



COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF ENVIRONMENTAL PROTECTION  
OIL AND GAS MANAGEMENT PROGRAM

DEP USE ONLY	Inspection Record # 1928105
Complaint Record # 275671	Enforcement Record # NA

INSPECTION REPORT

DEP Office NCHO-BIG	Phone (570) 327-3636	Permit or Reg. # 37-105-21500
Address 208 West Third Street, Suite 101 Williamsport, PA 17701	Project # N/A	Farm Name & Well # Reed Run 2145
Oper Name Pennsylvania General Energy Company	County Potter	Municipality Keating Township
Address 90 Mark Mumment 120 Market Street Warren, PA 16365	Latitude: ° N ' " N	Longitude: ° A ' " W

Inspection Code:  BDREL - Bond Release  DRALT - Drilling or Alteration  RDSPR - Road Spreading  
 CEI - Compliance Evaluation  FLWUP - Follow-up  RESTR - Site Restoration  
 COMPL - Complaint Inspection  PLUG - Plugging  RTNC - Routine

Other:  Permit Expired  Alt/Meth.  Annulus Open  Cement Returns  Recommend Bond Release

Location	Insp.	Violation	Driller's Log Information				Depth: N/A	
			Fresh Water Amt / Depth	Salt Water Amt / Depth	Coal Thickness / Depth	Formations Oil / Depth Gas / Depth		
Site ID Sign			N/A					
Well Tag	X							
Distance Restrict								
E/S Plan on Site	X							
E/S Controls	X							
Encroachments								
Site Restoration	X	25 PA Code 87B.65(3)						
<b>Drilling-Plugging</b>			<b>Drilling / Plugging</b>					
Notification			Filling Material & Plugs			Casing & Tubing		
B.O.P.			From	To	Size	Pulled	Left	
Casing			N/A					
Monument								
Waste Mgmt.								
Top Hole Water								
Fluids Mgmt.			N/A					
Impoundment/pit	X							
Pollution Prevent	X							
Residual Waste	X							
Compliance Assistance	Code	N/A	Code	N/A	Inspection Results	Code	X Violation	

Remarks: Arrived on site @ 2:40 pm; weather - raining, 40s light wind; no activity on site; responding to complaint of discolored water in ditch below well pad; found no definitive evidence to substantiate the complaint - saw a little sediment in water in ditch (tested with field meter = pH 8.6, TDS 154, conductivity 165  $\mu$ S/cm); local area marked out along edge of pad  
 11/17/2010 - reviewed permit file - no restoration report submitted to the Department  $\rightarrow$  violating 25 PA Code 87B.65(3)  
 One copy of this report and a Notice of Violation to be mailed to the Operator  
 (see attached copy of site photographs and well record completion report)

Sample No.	Location / Description	DEP Rep:	Date:
	N/A	(signature) ROBERT W. EVERETT III	11/16/2010
		(print name)	Time: 3:15pm

**COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF ENVIRONMENTAL PROTECTION  
OIL AND GAS MANAGEMENT PROGRAM**

Notice of Violation(s)		
Law / Reg.	Section	Description of Violation
25 Pa. Code	78.65(3)	<p>Failure to submit a well restoration report to the Department within 60 days after the restoration of the well site.</p> <p>Section 78.65(3) provides:</p> <p>Within 60 days after the restoration of the well site, the operator shall submit a well site restoration report to the Department. The report shall be made on forms provided by the Department and shall identify the following:</p> <ul style="list-style-type: none"> <li>(i) The date of land application of the tophole water, the results of pH and specific conductance tests and an estimated volume of discharge.</li> <li>(ii) A description of the method used for disposal or reuse of the free liquid fraction of the waste, and the name of the hauler and disposal facility, if any.</li> <li>(iii) The location of the pit in relation to the well, the depth of the pit, the type and thickness of the material used for the pit subbase, the type and thickness of the pit liner, the type and nature of the waste, a description of the pit closure procedures used and the pit dimensions.</li> <li>(iv) The location of the area used for land application of the waste, and the results of a chemical analysis of the waste soil mixture if requested by the Department.</li> <li>(v) The types and volumes of waste produced and the name and address of the waste disposal facility and waste hauler used to dispose of the waste.</li> </ul>

**Instructions / Response**

Please provide a written response within 10 days receipt of this letter, as to when the above listed violations were or will be corrected, and what steps are being taken to prevent their recurrence. If applicable, please include the description of activities you will pursue to achieve compliance with the statutes or regulations cited above. Address your reply to the DEP representative named below.

Written response requested

Explain what you ...  have done, or will do ... to correct the situation and achieve compliance.

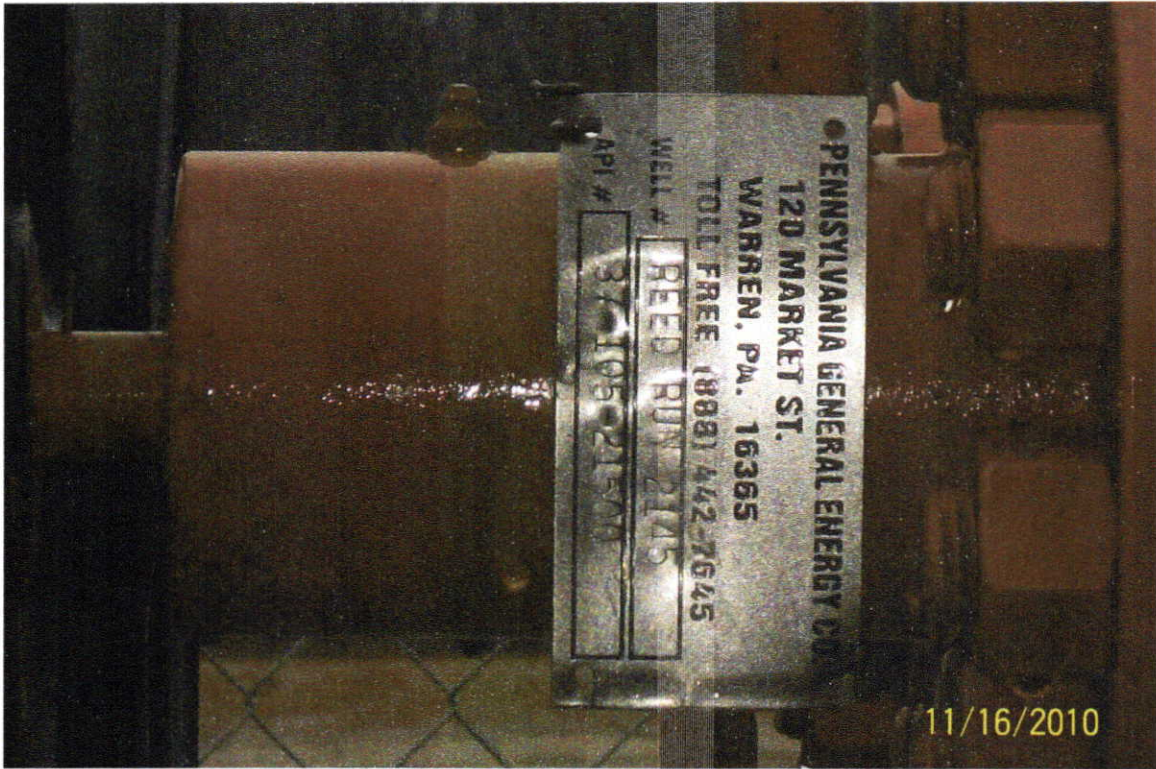
Include the schedule or anticipated time frame for compliance activities you intend to carry out.

**Comments:**

Please provide the written response to Robert W. Everett III, Williamsport Oil and Gas Program, at the address provided on page one (1) of the inspection report.

