in Pennsylvania.

1 The program addresses a variety of different types,
2 or classes of injection wells, including over 1,000
3 active oil and gas related wells in Pennsylvania.
4 The objective of the program and permits authorized
5 under it are to ensure that the construction and
6 operation of these wells provides the highest level of
7 protection to underground sources of drinking water.
8 Underground sources of drinking water, or USDW's, are
9 basically defined as those aquifers which supply or
10 could supply drinking water for human consumption.
11 The regulatory definition of an underground source
12 of drinking water also includes consideration of both
13 the quantity of water available and its quality. It
14 protects all groundwater with less than 10,000 parts
15 per million total dissolved solids in order to allow
16 for future uses of the resource.

17 Any and all new injection wells constructed
18 after June 1984 are required to apply for an EPA
19 permit to ensure compliance with the environmental
20 safeguards. It is our intent to enforce the
21 provisions of the UIC program for Pennsylvania, to
22 enhance and protect the Commonwealth's ground water
23 resources, by assuring that injection operations meet
24 protective standards mandated by the UIC program.

25 I'd like to clarify the need for the Federal

1 program on this issue and the relationship to state
2 and local authorities. Existing programs within
3 the state had not historically addressed injection
4 operations in the preventative sense as the Federal
5 program does. EPA's program is designed to protect
6 ground water resources. It is a program which seeks
7 to address many of the concerns you have for the
8 prevention of water supply contamination, as well as
9 protection of other natural resources.

10 The UIC program, however, does not address
11 or have jurisdiction to enforce against issues such as
12 noise, air emissions, truck traffic, et cetera, that
13 you may also have concerns about. The UIC permit does
14 not contain a condition that requires -- I'm sorry.--
15 the UIC permit does contain a condition that requires
16 an operator to meet all required local and state laws.
17 A UIC permit does not override local or state
18 regulations.

19 The purpose of the UIC permitting process
20 for new wells is to control and prevent any injected
21 fluids from endangering underground sources of
22 drinking water. All injection operations must
23 comply with the construction, operation, monitoring
24 and reporting requirements specified in the UIC
25 regulations. The specific technical requirements for

1 construction of the well, maximum injection pressure
2 limitations and a corrective action plan, which is
3 required to address any other wells which may serve as
4 conduits for fluids migration, are all designed to
5 ensure that injected fluids are contained within the
6 well and the intended injection zone.

7 Now having supplied you with a brief
8 overview of the UIC program and purposes of this
9 public hearing, I would briefly like to explain the
10 protocol and procedures which govern this hearing.
11 Persons wishing to testify will be called according to
12 the following order.

13 Elected officials representing Federal,
14 state or local governments, do we have any here
15 tonight? Okay.

16 Representatives of Federal; state or local
17 agencies? Okay.

18 And private citizens and representatives
19 of public and/or environmental groups, representatives
20 of industry and the regulated community, which all of
21 you are.

22 We will adhere as close as possible to
23 the order in which you expressed your interest in
24 presenting testimony, either by your advanced notice
25 to EPA or to the order which you registered for this

1 hearing, starting at page 1 and moving our way
2 through. If you wish to present testimony today but
3 have not signed the register, please do so now.

4 In presenting oral testimony we ask that you
5 clearly identify yourself and your organizational
6 affiliation, if any. We also request that you limit
7 your testimony to about five minutes, I think we're
8 okay tonight, but to ensure that all interested
9 parties have an equal opportunity to speak.

10 For those of you who are submitting more
11 detailed written testimony today, we ask that you
12 supply us a copy for the record for this hearing. If
13 possible, we would also appreciate a general
14 understanding of your points. So if you have already
15 prepared several pages of testimony, if you hand that
16 to us but still summarize it, we'd appreciate it.

17 I stress the fact that this hearing is not
18 a debate or dialogue. We will not be responding to
19 comments or questions because our purpose in being
20 here is to formally solicit your input on the permit
21 proposal before us. Any additional comments that
22 you may care to make after this hearing may be made
23 in writing no later than June 19th in the care of
24 Stephen Platt at our EPA regional office. What I'll
25 do is put the address up again.

