



March 10, 2010

Commission Secretary
Delaware River Basin Commission
P.O. Box 7360
West Trenton, NJ 08628-0360

Subject: Public Comment – Stone Energy Dockets
Newfield Appalachia PA, LLC
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To Whom It May Concern:

Newfield Appalachia PA, LLC (Newfield) is submitting the following comments in response to the draft surface water withdrawal (Docket No. D-2009-13-1) and natural gas well site (Docket No. D-2009-18-1) dockets being applied for by Stone Energy Corporation (Stone Energy). Newfield is a natural gas exploration and production (E&P) company that has plans to develop acreage within the Delaware River Basin (DRB). Because the Delaware River Basin Commission (DRBC) has yet to issue industry-specific guidance and the two draft Stone Energy dockets could influence future DRBC regulations, Newfield is requesting DRBC consider the following comments.

Docket No. D-2009-18-1 – Matoushek Well Pad

- 1) **General Comment** – DRBC should consider implementing an Approval by Rule process for well pad approvals that would utilize best management practices but still require approval and adherence to regional operation plans submitted by each E&P. This process would allow DRBC to focus its efforts on the more time-consuming technical review of surface and groundwater withdrawal applications, and at the same time reduce regulatory overlap as many of the well pad environmental considerations are already covered by Pennsylvania Department of Environmental Protection (PADEP) regulations.
- 2) **Section A.3** – The last sentence of this section states that any additional wells proposed at the Matoushek 1 Well (M1) site will require separate DRBC docket approval. If they are not already doing so, DRBC should consider allowing coverage of multiple wells on an individual well pad under a single docket.
- 3) **Section A.5.e** – Suggest eliminating the 2nd sentence and rewording the first sentence to state, “The docket holder will only utilize water from *sources approved by DRBC to support natural gas exploration and development projects.*” The current wording could result in unnecessary trucking if a water source closer to the M1 site is subsequently approved by DRBC.

- 4) **Section A.5.g.iii** – Suggest rewording to indicate non-domestic water reuse for subsequent well stimulation activities is allowed, and specifying that sampling is not required prior to reuse if a representative sample has already been obtained per PADEP residual waste guidelines.
- 5) **Section B: Water Storage** – Suggest rewording the first sentence to state, “Water brought to the M1 Well Site from *Commission-approved sources* will be stored in a lined impoundment...”.
- 6) **Section B: Water Storage** – Suggest removing the word “surface” from the second sentence.
- 7) **Section B: Wastewater** – In order to promote the reuse of flowback and produced waters, suggest eliminating the requirement of written approval by the Executive Director prior to reuse. The proper handling and transfer of flowback and produced waters will be ensured through implementation of a DRBC-approved Operations Plan and adherence to applicable PADEP residual waste regulations.
- 8) **Section B: Wastewater** – In order to promote the reuse of flowback and produced waters, suggest rewording the 3rd paragraph to also allow for reuse at natural gas well pads outside of the DRB.
- 9) **Section B: M1 Well Site Operation Plan** – When describing the groundwater quality survey, suggest specifying what is meant by “PADEP-certified laboratory” and confirming that a PADEP certification exists for each of the parameters to be analyzed.
- 10) **Section C.II.f** – Suggest rewording to state, “The docket holder shall demonstrate to the satisfaction of the Commission that all *water pre-approved by the Commission and utilized for hydraulic fracturing*...”.
- 11) **Section C.II.j** – Suggest making the docket approval good for a 5-year period to be consistent with PADEP well permitting timelines.
- 12) **Section C.II.n** – In order to promote the reuse of flowback and produced waters, suggest eliminating requirement of written approval by the Executive Director prior to reuse. The proper handling and transfer of flowback and produced waters will be ensured through implementation of a DRBC-approved Operations Plan.
- 13) **Section C.II.r** – Suggest clarifying what type of complaint requires immediate notification of the Executive Director, as current wording leaves this option open to anyone in opposition to the project, regardless of complaint validity. When considering written and oral notification requirements and investigated efforts, there is potential for this requirement to be exhaustive to both the docket holder and the DRBC.
- 14) **Section C.II.r** – Suggest clarifying what is meant by “potentially” impacted water users.
- 15) **Section C.II.r** – The last three sentences of this paragraph are unclear, as they reference the “docket holder’s project withdrawal.” Please clarify if these requirements are intended to apply to the M1 well site or the source water project site.
- 16) **Section C.II.t** – If the Commission intends to implement water use restrictions during drought emergency conditions above those required by the Governor of Pennsylvania, the Pennsylvania Emergency Management Council, PADEP, and the Commonwealth Drought Coordinator, the Commission must recognize that in many cases the water will be collected over the course of several weeks and even months prior to the drought time period. In addition, the collected water will be from sources pre-approved by DRBC through processes that rigorously evaluate the effect of water withdrawals during low flow conditions.

Docket No. D-2009-13-1 – Lackawaxen River Withdrawal Site

- 1) **General Comment** – DRBC should consider allowing use of the water source for projects targeting shale formations within the drainage area of Special Protection Waters in both Pennsylvania and New York.

- 2) **General Comment** – Suggest considering the implementation of regulations that allow for sharing of approved water sources amongst E&P companies, similar to SRBC and PADEP regulations. As written, this docket limits water use to Stone Energy well sites only.
- 3) **Section B: Onsite Findings; *Withdrawal Site and Operations*** – Suggest changing the first sentence to state, “The intake proposed at the WBLR withdrawal site shall be constructed in accordance with *any approvals issued by applicable federal, state, and local authorities, and should be designed to minimize to the greatest extent possible...*”.
- 4) **Section B: Onsite Findings; *Withdrawal Site and Operations*** – The fourth paragraph of this section states that a pump operator will be onsite to supervise and monitor all pumping operations. This seems unnecessary considering pump controls will be in place which automatically limit instantaneous flow rates and daily withdrawal volumes.
- 5) **Section C.1.m** – Suggest providing reasoning for 8 cfs stream flow requirement following a 24-hr average flow of less than 5.9 cfs, as this number seems to be arbitrary and doesn’t coincide with passby flow requirements administered by SRBC or PADEP.
- 6) **Section C.1.n** – Suggest changing first sentence to state, “...the docket holder shall first obtain the approval of the intake design from the Commission *and also obtain any other applicable federal, state, and local approvals.*”
- 7) **Section C.1.y** – If the Commission intends to implement water use restrictions during drought emergency conditions above those required by the Governor of Pennsylvania, the Pennsylvania Emergency Management Council, PADEP, and the Commonwealth Drought Coordinator, the Commission must recognize that in many cases the water will be collected over the course of several weeks and even months prior to the drought time period. In addition, the collected water will be from sources pre-approved by DRBC through processes that rigorously evaluate the effect of water withdrawals during low flow conditions.
- 8) **Section C.1.dd** – Suggest clarifying what type of complaint requires immediate notification of the Executive Director, as current wording leaves this option open to anyone in opposition to the project, regardless of complaint validity. When considering written and oral notification requirements and investigated efforts, there is potential for this requirement to be exhaustive to both the docket holder and the DRBC.

If you have any questions regarding this submittal or would like to further discuss our suggestions, please contact me at (281) 674-2501.

Respectfully,

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Drilling Manager
Newfield Appalachia PA, LLC

cc: D. Kovach – DRBC
A. Strassner – Tetra Tech NUS, Inc.