



SUSQUEHANNA RIVER BASIN COMMISSION

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Docket No. 20161221

Approval Date: December 8, 2016

JKLM ENERGY, LLC

**Into-Basin Diversion (Peak Day) of up to 1.100 mgd
from the Goodwin and Son's Sand and Gravel Quarry
in the Ohio River Basin**

Section 1. Approval

After review of the record, including the technical findings of Susquehanna River Basin Commission (Commission) staff, the Commission has determined that no significant adverse impacts are anticipated by the operation of this project as described and conditioned herein, and that the project is physically feasible and does not conflict with or adversely affect the Commission's Comprehensive Plan. Accordingly, the Commission hereby approves the project described herein in accordance with the conditions set forth below.

The project involves the diversion of water from the Goodwin and Son's Sand and Gravel Quarry in Roulette Township, Potter County, into the Susquehanna River Basin for hydrocarbon development for downhole use only. Water will be diverted by truck from the source to be used at drilling pad locations approved by the Commission to consumptively use water.

Commission staff has coordinated with the Pennsylvania Department of Environmental Protection (PADEP), the Department of Conservation and Natural Resources (DCNR), and the Pennsylvania Fish and Boat Commission (PFBC) during review of this project.

Section 2. Project Information

Information concerning the project sponsor, water use type, and location are set forth in the table below.

Project Information	
Project Sponsor:	JKLM Energy, LLC
Approval Type:	Into-Basin Diversion from the Ohio River Basin
Authorized Water Use Purpose:	Hydrocarbon Development (Downhole Use Only)
Municipality:	Roulette Township
County:	Potter County
State:	Pennsylvania

Section 3. Source Information

Information concerning the source of water from which the into-basin diversion will be made is set forth in the table below.

Source Information	
Approved Source:	Goodwin and Son's Sand and Gravel Quarry
Basin:	Ohio River Basin
Watershed Boundary Dataset (WBD):	0501000103 (Headwaters Allegheny River)
Withdrawal Location (degrees):	Lat: 41.762731 N Long: 78.119748 W
Impairment:	No state-listed impairment; quarry water exhibits iron concentration exceeding Title 25 Pa. Code Chapter 93 Water Quality Standards

Section 4. Approved Into-Basin Diversion Quantities and Limitations

The into-basin diversion approved hereunder is subject to the quantitative limits and restrictions set forth in the table below.

Approved Into-Basin Diversion Quantities and Limitations	
Peak Day Diversion Amount (mgd):	1.100 (Not to Exceed)
mgd – million gallons per day	

The into-basin diversion is also subject to all other conditions set forth in this docket approval.

Section 5. Standard Conditions

1. The project sponsor shall comply with all Commission regulations, 18 CFR Parts 801, 806, and 808. This project is subject to the Annual Compliance and Monitoring fee as specified in the Commission's Regulatory Program Fee Schedule, which may be modified over the term of the approval.

2. The project sponsor shall adhere to the metering plan reviewed and approved by Commission staff. Any modifications proposed for the metering plan shall be submitted for review and, if appropriate, approval by Commission staff in accordance with Commission Regulation 18 CFR § 806.30. Modifications shall not be made until the project sponsor receives written approval of the amended plan.

3. Prior to any diversion from the source listed in Section 3, the project sponsor shall install and maintain metering on the diversion in accordance with Commission Regulation 18 CFR § 806.30. The project sponsor shall notify the Commission, in writing, and submit photographs of the meter when it has been installed and certify the accuracy of the measuring

device to within five (5) percent of actual flow. Diversions shall not commence until Commission staff has approved the implementation of the metering plan and notified the project sponsor of such approval.

4. The project sponsor shall maintain the totalizing meter and other flow and volume measuring devices, accurate to within five (5) percent, so as to provide an accurate record of diversions, and certify to the Commission once every five (5) years, or as otherwise requested, the accuracy of all measuring devices and methods to within five (5) percent of actual flow.

5. The project sponsor shall keep daily records of the project's diversion and shall report the data to the Commission quarterly, and as otherwise required, in the form and manner as prescribed by Commission staff. Quarterly monitoring reports shall be submitted online and are due within thirty (30) days after the close of the preceding quarter. Any alternative measuring, monitoring, or accounting procedure requested by the project sponsor shall be submitted for review and approval by Commission staff in accordance with Commission Regulation 18 CFR § 806.30. Modifications shall not be made until the project sponsor receives written approval of the amended plan. All data collected and submitted as required under this approval shall be maintained by the project sponsor for the duration of the approval and all subsequent renewals.