1 MR. PLATT: It's on our business cards.

2 MS. JOHNSON: It's on our business cards in
3 the back, too

4 With that, I'd like to ask Melissa
5 Vandermark, did you want to make a comment? It looks
6 like you crossed it out?

7 MS. VANDERMARK: No, I have a
8 representative.

9 MS. JOHNSON: You are or not?

10 MS. VANDERMARK: No.

11 MS. JOHNSON: Okay, Timothy Weaver?

12 Again, please state your name and if you
13 would come up here and speak as loudly as possible.

14 MR. WEAVER: My name is Tim Weaver and I'm
15 here tonight with Melissa and I am actually in the oil
16 and gas business. I own an oil and gas exploration
17 company and I feel that this method is the method that
18 we need to go to to dispose of this water. Actually
19 going to be -- if done correctly, is going to be a
20 better way than what we're doing now, hauling it to
21 the brine plant and throwing it in the river.

22 Now, I certainly say that and understand
23 anybody living in this area your concern, okay, by
24 all means, it has to be done correctly, monitored
25 correctly and be done in that manner. I think it

1 can -- however, I see a couple of things here that
2 I have questions about right now.

3 Okay, number one is, you say you have four
4 layers of protection here, okay, but why only, Tom,
5 cement a hundred feet over Speechley here? Why not
6 cement a hundred feet over the existing Venango Sands
7 so that you don't have any chance -- actually as far
8 as I'm looking at it, you only have two methods of
9 things here because if you have a bad cement job here
10 (indicating) only a hundred feet over, you can come
11 out and go out the Venango Sands (indicating), and
12 this one gentleman already pointed out when you were
13 doing the original wells from them that it actually
14 had contamination in it also. So why not bring this
15 cement job to the surface or at least bring it over a
16 hundred feet over to these Venango Sands to protect
17 that.

18 MS. JOHNSON: Again, this is not a debate,
19 we're taking your questions as part of the comments.
20 So what we will do is we will be taking all those
21 comments and we'll be preparing a response, but not
22 tonight.

23 MR. WEAVER: Not tonight, but that's one
24 question I have.

25 Another one is on the wells that you say you

1 have drilled -- if I could ask -- five other Speechley
2 wells that are -- four, and they'll be used as
3 monitoring wells, okay. In that process I guess I'd
4 like to now how they'll be used as monitoring wells.
5 I don't believe that they should be left open with
6 just this casing, the original casing in them because
7 there again, if they come out and go up those wells,
8 they have that chance to go out these formations here
9 (indicating) and enter into the water systems. They
10 should be -- if they're a monitoring well, they should
11 be set up that they are isolating just this Speechley
12 sand so that there's no chance of them getting up --
13 my biggest concern about the whole thing is that it
14 can get up into the Venango Sands which can get out
15 into the water formations much easier than the other.

16 One of the other questions I had I guess,
17 but I can see how it is answered through your studies,
18 where the 320 feet or quarter mile radius is, how
19 that was determined, and you actually answered that
20 question to me as to how you do that, but I guess
21 I'm not exactly sure how I should state this, but I
22 think that there should be more precautions taken here
23 (indicating), and I also think in the monitoring wells
24 that it should be monitoring just the Speechley
25 formation and should be isolated so that it can be

1 monitored as to is there any pressure in that. Thank
2 you.

3 MS. JOHNSON: Thank you very much.

4 I think I do want to clarify that it becomes
5 impossible for the stenographer to take down people
6 talking at the same time and interplay back and forth,
7 so if you understand that we want your statements, but
8 we can't respond because she's going to go crazy, but
9 we want your input. Just a clarification, thank you.

10 I will state that if we get done at a
11 reasonable time this evening, we will open it up for
12 additional questions informally afterwards.