Permit Reg. No.	Date	DEP Rep.	Cert. Mail #	Date
37-105-21500	11/17/2010	Robert W. Everett III 	7009 2820 0001 0910 1288	N/A













COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF ENVIRONMENTAL PROTECTION  
Oil & Gas Management Program  
**WELL RECORD AND COMPLETION REPORT**

DEP USE ONLY	
Auth #	APS #
Site #	Facility #
FIX Client #	Sub-Fac #

Well Operator Pennsylvania General Energy Company L.L.C.		DEP ID# 213205	Well API # (Permit / Reg) 37-105-21500-00-00	Project Number	Acres
Address 120 Market Street			Well Farm Name Reed Run	Well # 2145	Serial #
City Warren	State Pa	Zip Code 16365	County Potter	Municipality Keating	
Phone 814-723-3230	Fax 814-723-3502	USGS 7.5 min. quadrangle map Roulette			

Check all that apply:  Original Well Record  Original Completion Report  Amended Well Record  Amended Completion Report

**WELL RECORD** Also complete Log of Formations on back (page 2)

Well Type	<input checked="" type="checkbox"/> Gas <input type="checkbox"/> Oil <input type="checkbox"/> Combination Oil & Gas <input type="checkbox"/> Injection <input type="checkbox"/> Storage <input type="checkbox"/> Disposal			
Drilling Method	<input checked="" type="checkbox"/> Rotary - Air <input checked="" type="checkbox"/> Rotary - Mud <input type="checkbox"/> Cable Tool			
Date Drilling Started 9/15/2008	Date Drilling Completed 11/24/2008	Surface Elevation 2240'	Total Depth-Driller 9852'	Total Depth-Logger 9852'

**Casing and Tubing**

Cement returned on surface casing?  Yes  No

Cement returned on coal protective casing?  Yes  No  N/A

Hole Size	Pipe Size	Wt.	Thread/Weld	Amount in Well (ft)	Material Behind Pipe and Amount	Type	Packer / Hardware /	Centralizers	Date Run
14	13 3/8		Weld	30'					09/15/08
12 1/4	9 5/8	32#	Thd	800'	315 sks Class A 3% CaCl <sub>2</sub> .25#/sks celloflake		guide shoe	4 centralizers	09/16/08
8 3/4	5 1/2	20#	Thd	9792'	1150 sks Varicem .25#/sks celloflake		float shoe latchdown	60 centralizers	11/29/08
5 1/2	2.375		Thd	6568'			pump off plug seating nipple		07/11/09

**COMPLETION REPORT**

Perforation Record			Stimulation Record						
Date	Interval Perforated		Date	Interval Treated	Fluid		Propping Agent		Average Injection Rate
	From	To			Type	Amount	Hours	Days	
6/29/09	6575'	9700'	6/29/09	6575-9700	acid	55028	100	12487 sks	61.1 BPM
					water	3829831	40/70	26634 sks	61.1 BPM

RECEIVED  
SEP 14 2009  
OIL & GAS

RECEIVED  
JUL 27 2009

ENVIRONMENTAL PROTECTION  
NORTHWEST REGIONAL OFFICE

Natural Open Flow TSTM	Natural Rock Pressure N/A	Hours	Days
After Treatment Open Flow N/A	After Treatment Rock Pressure N/A	Hours	Days

**Well Service Companies** -- Provide the name, address, and phone number of all well service companies involved

Name Ristau Drilling	Name Union Drilling, Inc.	Name Schlumberger
Address 100 Kamp St.	Address P.O. Drawer 40	Address 95 Rutherford Run
City-State-Zip Warren, Pa. 16365	City-State-Zip Buckhannon, Wva. 26201	City-State-Zip Bradford, Pa. 16701
Phone 814-723-4858	Phone (304) 472-4610	Phone (814) 362-7441









COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF ENVIRONMENTAL PROTECTION  
OIL AND GAS MANAGEMENT PROGRAM

DEP USE ONLY	Inspection Record # 1819508
Complaint Record #	Enforcement Record #

INSPECTION REPORT

DEP Office	Northcentral Regional Office	Phone: 570-327-3636	Permit or Reg. #	37-105-21500
Address	208 West Third Street, Suite 101	Fax: 570-327-3565	Project #	
	Williamsport, PA 17701-6448		Farm Name & Well #	REED RUN 2145
Oper Name	PENNSYLVANIA GENERAL ELECTRIC		County	Potter
Address	120 Market St.		Municipality	KEATING TWP.
	WARREN, PA 16365		Latitude:	° ' " N
		DEP ID #	Longitude:	° ' " W

- Inspection Code:**
- |   |   |  |
|---|---|--|
| <input type="checkbox"/> BDREL – Bond Release         | <input type="checkbox"/> DRALT – Drilling or Alteration | <input type="checkbox"/> RDSR – Road Spreading     |
| <input type="checkbox"/> CEI – Compliance Evaluation  | <input type="checkbox"/> FLWUP - Following              | <input type="checkbox"/> RESTR – Site Restoration  |
| <input type="checkbox"/> COMPL – Complaint Inspection | <input type="checkbox"/> PLUG – Plugging                | <input checked="" type="checkbox"/> RTNC - Routine |

- Other:**  Permit Expired  Alt/Meth.  Annulus Open  Cement Returns  Recommend Bond Release

Location	Insp.	Violation	Driller's Log Information			Depth:	
Site ID Sign	X		Fresh Water Amt / Depth	Salt Water Amt / Depth	Coal Thickness / Depth	Oil / Depth	Formations Gas / Depth
Well Tag	X						
Distance Restrict							
E/S Plan on Site	X	25 PA Code §102.4(b)(5)					
E/S Controls	X	25 PA Code §102.4(b)(1)					
Encroachments	X						
Site Restoration	X						
<b>Drilling / Plugging</b>							
Drilling-Plugging			Filling Material & Plugs			Casing & Tubing	
Notification			From	To	Size	Pulled	Left
B.O.P.							
Casing							
Monument							
<b>Waste Mgmt.</b>							
Top Hole Water							
Fluids Mgmt.							
Impoundment/pit	X						
Pollution Prevent.	X						
Residual Waste			<b>Compliance Assistance</b>	Code	Code	<b>Inspection Results</b>	Code VIOLS

**Remarks:** 1220- Access road runs Northwest/Southeast, intersecting the site. A well head is present on the east portion of the well pad. An impoundment is located on the north portion of the well pad, east of the road. Two E & S mailboxes present. One containing E & S plan for well pad. One containing ESCGP-1 (Keating Summit) plans. Neither set of plans adequately depict site conditions at the well pad/impoundment location.

E & S parameter controls on site include vegetated slopes, brush piles and silt fence. Impoundment holding minimal water and fenced with chicken wire.

<b>Sample No.</b>	<b>Location/Description</b>	<b>DEP Rep:</b>	
	<b>NOTE: COPY SENT TO OPERATOR</b>	(signature)	Date: 8/6/2009
		(print name) Mark A. Barbier	Time:

*for w. Ryde 8-13-09*

- White – Regional File  Yellow – Operator  Pink – Inspector  Goldenrod – Company File

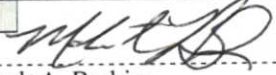


INSPECTION REPORT PAGE 2

**Remarks (Continued):** The fill pile located north of the impoundment is completely exposed. No indication that seed or mulch has been applied.

By not depicting site conditions on the E & S plan and by not stabilizing the fill pile, PGE has violated 25 PA Code § 102.4 (b)(5) and 25 PA Code § 102.4(b)(1) respectively.

The appearance of a wetland is located north of the fill pile. An on-site conversation with Contrator Kevin Mayer Belser Hale Inc. indicated that he released the build up of water today (8/06/2009). He cut a channel to tie into preexisting road ditch. The water flows between the fill pile and impoundment. The water ultimately outlets at the south eastern portion of the site. The entire eastern portion of off site has the appearance of a wooded wetland. At the time of inspection, no delination report known to exist. Potential Chapter 105 violations will be referred to Andy Klinger O&G Biologist.

<b>PERMIT OR REGISTRATION NUMBER</b>	<b>DEP Rep:</b> 	Date: 8/6/2009
	(signature) (print name) Mark A. Barbier	Time:



COMMONWEALTH OF PENNSYLVANIA  
 DEPARTMENT OF ENVIRONMENTAL PROTECTION  
 OIL AND GAS MANAGEMENT PROGRAM

Notice of Violation(s)

Law / Reg.	Section	Description of Violation
25 PA Code	§ 102.4 (b)(5)	Failure to accurately depict site conditions on E & S plan.
25 PA Code	§ 102.4 (b)(1)	Failure to implement and maintain erosion and control BMPs required to minimize the potential for accelerated erosion.

