

**Pennsylvania Association of Conservation Districts Annual Conference
July 11, 2011**

Summary of comments presented by Pennsylvania Department of Conservation and Natural Resources Deputy Secretary for Parks and Forestry Ellen Ferretti

History of Oil and Gas Development on State Forest and Park Lands:

The State Forest System was established in 1895 to protect watersheds and provide a suite of values to the Commonwealth's citizens. Management practices have evolved to incorporate changing science, viewpoints, and societal needs. While state forests provide specific products such as timber and natural gas, they also represent lands protected from development and provide critical habitat for plants and animals. Since 1947, DCNR has conducted 74 oil and gas lease sales, resulting in over 1,600 wells being drilled on fee simple state forest lands. Currently, there are approximately 750 producing historic natural gas wells and 100 new (since 2008) Marcellus Shale gas wells as of July 1, 2011. In addition, approximately 250 wells are used for gas storage in the six gas storage leases on state forest lands. The largest lease sale of 51,000 acres targeting the Trenton-Black River formation occurred in 2002.

The Commonwealth owns approximately 85 percent of the state forest fee simple. Annual revenues prior to the Marcellus Shale averaged \$4-5 million per year, with total cumulative revenues reaching \$153 million in 2008. These revenues were used for recreation, conservation, and flood control projects through the Oil and Gas Lease Fund (OGLF).

Marcellus Shale Activities

Marcellus Shale underlies approximately 1.5 million of the 2.2 million acres of state forest land. Currently, nearly 700,000 acres of the 1.5 million acres in the Marcellus gas play are available for production; either through a Commonwealth-issued lease or through private leases where the Commonwealth does not own the subsurface rights.

A significant portion of the remaining 800,000 acres in the Marcellus gas play includes Wild Areas, Natural Areas, and sensitive ecological and recreation areas that are not offered for leases involving surface disturbance per department policy.

Marcellus Shale Leasing

The first Marcellus Lease sale occurred in 2008 and consisted of 74,023 acres and generated \$163 million in bonus bid revenue. The second Marcellus lease sale was held in early 2010, consisted of 31,947 acres, and generated \$130 million in bonus bid revenue. The third Marcellus leasing event took place later in 2010 in which the Commonwealth leased 32,896 acres, generating \$120 million in revenue. These three lease sales totaled 138,866 acres and \$413 million.

State forest lands leased prior to 2008 are not restricted from Marcellus drilling. Marcellus drilling is currently taking place on these acres leased prior to the 2008 and 2010 lease sales.

DCNR Bureau of Forestry has approved over 150 well pads and nearly 575 Marcellus well locations since 2008.

100 wells are currently producing gas, and several hundred more are somewhere in the process from being permitted to being drilled.

- Total number of Marcellus gas wells approved by the Bureau of Forestry is 575.
 - 482 of these are currently holding DEP issued permits.
 - 164 have had the wells drilled.
 - 120 of these wells on State Forest land have been deemed capable of producing gas.
 - 100 of those 120 are currently producing gas.

Oil and Gas Development on State Park Land

Of the 293,000 acres of Pennsylvania State Park land, the Commonwealth owns about 20 percent of the subsurface rights. About 211,000 acres of state parks land (at least a portion of 61 individual parks) lies within the Marcellus Shale area. Where the Commonwealth owns the subsurface rights it has been DCNR policy to not lease the land for oil and gas development. On areas where the Commonwealth does not own the subsurface rights, 1,089 historical wells have been drilled. DCNR encourages the subsurface owners to practice non-development practices where possible to minimize surface disturbance and public scrutiny. Currently, no Marcellus Shale gas wells have been drilled on state park land. However, the southwest portion of the system is highly active with Marcellus interest.

Bureau of Forestry/Conservation District Interaction:

Regarding Marcellus shale, the interaction has become minimal since DEP recently assumed any erosion and sedimentation issue related to oil and gas development. We had one recent example where our staff in the Sproul State Forest coordinated with the local Conservation District on a road improvement project.