13 So next I'd like to call Charles Davis.

14 MR. DAVIS: Hi, I'm Charles Davis, I'm just
15 a resident, but basically I have a couple questions
16 that I need addressed that weren't. So I'm submitting
17 to the EPA that possibly a bond log should be done on
18 this well. I know it's expensive, but it's something
19 that ensures the integrity of the well. If the cement
20 job isn't good, it will leak.

21 Second, it was brought up earlier that there
22 are a number of old wells in that area, and it's like
23 a pin cushion out there. And even beyond the target
24 area, there are Speechley wells just beyond that
25 target area which easily could migrate into and then

1 up through the wells and into our water supply. I
2 think they need identified, and I don't know how to do
3 that, but that area has been drilled from one end to
4 the other.

5 And that's all I have to say. I would have
6 like to got those in under the comments, but I figured
7 I'd bring them up here. Thank you.

8 MS. JOHNSON: Thank you.

9 David Karns, K-a-r-n-s, or Karns?

10 MR. KARNS: No, I'm not speaking now.

11 MS. JOHNSON: Okay, thank you.

12 Jeffrey Felmler?

13 MR. FELMLER: He just asked my question.

14 MS. JOHNSON: Okay.

15 Next is George Biltz?

16 MR. BILTZ: My question got answered with
17 Chuck.

18 MS. JOHNSON: Okay, thank you.

19 MR. BILTZ: And I have a Speechley well at
20 my place, too, and you hear stories about how they
21 used to plug these wells and it's kind of scary.

22 MS. JOHNSON: Steve and Linda Spielman?

23 MR. SPIELMAN: Hi, I'm Steve Spielman and
24 I'm just a resident.

25 Piggybacking on one of these other things, I

1 want to reiterate that that area of review is a
2 minimum of one quarter mile and that is a minimum.
3 Now, I think we should take into consideration all the
4 things we've heard all these people say about the
5 history of this area and greatly expand that by one
6 quarter of a mile, one quarter of a mile maybe, okay,
7 for an area that was substantially drilled in the
8 past.

9 We have no idea, you know, and even though
10 we go out there on our properties and we find a
11 depression and we think, oh, there might have been a
12 well here, there's plenty of areas there that were
13 wells that we could be walking over top of that we
14 have no idea.

15 Also, on the financial responsibility of
16 plugging the well, I feel that there should be some
17 financial responsibility undertaken to make the
18 landowner whole if his water is contaminated. I mean,
19 plugging the well is one thing. Making the landowner
20 whole after he's lost his ability to draw water off
21 his land is another.

22 And also you talked about a ten-year target,
23 making sure that if everything we do is going to make
24 sure that there aren't going to be any problems for
25 ten years, I think ten years is kind of a short span.

1 Most of these people have already lived on their
2 properties some of them 30, 40 years. Thank you.

3 MS. JOHNSON: Thank you.

4 Mr. John McNerney, you had a question mark.
5 Do you want to make a statement, John McNerney?

6 MR. MCNERNEY: I have one question. This
7 Speechley well --

8 MS. JOHNSON: Sir, you need to come up.

9 Are you John McNerney? Could you come up
10 forward so our stenographer can hear you? Thank you.

11 MR. MCNERNEY: This Speechley well going
12 down, it's in the southern tier of the field, the
13 southern is the most productive part of that field.
14 They contribute that to a fault that runs through
15 here. That fault runs east and west over into Ohio
16 and I believe they got trouble over there doing the
17 same thing you're going to do here that caused an
18 earthquake. Is this injection well here going to feed
19 into that fault? This fault runs right through here
20 (indicating).

21 MS. JOHNSON: Again, we can't answer
22 questions now, but similar questions like that we can
23 answer at the end of the hearing, but what we want to
24 do is receive your comments and questions now on the
25 record.

1 MR. MCNERNEY: Okay. Your brochure you
2 handed out to people not here, but to the officials,
3 it doesn't mention anything about lead. We are having
4 a lot of trouble with lead in this area. The lead in
5 this area has gone way past the usual amount of lead
6 in drinking water. It's supposed to be 10 parts for
7 billion. It's at our place right not 3 parts per
8 million and 4,000 parts per billion, it's a little bit
9 over, and that got to the water course via a gas well
10 conduit feeding off the strip mines. So are we going
11 to run into that same problem here? We got old gas
12 wells plugged and who knows?