CONTACTS  
 NOV  
 ENR ID  
 249008  
 MBK  
 8/13/09

Instructions / Response

Please provide a written response within 10 days receipt of this letter, as to when the above listed violations were or will be corrected, and what steps are being taken to prevent their recurrence. If applicable, please include the description of activities you will pursue to achieve compliance with the statutes or regulations cited above. Address your reply to the DEP representative named below.

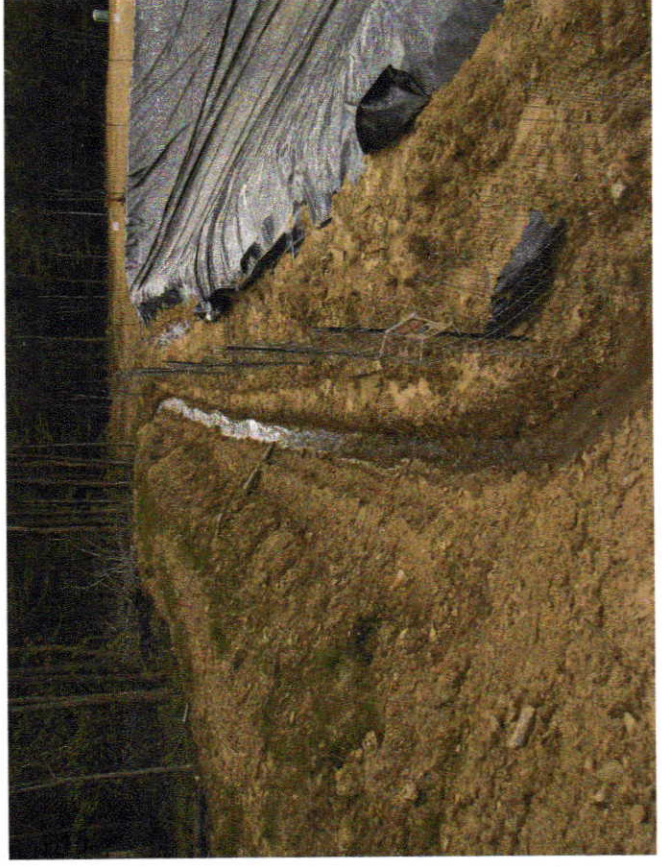
- Written response requested.  Include explanation of cause of violation(s).
- Explain what you ...  have done, or will do ... to correct the situation and achieve compliance.
- Include the schedule or anticipated time frame for compliance activities you intend to carry out.

Comments:

Please provide the written report to Mark A. Barbier, Williamsport Oil and Gas Program, at the address provided on page one (1) of the inspection report.

Permit Reg. No.	Date	DEP Rep.	Cert. Mail #	Date
105-21500	8/62009	 Mark A. Barbier	N/A	N/A









COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF ENVIRONMENTAL PROTECTION  
Oil and Gas Management Program  
**WELL LOCATION PLAT**

DEP USE ONLY	DEP Application Tracking # Perm # Project #	G: <u>Acc</u> 6/16/08 C:
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Top Hole Location  
NAD 27 (±0.02")  
Denotes location of well on topo map.  
True Latitude: NORTH  
41° 43' 41.50"  
True Longitude: WEST  
78° 10' 06.36"

Top Hole is located on topo map 7945 feet south of Latitude 41° 45' 00"

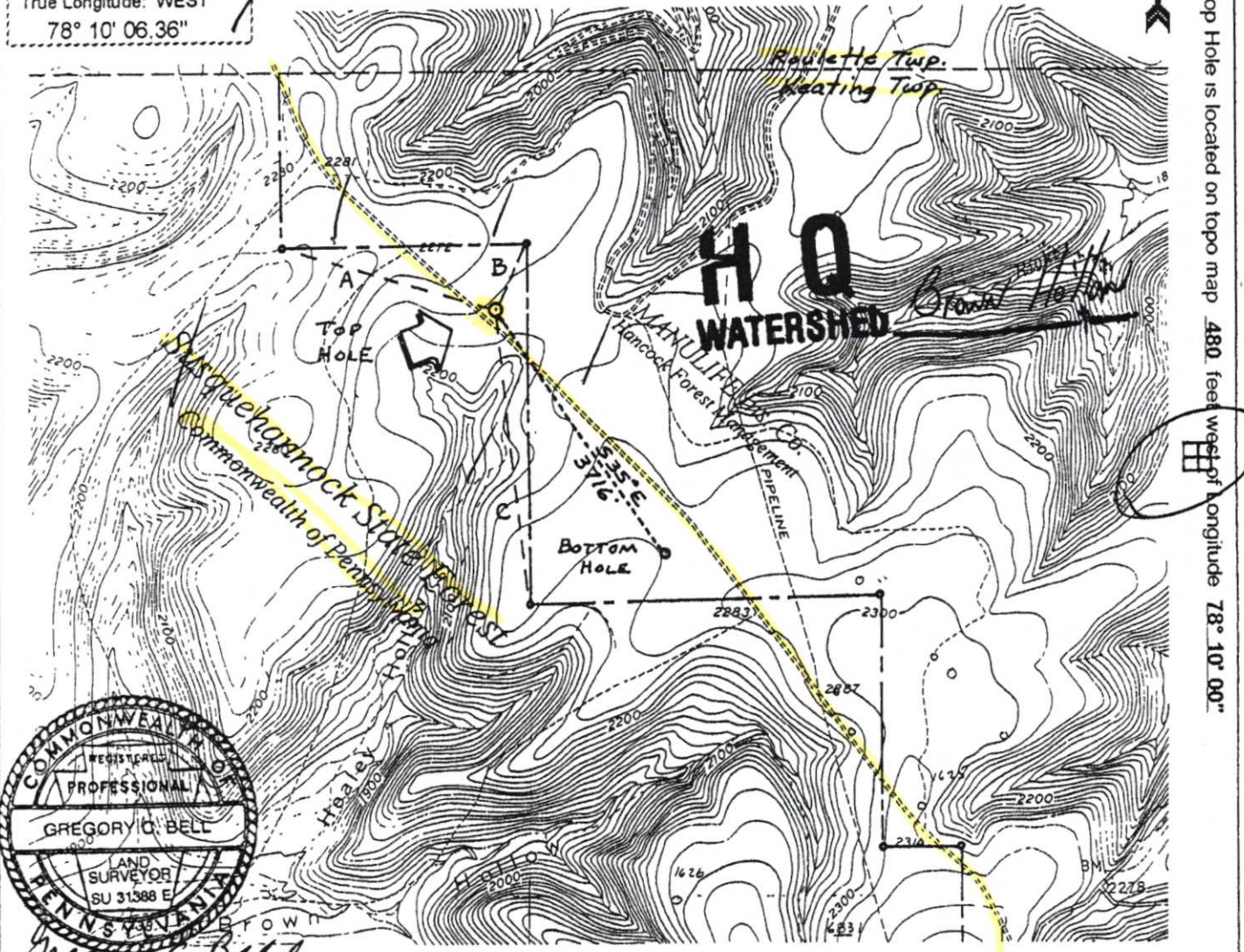
NOTE: Large Tract, Limits of ownership are too extensive to show at this scale.

