# Testimony of David Hess Former Secretary, Department of Environmental Protection Before The House Environmental Resources & Energy Committee April 24, 2023

# Let's Work Together To Make Conventional Oil & Gas Industry Practices Cleaner, Respect Property Rights And Protect Taxpayers

Chairman Vitali, Chairman Causer and members of the Committee, thank you for the opportunity to offer comments to you today on the impacts of conventional oil and gas drilling and well abandonment in Pennsylvania.

I've been dealing with environmental issues related to the conventional industry for over 40 years -- and so have you-- without much success, let's be honest.

But now, I think there is a real opportunity for leadership on the part of the industry, affected citizens, DEP, the General Assembly and the Governor, if we work together.

For too long, I believe the conventional industry has been held back by their own fundamental belief they can only do things one way to survive.

That is simply not true.

Other industries have changed and prospered, and they can too.

To move to the next level, everyone has to work with the same goals in mind.

I suggest we ask three questions about the practices used by the industry--

- 1. Are They Clean Or Dirty?
- 2. Do They Respect Property Rights?
- 3. Do They Protect State Taxpayers?

#### **New Abandoned Wells**

A business practice based on abandoning hundreds of wells a year-- either by transferring them to financially impaired new owners or by just walking away-- is simply not sustainable.

It leaves taxpayers stuck with the bill for plugging and cleanup and no one responsible for operating the wells.

It is a financial problem, an environmental problem and the waste of a natural resource.

The Post-Gazette calculated <u>DEP has about \$15 per well on hand</u> in well plugging bonds to plug all the active conventional wells-- <u>somewhere over 90,545</u>.

DEP reported in December that between 2017 and 2021, conventional operators abandoned without plugging 2,246 wells-- 561 a year, on average. <u>Read more here</u>.

Under the new federally-funded conventional well plugging program, Pennsylvania is set to receive nearly \$400 million over the next 15 years. DEP said it would plug about 249 wells the first year. <u>Read more here</u>.

You can do the math, we'll never catch up.

By some calculations, state taxpayers are on the hook for over \$5.1 billion in well plugging liabilities, between the fact pre-April 1985 wells are not required to have any plugging

bonds and the inadequate bond amounts we have now. Read more here.

State taxpayers should simply not have to carry the financial burden created by these practices.

## Not Just Numbers

Laurie Barr has been working on the abandoned well problem for more than 20 years. Read more here.

She told the conventional industry advisory group <u>PA Grade Crude Development</u> <u>Advisory Council</u> in February how residents in Bradford County have to live with the constant threat of leaking, abandoned natural gas wells located right next to their homes.

These wells are real threats to the real people who live near them. We should never forget that.

The practice of abandoning wells shows no respect for the private property rights of those that live next to them or for the owners of land on which the wells sit.

## **New Brownfields**

Conventional-- and unconventional-- operators are creating new brownfields every day in Pennsylvania with the practices they use.

Spills, leaks and releases of wastewater, oil, fracking chemicals and other contaminants from active and abandoned wells pollute these sites.

[And conventional operators do routinely use fracking.]

Operators dispose of drill cuttings and wastewater right on their drill sites in ways that are contaminating soil and water.

The practice of "dusting" -- blowing drill cuttings into the air or along the ground around drill sites-- has been a common method of disposal for decades, particularly in the conventional industry.

But, plumes of dust drifting hundreds of feet away from drill sites can contaminate surrounding property.

All these practices create new brownfields which account for over half the contaminated sites now in DEP's Land Recycling Program. <u>Read more here</u>.

But most contaminated conventional drill sites never go through the Act 2 Program and meet those cleanup standards. They frequently use "alternative" methods. <u>Read more here</u>.

Farmers have been warned by conventional operators not to let their cattle graze on their drill sites after their rigs leave because of the waste contamination there.

These practices show no respect for the property rights of the landowners where these wells are located or their neighbors.

Landowners invite operators onto their land to extract a natural resource that is valuable to the operator and the landowner in a relationship that can last 60 years or more.

Landowners have the right to expect it to be done safely and without harm to their health, the environment and their livestock and property.

# **Road Dumping Wastewater**

My Mom taught me clean is better than dirty. My Dad taught me to take responsibility for cleaning up my own messes and stick with a job until it's done.

Practices used by conventional operators haven't resulted in cleaning up their own messes. These practices let others be responsible for paying for cleanup and suffering the consequences for decades.

No where is that more evident than with production wastewater.

Conventional operators produce over 200 million gallons of wastewater from their wells every year-- more or less. We don't really know. <u>Read more here</u>.

Wastewater is produced from the time a well is drilled through its entire lifecycle, which can be decades. It can be a real problem with abandoned and orphan wells with no operator.