13 Also, the water coming out this area feeds
14 into Horse Creek and when we get trouble going to
15 Horse Creek and into Allegheny River, you're going to
16 contaminate all of Oil City's water. Oil City feeds
17 off of water just downstream where that empties into
18 the river. That water comes out from underneath the
19 Allegheny River, another river underneath the water
20 course and follows the Allegheny River. I think if
21 there's anyplace that shouldn't be an injection well,
22 it's here. All this area was undermined, the coal
23 mines, deep mined and we also got a landfill. We're
24 feeding both ways out of here with water to the south
25 and the north and there's nothing but trouble here.

1 The old gas wells in this area are still
2 caving in. There's one on St. Charles Street that
3 caved in two years ago. The gas well here
4 (indicating), it caved in, 20 feet away another place
5 caved in. That would be the water well put in when
6 they drilled for water when they were running steam
7 power, we still got these dropping down. With this
8 underneath there, there's no way in hell you should
9 put an injection well in this area, too many things
10 can go wrong. If there's a possibility of anything to
11 go wrong, it shouldn't be done, and I think there's
12 too many unanswered questions that need to be looked
13 at a hell of a lot better than they have been looked
14 at.

15 MS. JOHNSON: I just want to say,
16 Mr. McNerney, we did receive your package of all your
17 information and we thank you. If you have more to
18 give us, that would be great.

19 R. Grant Carner?

20 MR. CARNER: I'm going to submit my comments
21 by letter.

22 THE COURT: Okay, that's great, thank you.
23 John Lendrum?

24 MR. LENDRUM: My name is John Lendrum, I'm a
25 petroleum geologist, graduate of Allegheny College.

1 I've been practicing geology in western Pennsylvania
2 for 35 years.

3 I'm also a resident and so I've listened to
4 all the comments and I'd like to thank everybody for
5 coming together not only on this side (indicating),
6 but this side (indicating) because this is the way
7 we're to address our concerns and I think there are a
8 lot of concerns we need to address here.

9 First of all, I wanted to just say basically
10 as a right of courtesy I don't believe that your
11 property should be infringed or impinged on by
12 potential injection water, and that is the properties
13 that surround here that are private properties
14 (indicating). I assume that each one of these dots
15 represents about 300 feet approximately, then it's
16 only 600 feet across the road into private property.
17 I don't believe that anyone without a complete ringing
18 of production and monitoring wells around here can
19 actually say where that water goes and I don't think
20 that the Stonehaven people can say that definitively,
21 or the EPA, without a lot more monitoring which would
22 require ringing it with monitoring wells. That's how
23 to do it safely. You have a joint area in here
24 (indicating) and I tell you what, you leave one window
25 open and the flies can get into the house, so I don't

1 think that you're going to be able to say where that
2 water goes.

3 So if you're a private citizen, I don't
4 believe anybody has the right to put something under
5 our property as well as on top of it.

6 Now, for those of you who have ever had a
7 house in this area heated by the Speechley Sand raise
8 your hand. The Speechley Sand is still a productive
9 sand, it's not depleted. I have seven Speechley wells
10 and I also have leased lands in the area that I have
11 Speechley gas rights underneath. So I don't believe
12 that it would be fair to allow injected water to
13 migrate any distance and damage people's private
14 property, and that would be the gas underneath their
15 own property.

16 Now, I'm not even talking about the water
17 issue yet. I'm simply saying that I don't believe
18 it's a fair thing to allow the government or private
19 citizen to be able to impinge upon people's private
20 property, and there's no guarantee that won't happen
21 and I don't believe anybody in this room can guarantee
22 that.