Location Ties

A	- S 73°35' E - 2780'
B	- S 25°32' W - 916'
C	- N 7°04' W - 3696'



Top Hole is located on topo map 480 feet west of longitude 78° 10' 00"



Surveyor or Engineer  
Gregory C. Bell, PLS  
Hentage Surveys (814) 225-3484

Date: May 28, 2008  
Scale: 1" = 2000'  
Tract Acreage

Lat & Long Metadata Method: TOPCON (L2) GPS Accuracy: 2 ± ft Datum: NAD 27		Elevation Metadata Method: Topo Interpolation Accuracy: 10 ± ft Datum: NAD 27		Survey Date 5/28/08
Applicant / Well Operator Name <b>Pennsylvania General Energy Co., LLC</b>		DEP ID # 213205	Well (Farm) Name <b>Reed Run</b>	Well # 2145
Address 120 Market Street, Warren, PA 16365		County - Code Potter - 53	Municipality Keating Twp	Well Type Gas
Surface Landowner Commonwealth of Pennsylvania		USGS 7.5' Quadrangle Map Name Keating Summit	DEP Map # 520	Map Section 2
Surface Lessee (if any) Susquehannock State Forest		Angle & Course of Deviation (Drilling) S 35° E - 3716'	Surface Elevation 2240 topo	Anticipated Total Depth 6040 TVD
Surface Owner or Water Purveyor with a Water Supply within 1000 ft. none	Approximate Course and Distance to Water Supply JUN 09 2008	Owner, Lessee, or Operator of Workable Coal Seam	Name of Coal Seam Owned, Leased, or Operated	

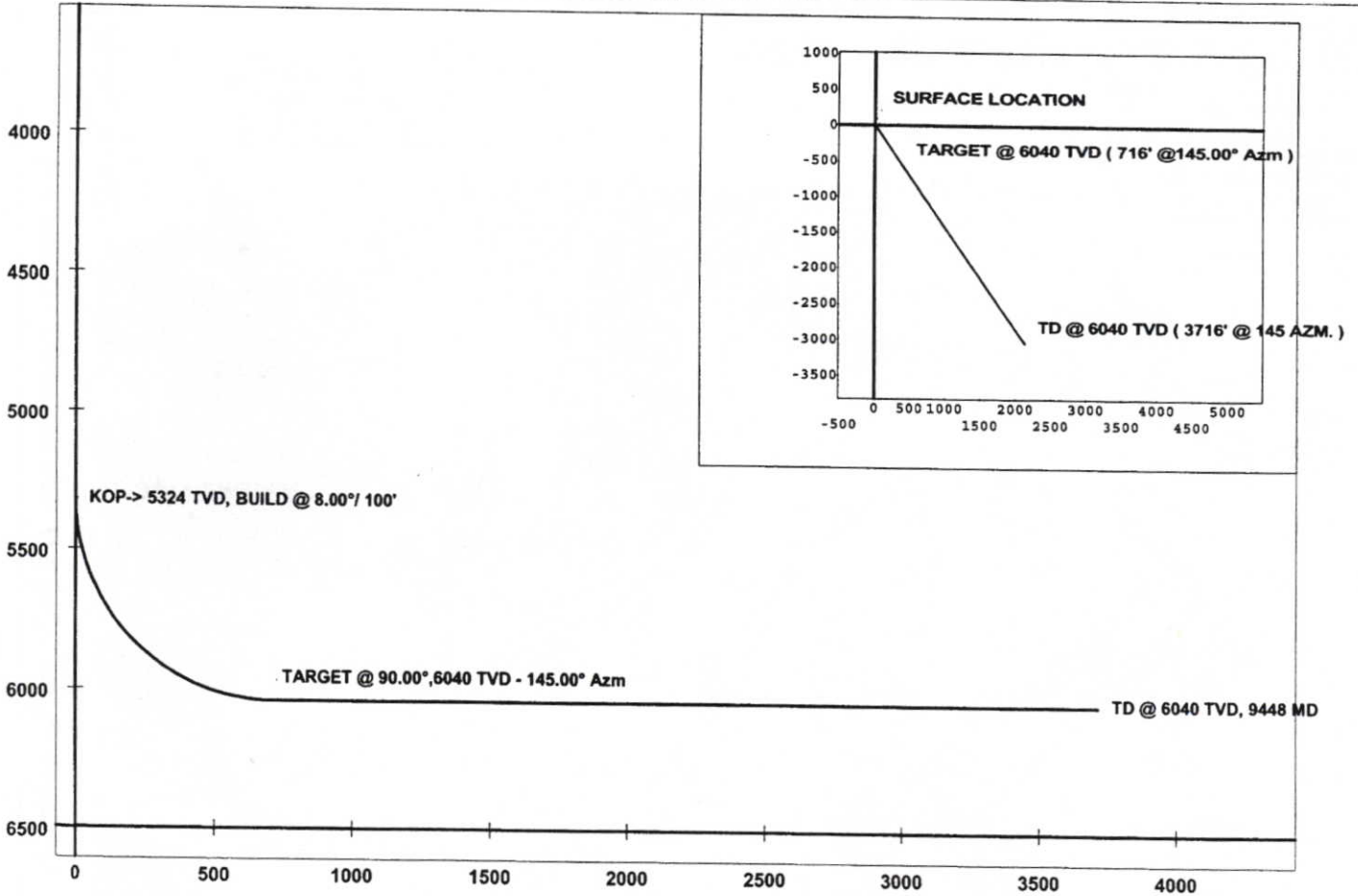
DEPARTMENT OF ENVIRONMENTAL PROTECTION



Company: PGE  
Lease/Well: REED RUN  
Location: POTTER COUNTY  
State/Country: PA / USA  
File name: C:\WINSERVE\PENDING\2008\REEDRUN.SVY  
Date/Time: Wednesday, May 21, 2008



105-21500







COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF ENVIRONMENTAL PROTECTION  
OIL AND GAS MANAGEMENT PROGRAM

DEP USE ONLY	Inspection Record # 1875008
Complaint Record # N/A	Enforcement Record # N/A

INSPECTION REPORT

DEP Office ALCRO	Phone (570) 327-3636	Permit or Reg. # 37-105-21500
Address 208 West Third Street, Suite 101 Wellington, PA 17701		Project # N/A
Oper Name Pennsylvania General Energy		Farm Name & Well # Kees Run 2145
Address 120 Market Street Warren, PA 16365 Attn: David Straub		County Potter
		Municipality Kentung Township
		Latitude: 41° 43' 41.50" N
		Longitude: 78° 10' 6.36" W

**Inspection Code:**

<input type="checkbox"/> BDREL - Bond Release	<input type="checkbox"/> DRALT - Drilling or Alteration	<input type="checkbox"/> RDSPR - Road Spreading
<input checked="" type="checkbox"/> CEI - Compliance Evaluation	<input type="checkbox"/> FLWUP - Follow-up	<input type="checkbox"/> RESTR - Site Restoration
<input type="checkbox"/> COMPL - Complaint Inspection	<input type="checkbox"/> PLUG - Plugging	<input type="checkbox"/> RTNC - Routine

**Other:**  Permit Expired  Alt/Meth.  Annulus Open  Cement Returns  Recommend Bond Release

Fold Line

Location	Insp.	Violation	Driller's Log Information			Depth: N/A		
Site ID Sign			Fresh Water Amt / Depth	Salt Water Amt / Depth	Coal Thickness / Depth	Formations Oil / Depth Gas / Depth		
Well Tag	X		N/A					
Distance Restrict								
E/S Plan on Site	X							
E/S Controls	X	25 PA Code §102.4(b)(1)						
Encroachments								
Site Restoration								
<b>Drilling-Plugging</b>			<b>Drilling / Plugging</b>			<b>Casing &amp; Tubing</b>		
Notification			Filling Material & Plugs	From	To	Size	Pulled	Left
B.O.P.			N/A					
Casing								
Monument								
<b>Waste Mgmt.</b>			<b>Compliance Assistance</b>			<b>Inspection Results</b>		
Top Hole Water			Code	N/A	Code	N/A	DVI (De minimis)	
Fluids Mgmt.			N/A					
Impoundment/pit	X							
Pollution Prevent								
Residual Waste	X	35 PS §6018.301						

**Remarks:** Arrived on site @ 12:35 pm, accompanied by Bob Payne (PGE), Craig Dean (PGE), Ron Daugherty (DEP). Well in place waiting to be put on line, site well stabilized, only noticed 2 minor issues that need corrected:  
 1. Pieces of HDPE liner caught up in A-1 bank; and need removed - a violation of 35 PS §6018.301  
 2. E/S Control BMP for water drainage (slope of main soil stockpile (a drainage ditch by the road) needs stabilized w/ rock or vegetation, a violation of 25 PA Code §102.4(b)(1) - ditch does have rock lining downstream.  
 One copy of report given to Craig Dean, while on site

Sample No.	Location / Description	DEP Rep:	Date
	N/A	(signature)	04/05/2010
		(print name) ROBERT W. EVERETT III	Time: 1:35 pm





Red Run 2145 (37-105-21500)



**Everett, Robert**

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**From:** Means, Jennifer  
**Sent:** Tuesday, March 23, 2010 1:35 PM  
**To:** Barbier, Mark; Klinger, Andy  
**Cc:** Barondeau, Stephen; Ryder, John; Everett, Robert  
**Subject:** RE: EPA Docket Number CWA-03-2010-0076DW

OK- so sounds like we need to reinspect to determine if in back in compliance or not. Let me know what you find when you get out there.

