



## Comparison of DEP and PGCC Cost Estimates for Chapter 78

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Regulation	DEP Est. Cost	DEP Overlooked Items	PGCC Est. Initial Cost	PGCC Est. Annual Cost
<b>A) 78.56a6 Secure tanks from trespass (locking valves, lids, etc.)</b>	\$40 to \$5000 per tank @ 1344 tanks. <b>Total: \$53,360 to \$6,670,000</b>	The proposed regulations apply to all tanks, but DEP makes no cost estimate for the 175,000+ <u>existing</u> tanks.	175,000+ tanks @ \$2000 to \$6000. <b>Total: \$325 million to \$1 billion</b>	<b>\$20,300,000 to \$76,300,000</b>
<b>B) 78.57(e) Remove Buried Tanks</b>	\$0	DEP states it is unable to estimate the # of buried tanks, thus no stated cost. DEP overlooks: <ol style="list-style-type: none"> <li>1) Cost to remove</li> <li>2) Secondary containment required for replaced tanks</li> <li>3) Replacement of % of tanks</li> <li>4) Buried for reasons &amp; must modify to adapt</li> </ol>	2000 production tanks @ \$6750 to \$11,000; 15,000 drip tanks @ \$3000 to \$9000. <b>Total: \$63.5 million to 177 million</b>	
<b>C) 78.57(c) Install Secondary Containment</b>	1334 tanks per year @ \$3000 <b>Total: 4,002,000</b>	DEP: <ol style="list-style-type: none"> <li>1) Underestimates # new tanks per year</li> <li>2) Doesn't account for replacement of existing tanks</li> </ol>	2750 new wells/year plus replace worn tanks @ \$3000 <b>Total: \$25,125,000/year</b>	<b>\$25,125,000/year</b>
<b>D) 78.15(f) Public Lands</b>	<b>No Cost</b>	Proposed regs regarding public resources: <ol style="list-style-type: none"> <li>1) No definition of "harmful impact"</li> <li>2) No standard for testing reasonableness of mitigation conditions</li> <li>3) No provision to achieve legislative standard in Act 13<sup>1</sup></li> </ol>	<b>Total: \$23,242,650/year</b>	<b>\$23,242,650/year</b>
<b>E) 78.15(f) Special Concern Species (SCS)</b>	<b>No Cost</b>	Proposed regs regarding SCS: <ol style="list-style-type: none"> <li>1) No definition of or criteria for SCS</li> <li>2) No regulatory process to govern additions to list</li> </ol>	<b>Total: \$11,621,325/year</b>	<b>\$11,621,325/year</b>

<sup>1</sup> Act 13 requires protection of public resources to be accomplished while achieving "optimal development of oil and gas resources and respecting private property rights of oil and gas owners."

<b>F) 78.52a &amp; 78.73 Identify Orphan &amp; Abandoned Wells</b>	<b>No Cost</b>	DEP states the provisions do not apply to conventional wells. 1) Proposed regulation applies to vertical wells	<b>Total: \$5,500,000/year</b>	<b>\$5,500,000/year</b>
<b>G) 78.56 Slope pits 2:1</b>	<b>No Cost</b>	DEP is silent as to cost 1) Requirement will increase pit size 10 to 100 x's	<b>Total: \$18,750,000 to \$83,750,000/year</b>	<b>\$18,750,000 to \$83,750,000/year</b>
<b>H) 78.61 &amp; 78.62 Notice &amp; Certification for Drill Cutting Disposal</b>	<b>No Cost</b>	DEP is silent as to cost 1) Cost of delay 2) Cost of required expert	<b>Total: \$2,750,000/year</b>	<b>\$2,750,000/year</b>
<b>I) 78.61 &amp; 78.62 Notice &amp; Certification for Stimulation Fluids</b>	<b>No Cost</b>	DEP is silent as to cost 1) Cost of delay 2) Cost of required expert	<b>Total: \$2,750,000 to \$27,500,000/year</b>	<b>\$2,750,000 to \$27,500,000/year</b>
<b>J) 78.55 Site Specific PPC</b>	<b>No Cost</b>	DEP is silent as to cost 1) Proposed regs incorporate 25 Pa. Code 91.34 which addresses both well site and tank storage locations.	<b>Total: \$33 million</b>	<b>\$25 million/year</b>
<b>K) 78.65 Site Restoration</b>	<b>No Cost</b>	DEP is silent as to cost 1) Proposed regs do not allow for current storage of repair equipment	<b>Total: \$45 million/year</b>	<b>\$45 million/year</b>
<b>L) 78.66 Water Supply</b>	<b>No Cost</b>	DEP is silent as to cost 1) Proposed regs require new supply at SWDA standard regardless of pre-existing test results	<b>Total: \$825,000 to \$61 million/year</b>	<b>\$825,000 to \$61 million/year</b>
<b>M) 78.59a. and b. Freshwater Impoundments 78.59a. and b</b>	<b>No Cost</b>	DEP is silent as to cost 1) Requires pond closure	<b>Total: \$10 million to \$14 million</b>	<b>\$375,000 to \$512,500/year</b>
<b>TOTALS:</b>	<b><u>DEP ANNUAL TOTAL:</u> \$5,389,360 to \$12,006,000</b>		<b><u>PGCC FIRST YEAR COMPLIANCE COST:</u> \$567,063,975 to \$1,510,488,975</b>	<b><u>PGCC ANNUAL MAINTENANCE COST:</u> \$181,238,215 to \$387,300,715</b>