23 Second point I'd like to make is to further
24 show a little bit of the abandoned nature of the
25 wells. I only made about ten copies of this and I

1 supplied a couple to some citizens here. This is a
2 farm line map made in 1944 and it was commissioned by
3 the United States government because at one time
4 Pennsylvania grade crude oil supplied 90 percent of
5 the lubricant fraction for the entire country and that
6 meant our tanks, and when we were on the hit list by
7 Hitler, if they were ever going to get bombed after
8 you bomb the ball bearing plants, you come in and bomb
9 the refineries where the lubricants were made. So
10 they made a very, very good door to door, field to
11 field assay of this area, had thousands of people out
12 in the field, and these lines were drawn on this map
13 in 1949.

14 This area right here (indicating) in the
15 center circle that's red is the target zone where the
16 injection well is to be located. The area that's
17 covered green circa 1944 (indicating) still had
18 active production, which means that those wells were
19 actually found. If you notice this area over in here
20 (indicating) and over in here (indicating), which by
21 the way is within feet of where this injection well
22 is, these were abandoned areas in 1944. So as much as
23 the EPA wants us to be able to report all wells that
24 we can, these wells have been plowed over for decades,
25 no one knows where these abandoned wells are. In 1944

1 they had no idea how many there were there to begin
2 with and so these have been called abandoned areas.

3 Now, I have to agree with Mr. Weaver, who
4 was our first speaker, that I believe injection of
5 produced fluids into old depleted sealed reservoirs
6 is a very good viable alternative to taking it to
7 the brine plant, separating it and putting it in the
8 river. I really believe that. However, you can have
9 a great idea in a not very favorable area, and I
10 don't believe that putting an injection well in an
11 area where there's abandoned wells 60, 70 years ago
12 is a good idea.

13 I don't doubt that you could construct a
14 well, case it, sleeve it, cement it and never have one
15 single drop of that injection fluid ever get into the
16 drinking waters from that well, but 20 feet away from
17 this well -- all you have to do is have one Speechley
18 well that nobody knew about, the pressure migrates up
19 to it, 20 feet from that you have an abandoned oil
20 well which has no more casing left in it because the
21 casing might even have been made of wood and now the
22 water truly travels out the injection well and up the
23 Speechley well and into the oil well and into your
24 drinking water.

25 And the people that have raised questions

1 about the financial responsibility, and I have to just
2 echo this, plugging that well is not going to bring
3 back your water, and to ask a financial responsibility
4 of a company that's trying to do something in this
5 area, I feel is very, very risky. If they get hit
6 with a hundred citizens whose water is destroyed, how
7 quick do you think it will be before they go
8 bankrupt? And then they'll turn around and say we met
9 our responsibility and we plugged the well. That's
10 not going to fix your water. I hope I'm not running
11 over time.

12 MS. JOHNSON: No, fine.

13 MR. LENDRUM: The next thing I'd like to do
14 is say this. I don't know the engineering or the
15 lithology of this formation because I wasn't there to
16 take samples of it, or I haven't seen electric logs
17 which are tools in which we can see what the formation
18 looks like, but I have injected natural gas extracted
19 from wells back down an injection well, so it's kind
20 of like recycling. It was monitored by the staff that
21 was here and they did a very good job, so I know
22 they're trying their best to accommodate everybody,
23 but I heard something tonight that bothers me and
24 here's what it is.

25 If a formation has a certain amount of

1 porosity, that means there's holes in it, these holes
2 are small and they're like a sponge, and everybody
3 knows if you build a house and you put brick at the
4 end of the house, the water will seep through that and
5 you'll have a wet basement. Now, there's a huge
6 difference between it seeping in and running in.

7 Now, I heard water goes into this formation
8 very quickly with very little pressure. I would
9 raise a big question geologically: Is it going in
10 through natural porosity or are there very small
11 microfractures we don't see? And a fracture can be
12 five feet, ten feet away from a well bore that can't
13 be detected by any other means and still be there and
14 still feed. So, once again, the reservoir needs to be
15 looked at a lot more carefully.

