

**Testimony Prepared for
BAPE Hearings for Extraction of Natural Gas in Quebec, Canada**

Submitted by:
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My name is Marvin Meter and I am a township supervisor in Wyalusing Township, which is a local government within Bradford County, Pennsylvania. In addition to being a township supervisor, I am also president of the Bradford County Township Officer's Association and a member of the Executive Board for the Pennsylvania State Association of Township Supervisors (PSATS).

Wyalusing Township is in the center of the current development of the Marcellus Shale Play, and we have seen the development of the extraction of natural gas grow over the last three years. There are many benefits to the development of the Marcellus Shale, and I will attempt to explain a few.

Economically, the people of our township and county have been somewhat isolated from the recent recession and economic downturn. The first benefit came in the form of lease agreements with the property owners. While the early lease agreements were for a minimal amount per acre, the amounts quickly grew to well over \$5,000 per acre. Since we are a rather rural area with a considerable amount of agriculture, some landowners own acreage in excess of 50 acres or more. Fifty acres at \$5,000 per acre paid \$250,000 for the lease agreement. Some landowners with larger amounts of acreage received checks over a million dollars. This was a much needed infusion of money at a time when the economy was taking a downturn.

Of course, the landowners are spending some of the money within the community, and it becomes an economic benefit for more people.

Leasing became quite aggressive, and within 18 to 24 months, most of the property in the county had been leased by the several gas companies that had an interest in exploring for natural gas in the Marcellus Shale.

Wyalusing Township became a "hot spot" for development since there is a major natural gas transmission pipeline (Tennessee Gas Pipeline) crossing through the township. Major gas & oil companies locating in our area are Chesapeake Energy Company, Talisman USA, Southwestern Energy Company, Chief Energy Company, and a few others.

At first, the gas companies opened small offices with only a few employees, but nearly all of them have grown dramatically in the last two years. Today the gas companies employ hundreds of people in Bradford County. One of the early concerns was that most of the employees were coming into our county from other areas; however, employee experience was a necessity. During the last several months many of the employees are coming from the local population.

Following the gas companies to our county are a large number of support companies. Some of those support companies are engineering firms, pipeline companies, oil field supply companies, trucking companies, railroad transfer companies, pipeline safety companies, seismic testing companies, and a number of companies whose work is directly related to the drilling activities and other activities associated with the extraction of the gas. All of these companies have added greatly to population growth. And something to remember here is that all of these people need a place to stay, and housing is a subject that needs to be treated by itself.

For the last 18 months or more, all of the available hotel and motel rooms have been filled to capacity. The demand for room and apartment rentals have caused rental rates to triple, and it is nearly impossible to find anything available at this time. In addition, because there is a shortage of available housing, many workers coming into the area are bringing travel trailers. Travel trailers generally locate where sewage facilities have been established, although a few locate without such facilities and must find an appropriate “dumping” station to empty their holding tanks. Needless to say, housing has been an economic benefit.

Other businesses that have done extremely well are restaurants, convenience marts, gas stations, automotive parts stores, hardware stores, etc. In addition to my affiliation with the local government, I also own and operate a sign shop. My business has grown by making gas well site signs, business signs for the support companies, banners, magnetics, and by lettering support company trucks. A lady next door to my business has a dress shop and does mending and alterations. She has several workers leaving things to be mended each week.

Overall, our economy is doing very well.

When we talk about the impact that the industry is having on our area, one area that is always at the forefront is the road system. The development of the Marcellus Shale, or any shale play, requires a lot of trucks. Drilling pads, on which to locate the drilling rigs, generally are about five acres in size. The pads are topped off with a layer of stone to stabilize the surface, and hundreds of truckloads of stone are required for each pad. (Stone quarries, by the way, are businesses that also are doing very well.) The trucking units moving in the drilling rig are very heavy and can destroy what seemed like a pretty good road. After the well is drilled, hydraulic fracturing is another step in developing the well. And this requires hundreds and hundreds of truckloads of water. None of our roads except for only the main highways were ever built for the heavy traffic of the gas industry.

Most of our townships have entered into some kind of agreement with the gas companies to repair excess damage to the roads. The industry, however, has determined that it is more advantageous to actually rebuild the roads before using them. This is to their advantage since it eliminates delays and downtime while roads are in need of repair. Gas companies in Bradford County have spent well over \$100 million dollars in the past twelve months rebuilding state and township roads.

As a supervisor for Wyalusing Township, I can say that we are pleased with the work the gas company has done on our roads. The roads that have been rebuilt are definitely better roads than ever before. Our township would never have been able to afford the cost of the work that has been done.

