The following letter was sent at 3:20 this afternoon to all NC Mining and Energy Commissioners. It reflects the widespread concern of public interest groups from across the state who are monitoring the MEC's rulemaking process and are deeply concerned about the potential health, safety, environmental and quality of life impacts of rules designed to protect industrial interests at the expense of NC residents' health, safety, and natural resources, as well as impairing their rights as landowners and citizens.

Clean Water for NC ◊ Cumnock Preservation Association ◊ Dan River Basin Association ◊ Haw River Assembly ◊ Lee County Say NO to Fracking ◊ No Fracking In Stokes ◊ Pee Dee Water, Air, Land and Lives ◊ RiverGuardian Foundation ◊ Save Our Sandhills ◊ Yadkin RiverKeeper ◊ 350.org Triangle

Dear Chairman Womack and members of the NC Mining and Energy Commission:

As we approach the full Commission's January 31st meeting, when the MEC's Draft Setback Rule will be discussed and action is expected, the undersigned groups send this letter to express their outrage that the draft Setback Rules under consideration take an approach designed predominantly to attract the gas extraction industry to NC, rather than, as in the rule's stated purpose, to "minimize or mitigate potential adverse impacts to public health, public safety, the environment, and wildlife." Simply establishing regulations that avoid being a "burden" for industry, or modeling them on other states' often long existing, regulations, is inadequate to protect North Carolina's residents, whether or not they are the potential beneficiaries of revenues from gas extraction.

The provision calling for a setback of only 500 feet from either public or private water supply wells is flagrant in its inadequacy. The diverse Oil and Gas Stakeholder group, including representatives from local governments, agencies, landowner and public interest groups and including industry, recommended a setback of at least 1,000 feet for oil or gas drilling from an water supply well. Even that set back distance will be of questionable value when the horizontal leg of an unconventional gas well, rather than the well head itself, could easily pass much closer, either laterally or vertically to already existing water supply wells. While the argument that a 500 foot setback from water wells has been considered adequate for other regulated activities, those contexts differ dramatically in both scale of activity and the pressure applied to fracture a well from the more passive, low pressure and smaller volume potential sources of contamination that have been historically regulated. For a potential large scale industrial activity, for which an increasing number of states (including NC) are requiring baseline and follow up testing in a radius thousands of feet from an unconventional well, it is irresponsible

and irrational to allow location of new unconventional wells and associated operations as close as 500 feet from existing water supply wells.

Allowing gas extraction and treatment activities as close as 500 feet from occupied buildings presents another set of significant risks that must be avoided to protect public health. Plumes of toxic air emissions have been documented to extend thousands of feet from sources such as a unconventional gas well head, condensate tanks, gas processing equipment, flowback wastewater pits or compressor stations. Also, a high level of noise, often continuous for weeks or more, is associated with trucks, drilling, fracking and processing equipment. To allow variances or waivers to reduce this distance to as little as 250 feet is even more troubling. There is nothing to prevent a variance process being used to pressure a landowner who is unaware of the health and safety consequences to agree to reduced setbacks in order to get other desired terms for a lease or surface use agreement.

Other setbacks of 100 feet, "as measured from the center of the wellhead or production facility" to surface waters, flood plains or roadways, are deeply inadequate and, given the overall footprint of the facility, the functional setbacks may be reduced to near zero. This would significantly increase the risk of uncontrolled contaminated runoff, and creates inadequate and unsafe separation from public roadway traffic for industry, agency or emergency vehicles.

Setbacks are a key form of protection for the public's health, safety and natural resources, as recognized in an increasing number of local regulatory decisions. Recently, the City of Dallas, with extensive experience in fracking and gas development, voted to keep allextraction activities at least 1,500 feet from occupied buildings to protect the health, safety and quality of life of its residents. A University of Denver study has indicated health risks due to air emissions to residents a half mile from drilling operations. NC must learn from this experience in crafting its rules if it wants to develop the progressive, "modern" oil and gas program it has promised to develop.

To approve and implement the MEC draft setback rule in its current form would be an injustice to the people and communities where drilling and other extraction and processing activities could take place. The deeply inadequate setbacks in this draft rule have no basis in valid health and environmental impact studies. We call on the Mining and Energy Commission to overcome the overweening concern of several Commissioners about creating regulations that burden industry, and instead prioritize protection of the public and its resources, as NC law requires, in order to have any claim to credibility as a regulatory Commission and to fulfill the promise of the NC General Assembly that we will have regulations that protect the public and environment.

Sincerely yours,

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