16 The final point that I'd like to make is a
17 phenomenon called glacial rebound, that is, that we
18 were covered in hundreds if not thousands of feet of
19 ice, and when we had a high spot where this injection
20 well is on the tops and you had low areas, there was
21 actually a whole lot less ice on the top here, so when
22 the glaciers started to melt, they melted off the tops
23 first which caused a rebound. So I would suggest to
24 you that there is a lot of natural fracturing, even
25 though it may be small, underground. So when I hear

1 the claims that there is no fracturing, that there are
2 no fractures here, I would have to ask that the
3 information somehow be made public so that we can see
4 to what degree that may be true or not, and I thank
5 you for your time.

6 MS. JOHNSON: Thank you.

7 That's all the individuals who identified
8 they wanted to make comments. Is there anybody else
9 who did not check they want to make testimony who
10 would like to come forward?

11 Okay, there are two, one in the back first
12 and you second and third.

13 MS. BREAKSTONE: Yeah, I checked the
14 testimony sheet, but I came in like a minute late.

15 MS. JOHNSON: If you would again state your
16 name and then --

17 MS. BREAKSTONE: My name is Christine
18 Breakstone, I'm also a resident, and I know we're all
19 concerned about our drinking water, but we should be
20 concerned about the drinking water and we should be
21 concerned about pollutants, and when they talk about
22 accountability and financial responsibility, about our
23 financial hazards, it's our health.

24 No one is saying they're going to pay for
25 insurance or health costs or anything else that is

1 associated with the potential damage that could happen
2 from this well, and I think we should not forget it's
3 our health, our grandchildren's health and children's
4 health.

5 Native Americans say they should make
6 decisions based upon seven generations and we should
7 do the same. So please keep in mind that we should
8 protect our health and the generations after us, and I
9 don't know that we've been given evidence enough that
10 that is being taken under consideration. Thank you.

11 MS. JOHNSON: Thank you.

12 MR. TUCKER: My name is Jeff Tucker,
13 I'm a local residence on Toy Road and I'm the first
14 house through the woods that's going to be affected by
15 this. Do you mind if I (indicating) -- just a lot of
16 ink; right? Thank you.

17 MS. JOHNSON: Sir, in the back?

18 AUDIENCE MEMBER: I'll submit my comments.

19 MS. JOHNSON: Okay, thank you.

20 Is there anybody else who wanted to make
21 formal comments? And I also request that everybody
22 who made comments tonight, if you could -- well, if
23 you have further things to add.

24 MR. WEAVER: Can I say one thing?

25 MS. JOHNSON: Yes.

1 MR. WEAVER: On the permit application there
2 it says --

3 MS. JOHNSON: Sorry. Could you restate your
4 name?

5 MR. WEAVER: My name is Timmy Weaver.

6 The maximum allowable surface injection
7 pressure for the permit operation will be 1,350 pounds
8 per square inch. That does not take into effect the
9 900 feet of hydrostatic head pressure that will be on
10 the well with the fluid in place. So, therefore,
11 we're looking at 2,258 pounds of formation pressure.

12 MS. JOHNSON: It takes into account that,
13 yeah, it's already taken into account.

14 MR. WEAVER: Okay.

15 MR. PLATT: The hydrostatic pressure.

16 MS. JOHNSON: Yes. State your name.

17 MS. VANDERMARK: My name is Missy
18 Vandermark, and I guess my comment was she also asked
19 for us residents to let her know of issues that -- of
20 wells that we may know are on our properties, but I
21 also wanted to state that many in the area that were
22 out of the so-called zone, while all of these were
23 being drilled, also had well issues. Not that our
24 wells were totally screwed up or needed to be
25 redrilled, but many, many of us had to have different

1 systems put on our water filtration systems, tanks got
2 plugged, our water ran extremely red for months and
3 months and months and we had to put in line filters.
4 Ours was \$300 plus a whole new system eventually later
5 \$1,800.

6 So in sending in the letters I had multiple
7 neighbors that I hadn't talked to apparently in years
8 and they also had water issues where they had to
9 replace filtration systems, too, but we weren't in
10 that zone. So I guess maybe we should -- if you can
11 take a minute and send the letters to Mr. Platt's
12 office and let them know even if just the drilling of
13 these ones affected your water wells now, and that's
14 really where your concern is with this next one.
15 Thanks.