Because over half the conventional operators have a practice of failing to file production and waste generation reports-- 57% at last count covering 61,655 wells [Read more here]-- we can't really account for where as much as 118 million gallons goes for treatment, reuse or disposal. Read more here.

We do know that millions of gallons were reported by operators themselves as being spread on dirt and gravel roads since records have been kept. [Read more here]

That practice has not only been proven to break up dirt roads and cause more dust [Read <u>more here</u>], it affects the health of people who live along those dirt roads by spreading contaminated dust and running off the roads into gutters and streams after a rain.

Siri Lawson in Warren County knows this first-hand because she's been raising concerns about road dumping on the road going by her home and in her county and the impact of oil and gas operations for 40 years and suffered significant health impacts personally from these practices. <u>Read more here</u>.

A Penn State study-- one of several over the years-- released last May found the wastewater contains at least 32 chemicals and parameters which exceed health and environmental standards. [Read more here]

The chemicals in the wastewater include lead, arsenic, barium, strontium, lithium, iron, manganese, radioactive radium and many more.

While this practice for the moment is illegal because it doesn't meet DEP's Residual Waste Regulations, it has not been banned.

There are continuing reports from the field that the practice is still going on.

In fact, DEP's oil and gas waste database continues to show reports from conventional operators who said they road-dumped their wastewater in 2022-- in spite of the fact it is illegal.

Unfortunately, we don't know the true scope of the problem because so many reports are missing and the waste reports filed by both conventional and unconventional operators have never been audited.

Wastewater from unconventional shale gas wells is prohibited from being dumped on roads. Conventional wastewater should be too, because it is essentially the same thing.

My Dad's admonition should apply to this practice-- take responsibility for your mess!

### Where We Go From Here

The practices outlined here and others have real impacts on real people-- their health, the environment and their property. We need to remember that.

But these are just practices... practices that can change with the right leadership from industry, affected citizens, DEP, the General Assembly and the Governor all working together.

Making these changes isn't about putting anyone out of business or demonizing them, or whether we want plastic medical equipment when we're in the hospital.

It's about adopting practices that do things the right way and that are better for everyone.

We need to have a real conversation between industry, DEP and citizens to develop clean, safe alternatives.

But everyone needs to be at the table.

We just need the leadership to do it and ask the right questions about industry practices-1. Are They Clean Or Dirty?

2. Do They Respect Property Rights?

3. Do They Protect State Taxpayers?

## **Personal Note**

I grew up professionally at a time when there was more bipartisanship on environmental issues. I'd like to get back to that again.

I remember Maurice Goddard, who served five Governors, saying "sh\_t" -wastewater-- "isn't Republican or Democrat" (he was rather plain spoken).

You worked the problem until you found a solution.

I was blessed to work with people like Senators Mike Fisher, Ray Musto, Chip Brightbill and Mary Jo White; Reps. Art Hershey, Bob Reber and Bud George; and DER/DEP/DCNR Secretaries Cliff Jones, Nick DeBenedictis, Art Davis, Pete Duncan, Jim Seif, John Oliver and Governors Bob Casey, Tom Ridge, Mark Schweiker and many others at DEP and beyond who taught me how to find solutions by talking to people.

As a result, I was involved with the passage of every major piece of environmental legislation in Pennsylvania for 19 years (1983 through 2002).

As Secretary of DEP I visited every county in Pennsylvania nearly three times meeting hundreds of people-- businesses, farms, students, watershed groups, local governments all doing great things to restore and protect the environment.

People like Ed Wytovich-- a high school biology teacher-- and Margaret Dunn-- a professional geologist-- who taught me the power of building local partnerships to restore abandoned mine lands and treat mine drainage.

I met people who never thought they would be taking their grandchildren fishing in a stream that ran orange with mine drainage for 125 years-- cleaned up thanks to programs like Growing Greener.

During the Quecreek Mine Rescue in Somerset County, I experienced first-hand how drill rig operators, mine rescue teams, my colleagues at DEP and federal agencies, local first responders, the U.S. Navy, Gov. Schweiker and many others worked together to perform the miracle that rescued nine coal miners and gave them a second chance.

And, I saw the horror of the Flight 93 crash site the day after and how people pulled together to respond to that terrible tragedy.

I helped respond to the Three Mile Island Nuclear Power Plant accident, to severe floods, the worst tornadoes Pennsylvania ever experienced and the million gallon Ashland Oil spill.

I spent a month in Erie working with a team cleaning out and plugging a circa 1910 conventional natural gas well on Beach 7 at Presque Isle State Park. <u>Read more here</u>.

When people tell me they can't do things differently or there is no other way, I remember the last 47 years and say-- why not?

We did it before.

## **Resource Links:**

-- Oil & Gas Industrial Facility Impacts

-- PA Environment Digest

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