

SUSQUEHANNA RIVER BASIN COMMISSION
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FOR IMMEDIATE RELEASE

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**SRBC TO CONDUCT HEARINGS ON PROPOSED CHANGES TO
STREAMLINE REVIEW OF NATURAL GAS WELL DEVELOPMENT
APPLICATIONS, PROTECT WATER RESOURCES**
Public Comments Accepted Until October 31

HARRISBURG, Pa. – The Susquehanna River Basin Commission (SRBC) today announced it is conducting public hearings on October 21 and 22 on its proposed regulatory revisions that will further protect the basin’s water resources and streamline the review of consumptive water uses by the natural gas industry. The proposed revisions are open for public comment through October 31.

Included among the proposed revisions affecting the natural gas industry, SRBC would:

- Require all requests for consumptive water use approval to go through SRBC’s approval by rule process – an administrative procedure – rather than SRBC’s standard consumptive water use application process.
- Expand the approval by rule process to allow project sponsors to utilize a broader range of water sources as part of their consumptive use approval, including public water supplies, discharges from wastewater treatment facilities and other lesser quality water sources, and withdrawals from other sources approved separately by SRBC. (The current approval by rule process applies only to water from public water suppliers, thus making project sponsors undergo the standard consumptive use application process for all other water sources.)
- Regulate projects on a drilling pad basis, versus the current process that addresses consumptive use requests on a company-lease area basis.
- Require projects to demonstrate compliance with state and/or federal law for the treatment and disposal of flowback or produced fluids, including brines.
- Incorporate the August 14, 2008 determination by the SRBC Executive Director that all quantities of water withdrawn or used for natural gas well development be reviewed effective October 15, 2008.
- Limit SRBC approval to five years.

“We expect the demand for water from the natural gas industry to continue increasing for some time,” said SRBC Executive Director Paul Swartz. “The proposed regulatory changes will allow the Commission to address this increasing demand in a more orderly fashion.”

Swartz said, “As a water management agency, we work to achieve a balanced approach, which means we both protect and promote the use of the basin’s water resources.”

While SRBC does not regulate water quality, the proposed regulatory changes include provisions specifically related to the flowback fluids and brines produced during the hydrofracing process. In

addition to requiring project sponsors to comply with all federal or state laws related to the proper treatment and disposal of fluids and brines, SRBC would require projects to separately account for all such fluids or brines.

Swartz said, “As the Commission anticipates the final adoption of these regulatory changes, we have already put into practice several of the protective measures by incorporating them as special conditions into the dockets the Commission approved at its September meeting.”

In conjunction with the public comment period, SRBC has scheduled two public hearings to explain the proposed regulatory changes and to receive public comment. The hearings will be held on:

- October 21, 7:00 p.m., Lycoming College, Academic Center, Lecture Hall Room D001, Mulberry St., Williamsport, Pa.
- October 22, 7:00 p.m., Binghamton University, SUNY, Lecture Hall Complex, Lecture Hall 1, Route 434 (Vestal Parkway East), Binghamton, N.Y.

Persons planning to present oral testimony at a public hearing should provide prior notice, if possible, to Richard Cairo, General Counsel, Susquehanna River Basin Commission, 1721 North Front Street, Harrisburg, PA, 17102, Phone: (717) 238-0423, ext 306, Fax: (717) 238-2436, E-Mail rcairo@srbc.net.

The proposed regulatory changes are available on SRBC’s web site at www.srbc.net/programs/projreviewmarcellus.htm. Written comments can be submitted on or before October 31, 2008 to Richard Cairo, whose contact information is provided above.

SRBC is scheduled to take final action on the proposed regulatory changes at its next quarterly business meeting on December 4, 2008.

More than 72 percent of the tri-state Susquehanna watershed, covering portions of New York, Pennsylvania and Maryland, are underlain by the Marcellus and other organic-rich shale formations. Advancements in technology for capturing natural gas in those shale formations require operators to inject large amounts of water under pressure several thousand feet underground to fracture the formation to stimulate the flow of gas. For more information on SRBC’s regulation of natural gas well development projects, go to SRBC’s web site at www.srbc.net/programs/projreviewmarcellus.htm.

SRBC (www.srbc.net) is the governing agency established under a 100-year compact signed on December 24, 1970 by the federal government and the states of New York, Pennsylvania and Maryland to protect and wisely manage the water resources of the Susquehanna River Basin. The Susquehanna River starts in Cooperstown, New York, and flows 444 miles to Havre de Grace, Maryland, where the river meets the Chesapeake Bay.

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