**Jennifer Means** | EP Program Manager  
Department of Environmental Protection  
208 West Third Street, Suite 101, Williamsport, PA 17701  
Phone: (570) 321-6557 | Fax: (570) 327-3420  
[www.depweb.state.pa.us](http://www.depweb.state.pa.us)

-----Original Message-----

**From:** Barbier, Mark  
**Sent:** Tuesday, March 23, 2010 1:29 PM  
**To:** Klinger, Andy; Means, Jennifer  
**Cc:** Barondeau, Stephen; Ryder, John; Everett, Robert  
**Subject:** RE: EPA Docket Number CWA-03-2010-0076DW

As Andy indicates, The NOV for Chapter 102 violations remains open.

The received NOV response does not automatically resolve/close the violation.

I don't agree with Craig's assertion to annotate the Compliance history based on PGE's NOV response.

We were waiting for the 105/EPA issues before we re-inspect.

I discussed the outstanding Chapter 102 violation with Rob.

I believe that he intends to re-inspect this location in the near future.

Nonetheless, currently, I don't think this particular NOV should hold permit issuance.

**Mark Barbier** | Environmental Trainee  
Department of Environmental Protection  
208 West Third Street, Suite 101, Williamsport, PA 17701  
Phone: 570-327-0514 | Fax: 570-327-3420  
[www.depweb.state.pa.us](http://www.depweb.state.pa.us)

-----Original Message-----



**From:** Klinger, Andy  
**Sent:** Tuesday, March 23, 2010 11:27 AM  
**To:** Means, Jennifer; Barbier, Mark  
**Cc:** Barondeau, Stephen; Ryder, John; Everett, Robert  
**Subject:** RE: EPA Docket Number CWA-03-2010-0076DW

Yes. There is still the outstanding 102 violation (cited by Mark), which now would also include CSL 401 (not cited b/c it wasn't evident at the time of Mark's initial visits). On my follow up visit, there was LOTS of sediment in a stream from off the location. Rob is following up.

The NOV Craig should be referring to (mine) was dated Sept. 1, 2009. Craig referenced Mark's NOV instead of mine. My NOV is actually closed.

**Andy Klinger** | Water Quality Specialist  
Department of Environmental Protection  
Suite 101|208 West Third Street, Williamsport, PA 17701  
Phone: (570) 327-3767 | Fax: (570) 327-3420  
[www.depweb.state.pa.us](http://www.depweb.state.pa.us)

-----Original Message-----

**From:** Means, Jennifer  
**Sent:** Tuesday, March 23, 2010 10:14 AM  
**To:** Barbier, Mark; Klinger, Andy  
**Cc:** Barondeau, Stephen; Ryder, John  
**Subject:** FW: EPA Docket Number CWA-03-2010-0076DW

Do we still have anything on-going with this?

**Jennifer Means** | EP Program Manager  
Department of Environmental Protection  
208 West Third Street, Suite 101, Williamsport, PA 17701  
Phone: (570) 321-6557 | Fax: (570) 327-3420  
[www.depweb.state.pa.us](http://www.depweb.state.pa.us)

-----Original Message-----

**From:** Craig Mayer [mailto:[craigmayer@penngeneralenergy.com](mailto:craigmayer@penngeneralenergy.com)]  
**Sent:** Monday, March 22, 2010 4:11 PM  
**To:** Means, Jennifer; Mullen, Nancy J LRP; Klinger, Andy; Ryder, John; Cornelius, James J LRP  
**Cc:** [Lutte.Todd@epa.gov](mailto:Lutte.Todd@epa.gov); [dougkuntz@penngeneralenergy.com](mailto:dougkuntz@penngeneralenergy.com)  
**Subject:** FW: EPA Docket Number CWA-03-2010-0076DW

Dear Ms. Means and Ms Mullen,

The purpose of my e-mail is to bring closure to the various regulatory actions regarding PGE's activities at the Reed Run Area (Well# 2145) in Potter County, Pennsylvania.

Forwarded is Mr. Lutte's e-mail of March 18, 2010 resolving the EPA enforcement action related to the wetlands delineation at the Reed Run Area. Currently outstanding and unresolved are the U.S. Army Corps of Engineer (ACOE) Cease and Desist Order dated September 4, 2009 and a DEP Notice of Violation (NOV) dated 08/06/2009 regarding Well #



2145. Both of these items have, I believe, been addressed or resolved through the EPA actions and PGE's attached NOV Response. As you know the wetland delineation in the Reed Run Area that was directed by your agencies and conducted by Moody & Associates was validated on two occasions (November and December 2009) by Mr. Lutte.

With respect to the ACOE Cease and Desist Order I believe that it should be rescinded or cancelled at this time given the EPA resolution and PGE hereby so requests.

With respect to the DEP NOV prompting the attached Response I believe that the NOV has also been resolved, to the extent it was not previously resolved through PGE's NOV Response of 8/31/2009, by way of the EPA resolution. In regard to the attached NOV the current DEP Compliance History Report for PGE does not list the NOV to which this response applies as being resolved. PGE therefore requests that the Compliance History Report be annotated as soon as possible to reflect resolution of the 08/06/2009 reported NOV.

At this juncture there are no further actions that PGE is aware that it can or is required to take to resolve or otherwise address these outstanding regulatory matters.

Thank you in advance for your attention to our requests. If additional information is needed or there are any questions please contact me or our CEO, Mr. Kuntz, at your convenience.

Regards,  
Craig Mayer  
General Counsel  
Pennsylvania General Energy Co. L.L.C.  
814-723-3230

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**From:** Lutte.Todd@epamail.epa.gov [mailto:Lutte.Todd@epamail.epa.gov]  
**Sent:** Thursday, March 18, 2010 4:17 PM  
**To:** Doug Kuntz; Craig Mayer  
**Cc:** Klinger, Andy; Mullen, Nancy J LRP  
**Subject:** EPA Docket Number CWA-03-2010-0076DW

Re: EPA Docket No. CWA-03-2010-0076DW

Craig and Doug :

This refers to an Order for Compliance issued by this office dated January 20, 2009 concerning the unauthorized work that was performed on your property located along Card Creek Road approximately 1 mile northwest of the intersection of Reed Run Road and Card Creek Road in the town of Keating Summit, Keating Township, Potter County, Pennsylvania which you own or control. The Order required mitigation for the environmental harm which was caused by the unlawful discharge to waters of the United States. The U.S. Environmental Protection Agency (EPA) had issued this Order under the authority of Section 309(a) of the Clean Water Act ("CWA"), 33 U.S.C. § 1319(a).

Based upon observations of the photos submitted on 3/5/10 and 3/18/10 and made during our site visit it has been determined that you have met the terms and conditions of the Order and the specifications of the Restoration Plan have been met, therefore we consider this matter closed.



Should you have any questions or concerns, please feel free to contact me at 215/814-2099 or send an e-mail.