The majority of interaction between Conservation Districts and Bureau of Forestry is through DCNR's Service Forestry program. Types of partnering include:

- Assist with Envirothon (in implementation and in helping kids study/prepare)
- Create Forest Stewardship plans for county parks
- Answer forest insect and disease questions
- Assist with field days set up by the CDs – for school children
- Provide forestry technical assistance for tree planting projects
- Assist with forestry-related awards that the CDs are giving out to landowners or educators

- Attend CD meetings, when possible and provide a DCNR report (Union and Snyder County examples)

Examples of DCNR Accomplishments in Cooperation with Conservation Districts:

DCNR Bureau of Forestry & Snyder County Conservation District – 2010 Accomplishments

- Inspected woodlands for 9 landowners giving technical advice on 3,050 acres of forestland.
- Conducted 6 forestry related programs for Mid-West School District, Local Bible School groups, Pre-School Groups, Volunteer Fire Companies, Boy Scouts of America, and various other Cooperating Groups.
- Gave ornamental tree and urban forestry recommendations for 11 trees in Snyder County.
- Conducted 3 Tree Planting workshops with Snyder County School kids.
- Participated in the Susquehanna Valley Envirothon.
- Designed and Administered the Sun Area FFA forestry contest for SUN AREA chapter.
- Provided forestry display for the Beaver Fair.
- Represented the Bureau of Forestry in Snyder County for the PA Tree Farm System, NRCS incentive programs, Pennsylvania Forest Stewards, and Local emergency services.
- Attended 4 meetings conducted by the County Conservation District, Central Susquehanna Woodland Owners Association, and various local Snyder County organizations.
- Assisted the Snyder County Conservation District for a Woodland owner Tour at Selinsgrove Center Grounds.
- Assisted the Snyder County Conservation District by getting them enrolled in the Forest Stewardship Program, and the Pennsylvania Tree Farm system.
- Much more assistance was given in forms of letters and phone calls, which is very difficult to quantify.

DCNR Bureau of Forestry & Union County Conservation District Accomplishments, March 2011

- **Wildfire:** The wildfire season is rapidly approaching. The 2010 spring fire season was unusually slow. We only had 7 wildfires within the Bald Eagle State Forest coverage area. This ranked as one of lowest of the 20 State Forest districts. We hope to have another slow year.
- **Recreation:** Snowmobile season is slowing down with the warm weather. We have had a good season and spent time grooming trails and doing snowmobile patrols.
- **Timber Sales:** There is little timber activity on the state forest do to the conditions.
- **Insect & Disease:** The Pennsylvania Department of Agriculture announced that the state Emerald Ash Borer quarantine restricting the in-state movement of ash materials and all hardwood firewood will be lifted April 15. However, a federal quarantine remains in effect.
- **Forest Stewardship:** The first round of “Forest Management Planwriters” has taken the NRCS Technical Service Provider (TSP) training. Bruce Teats and Alan Naylor are the first 2 official TSP’s for Union County. TSP’s our approved to write Forest Management plans under the CAP 106 NRCS Guidelines. These forest management plans meet the minimum standards of the Forest Stewardship Program and Tree Farm Program. We expect more plan writers to become TSP’s over next few months.
Cost Share Rates for the CAP 106 forest management plans:
 - Plan acreage \leq 100-\$900 CS rate standard
 - Plan acreage 101-250 acres-\$1600 CS rate standard
 - Plan acreage >250 Acres-\$2400 CS rate standard
- **Woodland Owners Association:** The Central Susquehanna Woodlands Owner Association is holding a “Forestry 101” program at a Forest Stewardship property located near Bloomsburg in Columbia County on April 10th. This is geared for Landowners and/or Envirothon teams interested learning forestry basics. The CSWOA has members from Columbia, Luzerne, Montour, Northumberland, Snyder, & Union Counties. The local Woodland Owners Conference was held this past weekend in Williamsport. The conference was well attended with over a 100 forestland owners in attendance.

Bureau of Parks/Conservation District Interaction:

Shawnee SP

Shawnee Lake quality has been monitored over the last several years since the fisheries have been impacted by dissolved solids and sedimentation. DCNR has been working with DEP, Bedford County Conservation District and Princeton Hydro, LLC to determine non-point pollution sources and develop action plan/recommendations to improve quality of lake. The plan will include actions on the park and off. Public meeting to be scheduled fall 2011.

Kooser SP

Laurel Run, which runs through Kooser State Park, has been experiencing poor water quality due to run-off from the New Enterprise quarry. DCNR, DEP, PFBC and the Conservation District are working together in conjunction with New Enterprise to reduce the run-off in the stream.