16 THE COURT: In the blue shirt?

17 Thank you.

18 MS. LOWREY: I'm Ann Lowrey, a resident, and
19 I'm speaking for myself and for my husband.

20 The questions that we have aren't related to
21 this, or the statements I would like to make, but
22 these statements are that what we would like available
23 to the public is the information about a gallon meter
24 for the influx of the water to assure us how much
25 water is going into the well, documentation that will

1 state that there is testing done and proving the fluid
2 is in fact brine water, brine, and it's not some frack
3 water or some other residual waste.

4 We'd also like information available that
5 is stating that the people putting the water into
6 the well are in fact the specific individuals, that
7 they are not letting somebody else work off of their
8 permit, and I would like that information in writing
9 and available to a specified resident of the community
10 or to everyone in the community. Thank you.

11 MS. JOHNSON: Were there any others who
12 wanted to make formal comment?

13 MR. SLATER: My name is Alan Slater, I'm a
14 resident, everybody knows me as Butch.

15 It was brought up before that over by
16 Mr. Tucker's place, for example, the water flow would
17 go into a creek, what we all know as Horse Creek, but
18 it will actually go into the Allegheny and towards Oil
19 City which that was where Oil City gets a lot of its
20 water.

21 There is also in that area I know were wells
22 because I was born and raised here, and the overflow
23 of that flows into a formation that goes to East Sandy
24 which also filters into the Allegheny eventually.
25 It's known as Halls Run, it goes into East Sandy,

1 which East Sandy runs into the Allegheny below
2 Franklin, which would be another very bad area to have
3 any pollution.

4 And so it's not just one waterway area.
5 That basically runs two different directions there and
6 filters to two different areas, and I just want that
7 brought up. It's a very important waterway for a lot
8 of fresh water. Most of those creeks are very full of
9 brook trout yet. So we don't want to ruin any of
10 that, besides our drinking water. Thank you.

11 MS. JOHNSON: Thank you.

12 MS. HIRTH: My name is April Hirth, I'm also
13 a resident in the area. I just found out about this
14 meeting probably the same time everybody else did,
15 very late.

16 I used to be a resident of Butler County,
17 Clay Township near West Sunbury. In fact, we were 500
18 feet from the permitting site of the landfill that was
19 put in down there. The permit that they placed to
20 build that landfill had three discrepancies that we
21 were finally able to narrow them down to that they
22 were not able to fix.

23 They promised that they were going by the
24 highest technical information as far as doing a double
25 liner system. I believe it was a 16 mil liner at the

1 time, 15 inches of sand in between, and once they
2 reached the maximum fill level on that landfill they
3 were going to cap it with another rubber lining.

4 I know you say that you've got this concrete
5 casement in place, and they had very good intentions,
6 too, according to what was mandated by them, but three
7 months after they put the landfill in there was three
8 leaks even through two layers of liner, 15 inches of
9 sand.

10 I am afraid that this area, you know, or
11 this situation could end up the same way with the
12 concrete lining being down below the Speechley sand.
13 It could fail, it could migrate up through the
14 Speechley sand.

15 I'd also like to know if there was any kind
16 of studies of whether or not the area is a water
17 recharge area and how large of an area it may be a
18 water recharge area for.

19 I moved here 20 years ago because I escaped
20 one mess and I really don't want to have to find that
21 this area is going to have another problem like that.

22 MS. JOHNSON: Thank you.

23 Sir, go ahead -- ma'am, I'm sorry, I just
24 saw a hand.

25 MS. GRAHAM: I have a comment I'd like to

1 make.

2 MS. JOHNSON: If you could state your name.

3 MS. GRAHAM: My name is Leslie Graham, and
4 my understanding of this process -- this is all new to
5 me -- is that the permit and the documents are
6 submitted, the EPA reviews it, they take into
7 consideration our comments, they make a determination.
8 The thing that we all need to keep in mind as citizens
9 is that the EPA is funded by our dollars, but budget
10 affects their staffing and this due diligence requires
11 human hours. That's all.