Thanks  
Todd Lutte



# pennsylvania

DEPARTMENT OF ENVIRONMENTAL PROTECTION

208 West Third Street, Suite 101

Williamsport, PA 17701-6448

February 7, 2011

File

Northcentral Regional Office

Fax 570-327-3565

Pennsylvania General Energy Company, LLC  
c/o Mark C. Mummert, Environmental Manager  
120 Market Street  
Warren, PA 16365

Re: Well Site Restoration Report Forms

Dear Mr. Mummert:

As discussed with you during our December 22, 2010 meeting at the Department's Northcentral Regional Office, the Department has recently revised its oil and gas "Well Site Restoration Report" form (5500-PM-OG0075) due to recent changes in Pennsylvania's Clean and Green Law. The new report form requires the well operator to identify the amount of acreage incapable of immediately being used for agricultural activities or forest reserve, in the "Site Restoration" section (Section G) of the form, as the result of oil and gas development activities. Please immediately begin to utilize the new "Well Site Restoration Report" form, a copy of which is enclosed and can also be found on the Department's website.

At this time, the Department is returning "Well Site Restoration Reports" for sites it has not yet performed restoration inspections on, and is requesting that you submit new restoration reports on the new restoration report form for those sites. This request for new restoration reports affects your company's following well sites:

- Fisk Hollow North 1943 (Permit# 37-105-21299)
- Fisk Hollow 1944/2146 (Permit# 37-105-21302 and 37-105-21484)
- Pine Hill 2369 (Permit# 37-105-21585)
- Pine Hill 2413-2415 (Permit# 37-105-21651, 37-105-21652, and 37-105-21653)
- Reed Run 2145 (Permit# 37-105-21500)
- Reed Run 2368 (Permit# 37-105-21576)

The Department is also requesting that operators provide more detailed information in the "On-site Disposal – Drill Cuttings or Waste" section (Section D) of the restoration report form. Thus, if encapsulating drill cuttings, the description of material disposed should explicitly detail the geological formations from which cuttings are encapsulated (i.e. entire well bore to include Marcellus, cuttings from surface down to Upper Devonian, etc.) and should be accompanied by proof that encapsulation of those cuttings is acceptable pursuant to Section 78.62(b), 25 Pa. Code § 78.62(b), of the Department's rules and regulations.

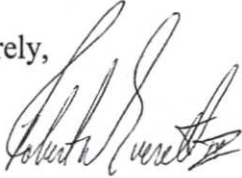
Also note that the Department is in the process of rescinding the use of alternate approved 20 mil liners for drill pits. The official notice of rescinding should be published in the Pennsylvania Bulletin in the near future.



February 7, 2011

Should you have any questions concerning this letter, or require clarification, please contact me at 570-327-3680.

Sincerely,



Robert W. Everett III  
Water Quality Specialist  
Oil and Gas Management

cc: NCRO Fisk Hollow North 1943 File (Permit# 37-105-21229)  
NCRO Fisk Hollow 1944 File (Permit# 37-105-21302)  
NCRO Fisk Hollow 2146 File (Permit# 37-105-21484)  
NCRO Pine Hill 2369 File (Permit# 37-105-21585)  
NCRO Pine Hill 2413 File (Permit# 37-105-21651)  
NCRO Pine Hill 2414 File (Permit# 37-105-21652)  
NCRO Pine Hill 2415 File (Permit# 37-105-21653)  
NCRO Reed Run 2145 File (Permit# 37-105-21500)  
NCRO Reed Run 2368 File (Permit# 37-105-21576)

Enc: Current "Well Site Restoration Report" Form (5500-PM-OG0075)  
Fisk Hollow North 1943 Restoration Report (Permit# 37-105-21229)  
Fisk Hollow 1944/2146 Restoration Report (Permit# 37-105-21302, 37-105-21484)  
Pine Hill 2413-2415 Restoration Report (Permit# 37-105-21651, 37-105-21652, 37-105-21653)  
Pine Hill 2369 Restoration Report (Permit# 37-105-21585)  
Reed Run 2145 Restoration Report (Permit# 37-105-21500)  
Reed Run 2368 Restoration Report (Permit# 37-105-21576)





Pennsylvania  
Department of Environmental Protection

COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF ENVIRONMENTAL PROTECTION  
OIL AND GAS MANAGEMENT PROGRAM

DEP USE ONLY	
Site ID	Primary Facility ID
Client ID 213205	Subfacility ID

**Well Site Restoraton Report**

**A. Operator and Well Information** *Please read instructions on back before completing this form.*

Operator Pennsylvania General Energy Company L.L.C.		DEP ID # 213205	Well API # (Permit / Reg) 37-105-21500	
Address 120 Market Street		Well Farm Name Well # Reed Run 2145		Serial #
City Warren	State Pa	Zip Code 16365	County Potter	Municipality Keating
Phone 814-723-3230	Fax 814-723-4746	USGS 7 1/2 min. quadrangle map Keating Summit		

**B. Land Application of Tophole Water**

Date Applied	pH
Volume (bbls)	Spec. cond (umhos/cm)

**C. Off-site Waste Disposal**

**Type:**  Drilling Fluid (803) Amount: 2574 bbls  
 Fracing Fluid (804) Amount: bbls  
 Other, specify: Qty: bbls or tons

**Method of disposal or reuse**

<input type="checkbox"/> Disposal Well (04)	<input type="checkbox"/> Sewage Treatment Plant (10)
<input type="checkbox"/> Landfill (05)	<input checked="" type="checkbox"/> Brine Treatment Plant (12)
	<input type="checkbox"/> Other (D8) REUSE

**Facility Information**

Name: Waste Treatment Corp/Warren Permit #: EPA-PA0102784

**Hauler Information**

Name: Pennsylvania General Energy Company L.L.C.  
 Address: 120 Market St.  
 City: Warren State: Pa Zip Code: 16365

**D. On-site Disposal-Drill Cuttings or Waste**

**Location of center of disposal in relation to the well:**  
 Course: N40E degrees Distance: 60 feet

Describe the **material disposed**, including additives.

Drill cuttings

**Specify disposal method**

<input type="checkbox"/> Unlined pit, complete Section E.	<input type="checkbox"/> comments:
<input checked="" type="checkbox"/> Lined pit, complete Section E.	<input type="checkbox"/> Dusting
<input type="checkbox"/> Land application, complete Section F.	<input checked="" type="checkbox"/> Solidification

**Well Operator's Signature**

*[Handwritten Signature]*

**E. Pit Disposal**

Describe pit closure procedures.  
 Remove free water, fold pit liner over the contents of pit, place a small piece of a pit liner over pit, back fill to grade and seed and mulch  
 Liner is RUFECO 2010B 20 mil

Subbase, material: Thickness: inches  
 Pit liner, material: polyethylene Thickness: 20 mils  
 Pit dimensions (feet) Length: 100 Width: 40 Depth: 15

**F. Land Application**

**Area:** Length: feet Width: feet

**Waste-to-soil ratio (by volume)**

**Chemical analysis of waste**

Cadmium (Cd) ppm	Nickel (Ni) ppm
Copper (Cu) ppm	Zinc (Zn) ppm
Chromium (Cr) ppm	Oil and Grease %
Lead (Pb) ppm	Spec. Cond. umhos/cm
Mercury (Hg) ppm	

**G. Site Restoration**

All earth disturbance activities at the site authorized by the Well Permit are completed, the site has been stabilized and Post Construction Stormwater Management BMPs have been installed for all earth disturbance activities if applicable.