To give you an idea of what has been happening in the last 24 months, let me be more specific to Wyalusing Township. Our township encompasses approximately 28 ½ square miles, maintains a road system of about 46 miles, and has a population of approximately 1343 people. We are quite rural with several small farms.

Currently we have about nine well pads that have been constructed with another one scheduled to begin construction tomorrow. Wells have been drilled on five of the pads, and a rig is moving in on another later this week. To provide a supply of water for fracturing the wells, three water impoundments have been constructed. The water impoundment are ponds about 9 acres in size and lined with a heavy liner. Each impoundment requires approximately 2500 to 3000 truckloads of water to fill it one time. Water is pumped through large 16" aboveground pipelines to the well sites during the fracturing process. The fracturing process for each well requires anywhere from 4 to 6 million gallons of water.

About seven miles of road have been rebuilt in Wyalusing Township using a reclaiming process. In this process, stone is added to the surface of the road and then a machine grinds up the road to a depth of about twelve inches. Liquid Calcium, oil, or sometimes dry cement is added to the road material and ground up again. The road is then graded, and rolled; it is then graded again to achieve an appropriate profile and rolled for stabilization. The surface can then be paved, topped with a seal coat of oil and stone chips, or left as a "dirt and gravel" road. Another 10 to 12 miles of road in the township has been repaired as necessary. Earlier today we had two different contractors working on four separate roads in the township.

Support companies that have already located in our township are a pipeline company, an oilfield supply company, and a railway transfer company. The railway transfer company brings in about 50 to 75 railcars per week of a special sand used in the fracturing process. The railcars are off loaded into specialty trucks to transfer the product to the well sites. Each railcar fills about four transfer trucks. The rail service also brings in several railcars per week of lime and other products.

Other companies that have purchased property or are in the process are an asphalt plant, a company that manufactures synthetic drilling mud, a final phase water treatment facility, and another water treatment facility that will process the used frack water to be recycled back into the process to be used again.

As I have already mentioned, the Tennessee Gas Pipeline transverses our township on its way to the New York and New England areas. The pipeline has a major compressor station in our township. Chesapeake Energy is currently building another major compressor station on an adjoining parcel. Central New York Oil and Gas is in the permitting stage for another major north-south pipeline that will intersect with the already existing Tennessee Pipeline and another at the same location called the Stagecoach Line. CNYOG is proposing another compressor station of their own at the same site. The three compressor station at this site will encompass approximately 100 acres. This site will eventually become a HUB serving the northern part of the country with the natural gas that it needs to achieve energy independency. In addition, at the

Chesapeake Compressor site. another company is seeking a permit to use some of the waste heat of the compressors to generate electricity.

Wyalusing Township has obviously seen an increase in the workload of our planning commission and for the regular meetings of the supervisors. Overall, we see something happening that we feel will be a benefit for our people in the long term. There are, and will be for some time, the growing pains that come with this kind of development. While there are some concerns that life will never be the same, we feel that change is inevitable with the development taking place. We feel that the long-term economic benefits will outweigh the negatives that we are currently experiencing.

Most of what we have been experiencing in our township has also been the experience of other townships around us. It is also interesting to note that as one travels to the adjoining counties of Susquehanna to the east or to Tioga County to the west, the drilling activity is fairly constant. However, since the Marcellus Shale Play is so large, it will take several years, perhaps decades, to develop the entire play.

One thing that has helped the leadership of our local governments to be better able to work with and understand the industry was the formation of the Bradford County Natural Gas Task Force. Membership on the Task Force is made up of a cross section of people from local government, businesses, emergency services, social agencies, banking institutions, police services, etc. Through regular meetings, webinars developed by Penn State, guest speakers, local tours of drilling sites, etc., a wealth of information has been made available to help all of us make good decisions concerning what is happening now and what may happen in the future.

Local Government leaders and others in community leadership positions must learn all they can about the industry and how it works. It is absolutely essential that everyone involved work together and with industry officials to keep up with the rapid pace of what is happening. Local officials must establish contact people within the industry in their immediate area and maintain an open line of communication.

This development of the Marcellus Shale is both exciting and a challenge at the same time. While no one knows for sure what our county will look like in 5, 10, or 20 years, we are indeed hopeful that through good leadership, we can preserve our rural way of life without compromising the quality of life that we have enjoyed for so long.

Thank you for the opportunity to share what I know about the development of the Marcellus Shale here in Bradford County.

Please feel free to contact me any time if you have questions about my testimony or about what is taking place here in Bradford County.

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