NORTHEAST PENNSYLVANIA



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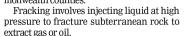
Gas boom reboot predicted

Pa. second behind Texas in production of natural gas; oversight a concern for some

BY JOE SYLVESTER

An area law firm that has built a solid practice representing gas drilling companies in Pennsylvania is predicting a resumption of the gas boom following the COVID-19 slow-

Pennsylvania is the second highest-producer of natural gas in the country, thanks to the Marcellus shale, where gas companies are employing hydraulic fracturing, or fracking, at well sites in the Northern Tier and in western commonwealth counties.



THATCHER

The Myers, Brier & Kelly law firm, of Scranton, represents drilling companies in legal disputes over property and mineral rights, violation allegations and other issues.

While the state seemingly has stepped up its oversight of the gas drilling industry, critics say state regulators aren't doing enough.

"There's a lot of problems out there our government isn't addressing," said Scott Cannon, of Action Together NEPA, which advocates for the environment and women's rights, civil rights and the rights of voters. "Pennsylvania is doing a horrible job of regulating the natural gas industry and addressing and fixing the problems."

Pa. second in production

Attorney Dan Brier of the firm said Pennsylvania is second behind Texas in production of natural gas.

"In the 10 counties where production is the highest (In Pennsylvania), six are in the Northern Tier or Northeastern Pennsylvania." Brier said.

Bradford, Lycoming and Susquehanna counties with their fertile rock formations are driving a huge amount of economic development.

That activity has kept the law firm busy.

"We're in and out of the courts in these Northern Tier counties," Brier said.

"One of the things we've done as a firm was focus in the last decade on developing subject matter expertise," said attorney Jack Dempsey. "We've litigated these cases in most of the state and federal courthouses that are situated where these cases played out."

Brier said examples of cases the firm litigates include disputes between companies over the rights to subsurface ownership or who has the rights to produce the minerals.

Some conflicts involve landowner roval-

"The state Attorney General's Office has been active in bringing enforcement action against the industry," Brier said.

Attorney Nick Kravitz said there also are infrastructure side disputes among contractors or commercial litigation over the propriety of change orders.

"Our practice involves helping clients obtain property rights and the commercial contracting side." said attorney Neal Thatcher, who started his legal career when Marcellus shale drilling was in its infancy in the

Thatcher spent just over a decade with Williams, a Fortune 500 energy company with interests throughout the United States. especially in Pennsylvania's Northern Tier. Thatcher said he served as lead counsel for various business segments Pennsylvania, West Virginia and Ohio.

"Myers, Brier & Kelly became an attractive source," he said.

Thatcher recently fulfilled his goal to return to private practice. He was drawn to the Scranton law firm because of its "deep experience as one of NEPA's top legal firms."

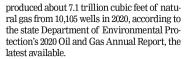
Fracking's beginnings

Brier said the first Marcellus shale fracking well went online in about 2008 and growth was fairly modest at first.

"There was huge growth in 2011, 2012, 2013," he said.

"COVID affected everything, of course. During COVID, development slowed down. Beginning in 2021 to today, there's been a tremendous amount of growth."

Unconventional wells in Pennsylvania, those in which drilling is done horizontally.



Pennsylvania in a single year, according to issues such as failure to meet reporting

The report states 61,701 conventional, or 83.8 million cubic feet of natural gas.

Kravitz said the economic boom is not just from the natural gas business itself. but other businesses that serve the natural gas industry.

"When you look at that from a bird's eve view, restaurant and lodging really have been an economic boom," Kravitz said.



Lawyers in the Energy Group at Myers, Brier & Kelly include front row, from left, Neal Thatcher, Suzanne Conaboy Scanlon, Dan Brier and Jack Dempsey, Back row, from left. Rich Armezzani, Nick Kravitz and Brian Levy, Missing from the photo were Donna Walsh, Patrick Brier and Patrick Casey,

Industry violations

The gas drilling industry has not been without its problems.

The 2020 report notes that DEP filed 9.363 the state Department of Environmental Pro-compliance violations against drilling comtection's 2020 Oil and Gas Annual Report, the panies that year. They include infractions at conventional and unconventional well sites That amount represents the largest vol- and linear project sites such as pipelines, in ume of natural gas on record produced in addition to well site and administrative requirements.

DEP also lists on its website 382 letters to vertically drilled wells, produced more than property owners from 2008 to 2022 confirming their wells were contaminated by gas drilling activities. The owners whose wells had not returned to pre-drilling conditions were told the company responsible would install water treatment equipment, according to the letters.

Drilling increasing

weaker than usual because of a decrease ing day prices dropped to around \$7.

"We have seen an increase in drilling activity," he said. "As of May 13, there were 25 rigs production. Susquehanna County is numcurrently active, up from 19 in 2021."

to a new low," Thatcher added. "It has since counties are sixth, seventh and 10th, gradually increased. Right now, prices are respectively. higher than they've been for some time."

pendent Fiscal Office, the price of natural account for 76 percent of the production of gas in the fourth quarter of 2019 was under natural gas statewide," Brier said. \$2 per MMBtu (Metric Million British Thermal Unit). By the end of the fourth quarter time, but 36 out of the 67 counties have at of 2021, it was \$4 per MMBtu.

It has gone up since then.

that on April 18, natural gas prices in the but internationally. United States rose to their highest level Thatcher said that with COVID-19 panery of natural gas briefly reached \$8.03 per vania for decades," Brief said

demic-related closures, production was MMBtu before settling at \$7.80. The follow-

Brier said three counties on this side of the state are in the top five of natural gas ber one, Bradford is third and Lycoming "By the summer of 2020, prices depressed is fifth. Wyoming, Tioga and Sullivan

"Susquehanna, Washington, Bradford, He said that according to the state Inde- Greene and Lycoming are the top five and

The drilling areas have narrowed over least one producing well. Thatcher said.

He said there still is a high demand for The American Gas Association reported natural gas, not only in the United States,

"My sense is it's going to be a primary since 2008. Contracts for next-month deliveconomic driver in Northeastern Pennsyl-