**DEP USE ONLY**

Title: \_\_\_\_\_  
 Reviewed by: \_\_\_\_\_ Date: \_\_\_\_\_  
 Other \_\_\_\_\_

RECEIVED

DEC 16 2010

PLACIS



File

# PENNSYLVANIA GENERAL ENERGY COMPANY, L.L.C.

120 MARKET STREET  
WARREN, PA 16365

TEL: (814) 723-3230  
FAX: (814) 723-7719

December 14, 2010

**By Certified Mail**

Mr. Robert W. Everett, III  
Water Quality Specialist  
Oil & Gas Management  
Northcentral Regional Office  
PA Department of Environmental Protection  
208 West Third Street, Suite 101  
Williamsport, PA 17701-6448

RECEIVED

DEC 20 2010

OIL & GAS  
NORO

Re: Notice of Violation  
Reed Run Well 2145  
Permits Nos. 37-105-21500  
Keating Township, Potter County

Dear Mr. Everett:

This letter responds to the Third-Page Notice of Violation dated November 16, 2010 concerning Reed Run well 2145 (attached). Specifically, the NOV was as follows:

**25 PA Code 78.65(3) Failure to submit a well restoration report within 60 days after the restoration of the well site.**

Our response is as follows: *During the drilling of well 2145, approximately 2,574 barrels of drilling fluids were generated. These fluids were transported for disposal to Waste Treatment Corporation in Warren, PA. The drill pit on this pad is located 60 feet in a N40E direction from the well. The pit is lined with a 20-mil RUFECO liner. Drill cuttings were solidified in the pit with the liner folded back over top of the pit. The area was graded to surrounding topography and then seeded and mulched.*

*The Well Site Restoration Report, DEP Form OG0075, is attached. You are correct that we did not send this form to the Department within 60-days of site restoration. To ensure that this error does not happen again, we have reviewed our restored Marcellus wells to ensure an OG0075 has been submitted and we assigned one person to be in charge of these reports going forward.*

Sincerely,

PENNSYLVANIA GENERAL ENERGY CO., LLC.

By   
Mark C. Mummert, PE, CIH  
Environmental Manager

Attachments

7010 1870 0001 7633 4057



105-21500

EPA Docket # CWA-03-2010-0076DW



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY  
REGION III  
1650 Arch Street  
Philadelphia, Pennsylvania 19103-2029

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

20 JAN 2010

2010 JAN 20 AM 10:10  
RECEIVED

Mr. Douglas Kuntz  
Pennsylvania General Energy Company, L.L.C.  
120 Market Street  
Warren, PA 16365

Re: EPA Docket No. CWA-03-2010-0076DW  
ORDER FOR COMPLIANCE

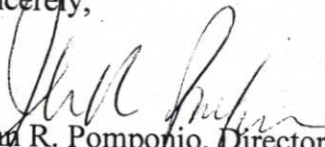
Dear Mr. Kuntz:

Enclosed is an Order for Compliance that requires you to mitigate for the unauthorized work on and around the property located along Card Creek Road approximately 1 mile northwest of the intersection of Reed Run Road and Card Creek Road in the town of Keating Summit, Keating Township, Potter County, Pennsylvania which you own or control. The Order requires mitigation for the environmental harm which was caused by the unlawful discharge to waters of the United States. The U.S. Environmental Protection Agency (EPA) has issued this Order under the authority of Section 309(a) of the Clean Water Act ("CWA"), 33 U.S.C. § 1319(a).

The CWA prohibits discharges to waters of the United States, including dredge or fill material, without a permit from the U.S. Army Corps of Engineers ("Corps"). Activities you have performed have resulted in discharges to jurisdictional waters of the United States without a permit. These activities constitute a violation of Section 404 of the CWA. These actions include the deposition of fill material into approximately .1 acres of wetlands adjacent to Reed Run in the effort of stabilize a road surface. To come into compliance you must remove all fill material associated with the side cast material along card creek road and return all impacted areas to pre-disturbance levels.

EPA is prepared to answer any questions you may have. Todd Lutte is assigned to this matter and may be reached by phone at 215-814-2099.

Sincerely,

  
John R. Pomponio, Director  
Environmental Assessment and  
Innovation Division

Enclosure  
cc: Nancy Mullen - USACOE  
Andy Klinger - PADEP  
Craig Mayer - PGE, LLC

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JAN 22 2010  
OIL & GAS

BEFORE THE UNITED STATES  
ENVIRONMENTAL PROTECTION AGENCY  
REGION III  
1650 Arch Street  
Philadelphia, Pennsylvania 19103

In The Matter of	)	
	)	
Pennsylvania General Energy Company, LLC	)	Proceeding Under Section
	)	309(a)of the Clean Water
	)	Act, 33 U.S.C. § 1319(a)
Property Located At:	)	
	)	
	)	
Approximately 1 mile	)	
Northwest of intersection of Card Creek	)	
Road and Reed Run Road	)	
along Card Creek Road	)	ORDER FOR COMPLIANCE
	)	
	)	
Respondent	)	Docket No. CWA-03-2010-0076DW

**I. STATUTORY AUTHORITY**

1. This Order for Compliance is issued under the authority vested in the United States Environmental Protection Agency (EPA) by Section 309(a) of the Clean Water Act, 33 U.S.C. § 1319(a) ("CWA" or "Act"). The Administrator has delegated this authority to the Regional Administrator of EPA Region III who in turn has redelegated it to the Director of the Environmental Assessment and Innovation Division.

**II. ALLEGATIONS**

1. Respondent is a "person" within the meaning of Section 502(5) of the CWA, 33 U.S.C. § 1362(5).
2. Respondent, Pennsylvania General Energy Company, is the owner or controller of the property located along Card Creek Road, approximately 1 mile northwest of the intersection of Reed Run Road and Card Creek Road in the town of Keating Summit, Keating Township, Potter County, Pennsylvania identified as "the Site" on the attached map labeled Exhibit "A". The property contains wetlands which are adjacent to an unnamed tributary to Reed Run, which flows to Oswayo Creek, which flows to the Allegheny River, a navigable-in-fact body of water. Therefore, the area is "waters of the United States" within the meaning of Section 502(7) of the Act, 33 U.S.C. § 1362(7); 40 C.F.R. § 232.2; 40 C.F.R. § 122.2.



3. Commencing on or about June of 2009, Respondent, or persons acting on behalf of Respondent, operated equipment which discharged dredged and/or fill material to waters of the United States located on the Site described in Paragraph 2, above, and further depicted on Exhibit "A", attached hereto. Respondent's activities include the deposition of material on top of and along an existing road surface for the purpose of stabilization in an areas which traverses a wetland. The fill material resulted in the filling of approximately .1 acre of forested wetland.
4. The term "fill material" within the meaning of 40 C.F.R. § 232.2, includes any pollutant which replaces portions of "waters of the United States" with dry land or which changes the bottom elevation of a water body for any purpose.
5. The equipment referenced in Paragraph 4, above, which has discharged dredged and/or fill material to "waters of the United States", constitutes a "point source" within the meaning of Section 502(14) of the Act, 33 U.S.C. § 1362(14).
6. Section 301(a) of the Act, 33 U.S.C. §1311(a), prohibits the discharge of dredged and/or fill material from point sources to "waters of the United States" except in compliance with a permit issued by the Secretary of the Army under Section 404 of the Act, 33 U.S.C. § 1344.
7. At no time during the discharge of dredged and/or fill material to the "waters of the United States" located on the Site did the Respondent have a permit from the Secretary of the Army as required by Section 404 of the Act, 33 U.S.C. § 1344.
8. Respondent, by discharging dredged and/or fill material to the "waters of the United States" without authorization, has violated Section 301(a) of the Act, 33 U.S.C. § 1311(a).

### III. ORDER FOR COMPLIANCE

Therefore, this 20<sup>th</sup> day of January, 2010, the Respondent is hereby ORDERED, pursuant to Section 309(a) of the Clean Water Act, 33 U.S.C. § 1319(a), to do the following:

1. Cease and desist all discharges without a permit to waters of the United States at the Site.
2. As agreed upon during our site visit of 11/23/09, Within forty-five (45) days of the effective date of this order, Respondent shall implement the Wetland Restoration Plan entitled, "Pennsylvania General Energy Company, LLC Hemlock Site on Card Creek Road Keating Township, Potter County Pennsylvania" dated September 17, 2009.
3. Please contact EPA when all restoration work has been completed.
4. Respondent's failure to complete the work in a manner consistent with this Order shall be deemed a violation of this Order.