12 MS. JOHNSON: Any other comments?

13 MR. LENDRUM: If I can state one more thing.

14 MS. JOHNSON: Stand up at least and state
15 your name for Jackie.

16 MR. LENDRUM: John Lendrum.

17 I brought two maps with me and I guess I
18 made --

19 MS. JOHNSON: John, if you could wait until
20 you're up here so the stenographer --

21 MR. LENDRUM: I made two maps so I thought
22 I'd show you the other one. The first map was the
23 oilfields.

24 Now, this map was published by the
25 Pennsylvania Geological Society in 1943, one year

1 earlier. The blue area is the Speechley field where
2 it produced gas. You can see once again the target
3 area right here (indicating) where the injection well
4 is proposed.

5 Now, I've drawn the radius of influence here
6 a little large, I've made it two miles, but this goes
7 hand in hand with something that I know as a personal
8 communication from men who worked with National Fuel
9 and plugged wells. Out around Hampton Station they
10 tried for years to get a certain well plugged up and
11 they didn't know which one it was and they finally
12 figured out which well it was, and miles away it made
13 the pressure go up in people's houses and this was a
14 very quick response to natural fracturing. Gas will
15 not migrate through miles of sand through pores with
16 that kind of friction.

17 Now, the green area is something very
18 special because the Speechley field not only in places
19 will make gas, it will make oil. The green area is
20 the area that's known as the Catskill oilfield. The
21 Speechley sand has oil there. So I ask you if you are
22 injecting fluid into the Speechley and you only had
23 gas, that might represent some problems, gas will go
24 away eventually if you root out the problem, but once
25 you contaminate fresh water with oil, you might as

1 well pack up or, again, have water hauled to you for
2 the next 30, 40 years.

3 So I submit this to you as something to
4 think about and also the EPA. This is a special case
5 where a formation you're injecting into has oil in it
6 which is a potential spearhead into the old
7 production. Within that radius I've drawn there's
8 over 30 Speechley wells that we know of. Have they
9 all been plugged properly?

10 Some people that live around here know what
11 a brush plug is. Instead of using cement they say why
12 don't we cut down an old pine tree and stick that down
13 the well and throw some rocks on it. That's not going
14 to stop 3,000 pounds of injection pressure. Thank
15 you.

16 MS. JOHNSON: Any further comments?

17 I'd like to make some closing remarks.

18 On behalf of the Environmental Protection
19 Agency, I would like to thank you all for your
20 participation here and for your well thought out
21 comments on this permit proposal in Venango County
22 under the EPA's program for underground injection
23 control in Pennsylvania. I assure you that all of
24 these comments will be given serious attention as we
25 prepare our final decision on this permit request.

1 I would also like to remind you that the
2 comment period on this proposal will remain open until
3 June 19, 2012, if anyone cares to submit written
4 testimony to our attention at EPA.

5 Again, I thank you for your interest in this
6 proposal. This concludes the formal part of this
7 public hearing. My staff and I will remain available
8 to discuss the issues raised here if you should desire
9 and to answer some general questions. Thank you.

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11 (Thereupon, at 8:34 p.m., the proceedings
12 were concluded.)

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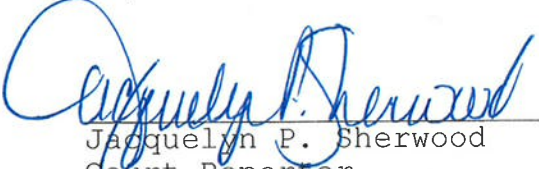
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REPORTER'S CERTIFICATE

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I, Jacquelyn P. Sherwood, hereby certify that the above proceedings are contained fully and accurately in the stenographic notes taken by me of the hearing of the above petition and that it is a correct transcript of the same.


Jacquelyn P. Sherwood
Court Reporter