6. The project sponsor or any other person representing the project sponsor shall allow authorized employees or agents of the Commission, without advance notice, at any reasonable time and upon presentation of appropriate credentials, and without delay, to have access to and to inspect all areas where the project is being constructed, operated, or maintained, or otherwise exercise all investigative powers authorized under Commission Regulation 18 CFR § 808.12.

7. The project sponsor shall comply with the water conservation requirements specified in Commission Regulation 18 CFR § 806.25.

8. This approval is conditioned on the project sponsor maintaining legal access to the withdrawal and diversion project locations for the duration of the approval.

9. The project sponsor shall register with the appropriate agency all surface water sources described herein, as may be required by regulations of the member jurisdiction.

10. If the project sponsor fails to comply with the provisions of the Susquehanna River Basin Compact or any rule, regulation, or order of the Commission, or any term or condition of this docket, the project sponsor is subject to enforcement actions pursuant to Commission Regulation 18 CFR Part 808.

11. Commission approval shall not be construed to exempt the project sponsor from obtaining and maintaining all necessary permits and/or approvals required for the project from other federal, state, or local government agencies having jurisdiction over the project. All such permits and/or approvals shall be obtained prior to the diversion of water. The Commission may modify, suspend, or revoke this approval if the project sponsor fails to obtain or maintain such permits and/or approvals.

12. The Commission may at any time reopen any project approval or issue such additional orders, as may be necessary, to mitigate or avoid adverse impacts or otherwise to protect public health, safety, welfare, or the environment pursuant to Commission Regulation 18 CFR § 806.32.

13. Commission approval confers no property rights upon the project sponsor. The securing of all rights necessary and incident to the project sponsor's development and operation of the project shall be the sole and exclusive responsibility of the project sponsor, and this approval shall be subject thereto.

14. This project is approved for inclusion in the Commission's Comprehensive Plan for the Water Resources of the Susquehanna River Basin.

15. The project sponsor is required to apply for and obtain approval prior to any increase in the diversion that would exceed the amounts listed herein.

Section 6. Special Conditions

16. In consideration of the source water quality, all diverted water into the Susquehanna River Basin under this authorization shall be stored in tanks or lined impoundments and used downhole only for the sole purpose of hydrocarbon development. The water shall not be utilized for any purposes incidental to this use.

17. Except as authorized pursuant to Special Condition 19, the project sponsor shall only supply water for use in hydrocarbon development to persons who have properly registered this approval pursuant to Commission Regulation 18 CFR § 806.22(f)(12).

18. The project sponsor shall keep daily records, and shall report the same to the Commission upon request, of all persons supplied water from the project for use in hydrocarbon development, including daily quantities supplied. The project sponsor also shall keep daily records, and shall report the same to the Commission upon request, of all persons supplied water from the project for uses other than hydrocarbon development authorized pursuant to Special Condition 19, including daily quantities supplied.

19. Prior to supplying water for any use not authorized pursuant to Section 2 of this approval, the project sponsor shall first submit a request for minor modification under Commission Regulation 18 CFR § 806.18(c)(4) for such new use to the Executive Director. The project sponsor shall not supply water for such use unless and until such authorization is granted, and pursuant to any supplemental terms and conditions contained in such approval.

20. The project sponsor shall demonstrate to the satisfaction of the Commission that appropriate controls and treatment to prevent the spread of aquatic nuisance species are employed at the water withdrawal site.

Section 7. Term

21. The project sponsor has a period of three (3) years from the date of this approval to commence the diversion or this approval will automatically expire, unless an extension is requested, in writing, by the project sponsor no later than one hundred twenty (120) days prior to such expiration and approved by the Commission as provided in Commission Regulation 18 CFR § 806.31(b). In accordance with Commission Regulation 18 CFR § 806.31(d), if the project is discontinued for such a time and under such circumstances that an abandonment of the project may be reasonably inferred, the Commission may rescind the approval of the project.

22. This approval is effective until December 7, 2020. As specified in Commission Regulation 18 CFR § 806.31(e), if the project sponsor submits an application on or before June 7, 2020, the project sponsor may continue operation of this project pursuant to the terms and conditions of this approval until such time as the Commission acts on such application, or until otherwise notified by the Executive Director.

CERTIFICATION: I, Stephanie L. Richardson, Secretary to the Susquehanna River Basin Commission, do hereby certify that the foregoing project docket was approved by the Susquehanna River Basin Commission on December 8, 2016.

Dated: December 9, 2016


Stephanie L. Richardson