5. All correspondence should be sent to:

Todd Lutte  
Wetlands Enforcement Coordinator (3EA30)  
United States Environmental Protection Agency  
1650 Arch Street  
Philadelphia, PA 19103-2029

6. Respondent's compliance with the terms of this Order shall not relieve Respondent of its obligation to comply with all applicable provisions of the Clean Water Act or any other Federal, State or local law or regulation. Issuance of this Order is not an election by EPA to forego any civil or criminal action otherwise authorized by the Clean Water Act. EPA reserves the right to seek any remedy available under the law that it deems appropriate to the violations described herein. Compliance with this Order shall not be a defense to any action commenced pursuant to such authorities.
7. Violation of the terms of this Order may result in further EPA enforcement action including, but not limited to, imposition of administrative penalties, pursuant to 33 U.S.C. § 1319(g) as modified by the Debt Collection Procedures Act of 1996 and the subsequent Civil Monetary Penalty Inflation Adjustment Rule, 40 C.F.R. Part 19, and/or initiation of judicial proceedings that allow for civil penalties of up to \$32,500 per day for each day of violation that occurs, and/or for the criminal sanctions of imprisonment and fines of up to \$50,000 per day, 33 U.S.C. § 1319(c).

#### IV. EFFECTIVE DATE

1. The effective date of this Order shall be the date of receipt of the executed document.


#### V. NOTICE OF INTENT TO COMPLY

1. Within ten (10) days of the effective date of this Order, Respondents shall submit to EPA a Notice of Intent to Comply with the Order. The Notice shall be submitted to:

Todd Lutte  
Wetlands Enforcement Coordinator  
Mail code (3EA30)  
United States Environmental Protection Agency  
1650 Arch Street  
Philadelphia, PA 19103-2029

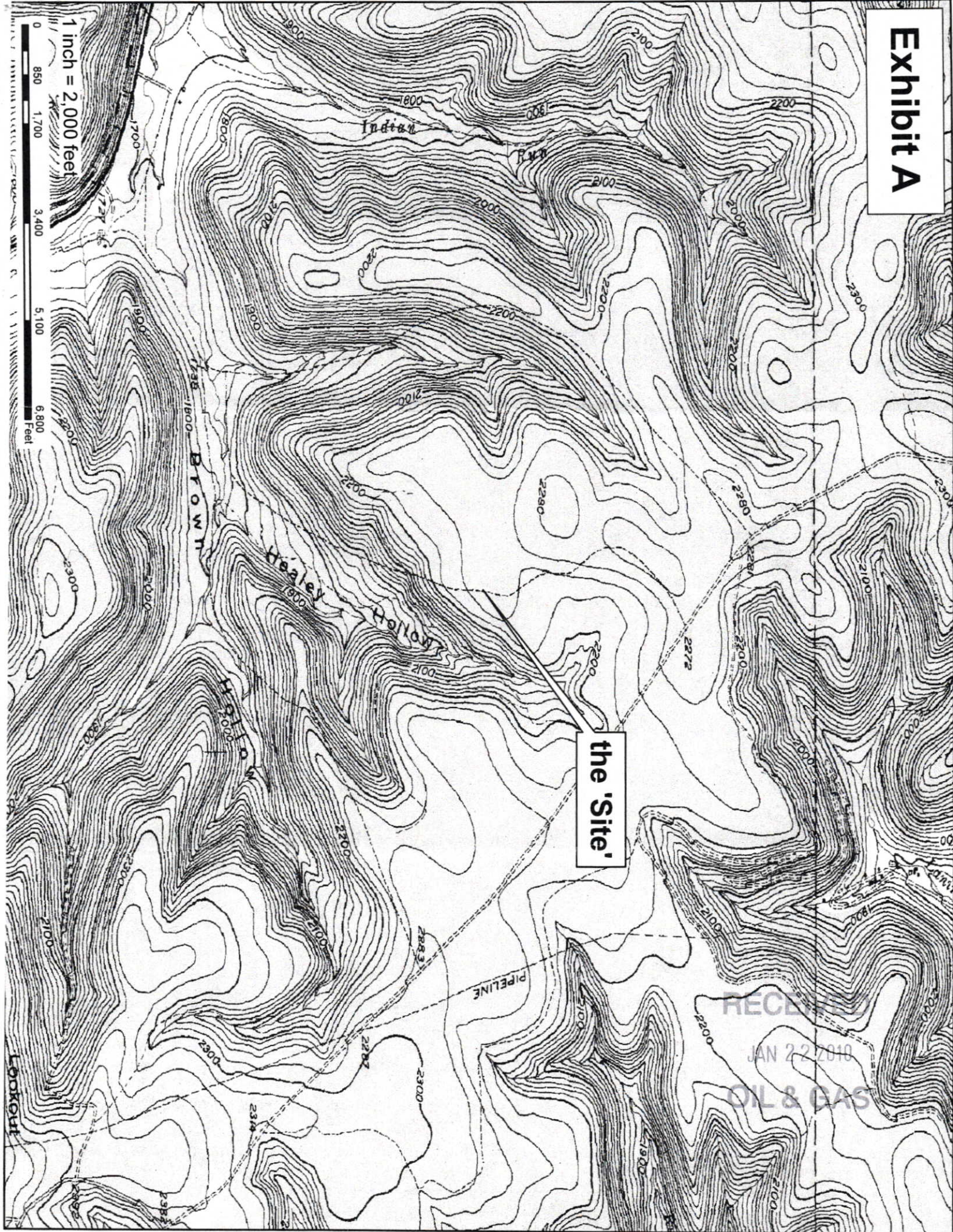
Date: \_\_\_\_\_

1/20/10

  
\_\_\_\_\_  
John R. Pomponio, Director  
Environmental Assessment and Innovation Division



# Exhibit A





**PENNSYLVANIA GENERAL ENERGY COMPANY, L.L.C.**

120 Market Street  
Warren, PA 16365

Phone: 814-723-3230  
Fax: 814-723-3502

August 31, 2009

Mr. Mark A. Barbier  
Northcentral Regional Office  
208 West Third Street, Suite 101  
Williamsport, PA 17701-6448

Re: Inspection Report of 8/6/2009; PGE Well #2145

Dear Mr. Barbier,

The following information is provided in response to your request for an explanation of the cause of the cited violations and iteration of the corrective steps taken to address the violations.

With respect to the Section 102.4 (b) (1) Notice, our environmental compliance coordinator, Mr. Bob Payne, met with our field superintendent, Mr. Craig Dean, on 7 August, 2009 to examine the absence of seed and mulch on the fill pile. Mr. Dean contacted our reclamation contractor, the Smerker Co., who seeded and mulched the fill pile on 10 August, 2009. Mr. Dean counseled our reclamation contractor to ensure compliance with BMPs.

With respect to the Section 102.4 (b) (5) Notice, Mr. Payne personally amended the E&S Plan on or about August 10, 2009 to show the location of a drill pit and the solidification pit. These two features were pointed out to Mr. Payne by our excavation contractor as the features of concern that you had mentioned to our contractor. They had not been shown on the Plan and are presumed to be the site conditions not accurately depicted on the E&S Plan. We have also notified our environmental technicians to be certain to include all site features on E&S Plans. The Notice does not specify the "conditions" that were not adequately depicted. Accordingly, absent further specificity we are unable to provide further comment. To clarify this subject as necessary, Mr. Payne has scheduled an 8 September, 2009 meeting with you at the well.

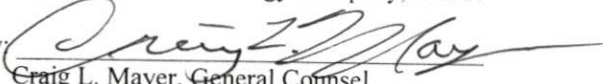
PGE has scheduled a day-long E&S training conference to be held on 18 September, 2009 for all of our field contractors. The meeting will address required BMPs and stress PGE's insistence that all contract work be completed to the highest standards.

With respect to your comment on page 2 of the report about a potential Chapter 105 violation regarding the presence of a wetland north of the fill pile, PGE respectfully asserts that there is no wetland north of the fill pile.

It is PGE's expectation and hope that the foregoing is a satisfactory response to your 6 August, 2009 letter.

Sincerely,

Pennsylvania General Energy Company, L.L.C.

By:   
Craig L. Mayer, General Counsel

Cc. Dave Straub, Vice President  
PGE Regulatory File

RECEIVED

SEP 03 2009

OIL & GAS



*Producing the energy we need.  
Protecting the environment we treasure.*

[www.penngeneralenergy.com](http://www.penngeneralenergy.com)