

Susquehanna River Basin Commission

a water management agency serving the Susquehanna River Watershed



(Date)

(Name)

(Company)

(Address)

(City, State, Zip Code)

Re: Natural Gas Well Development in the Susquehanna River Basin

Dear (Name):

The Susquehanna River Basin Commission (Commission) has identified your company as one active in the development of natural gas production wells in the Marcellus and Utica Shales within the Susquehanna River Basin.

All such project(s) consumptively use water and may meet the regulatory threshold contained within 18 CFR §806.4. That threshold requires all consumptive water users expected to consume an average of 20,000 gallons per day (gpd) or more during any consecutive 30-day period to obtain prior Commission approval. Additionally, 18 CFR §806.4(a)(2)(iii) provides that, to the extent that a consumptive water use involves a withdrawal from groundwater or surface water, the submission of applications for and prior approval of each withdrawal are also required. That provision is applicable regardless of whether the project meets the Commission's regulatory thresholds for water withdrawals of 100,000 gpd or more during any consecutive 30-day period, which likewise requires the submission of applications for review and approval pursuant to 18 CFR §806.4(a)(2). If your Marcellus or Utica Shale gas well development project(s) occurring within the Susquehanna River Basin meet these thresholds, prior Commission review and approval are required.

Furthermore, please note that as Executive Director, I have the authority to determine that gas well development in the Marcellus and Utica Shales within the Susquehanna River Basin may affect interstate water quality, may have a significant effect upon the Commission's Comprehensive Plan, or may otherwise have an adverse, cumulative, or interstate effect on the water resources of the basin. Such a determination would result in all such projects being required to have prior Commission review and approval, regardless of whether existing regulatory thresholds are exceeded.

The Commission's *Regulations and Procedures for Review of Projects*, application forms, and other information for project sponsors can be accessed at the Commission's website (<http://www.srbc.net>).

(Name)

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(Date)

For purposes of our regulations, please note that a gas well development project is considered to include the drilling of well(s) and all facilities (such as, but not limited to, impoundments) and activities (such as, but not limited to, water withdrawals and hydrofracing) related to the development of such well(s) for the production of natural gas. Spatially, the project is considered to include the area leased by a company for gas exploration and extraction that can be geographically separated from other holdings from the same company either intended for the same or other purposes.

Be advised that the Commission requires a separate consumptive water use application for each project, as well as separate water withdrawal applications for each withdrawal location utilized for the project. Review and approval is required for such projects prior to the initiation of construction. Construction is defined at 18 CFR §806.3 as follows: to physically initiate assemblage, installation, erection, or fabrication of any facility involving or intended for the withdrawal, conveyance, storage, or consumptive use of waters of the basin.

Any project subject to regulation pursuant to the thresholds established in 18 CFR §806.4 that was previously or is currently under construction or operation within the basin that does not have prior Commission approval is in noncompliance with Commission regulations and will be subject to such enforcement action as the Commission deems appropriate. Be advised that failure to cease operations at any such project(s) following receipt of this notification will be considered to constitute willful noncompliance.

Please also be advised this letter does not limit the right of the Commission to issue special orders, notices of violation, seek civil penalties, and take any and all applicable actions authorized under Section 15.17 of the Susquehanna River Basin Compact and 18 CFR Part 808.

You are invited to contact Eric Roof, Director of Compliance, at (717) 238-0423, extension 209, within twenty (20) days to schedule a meeting to discuss (Company)'s operations and compliance with Commission regulations.