



NWPOA LLC

Unity For Strong Community

Northern Wayne Property Owners Alliance LLC
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Carol Collier, Executive Director
Delaware River Basin Commission
25 State Police Drive
P.O. Box 7360 West Trenton, NJ 08628-0360
June 27, 2013

Dear Ms. Collier:

Three years have passed since the Delaware River Basin Commission's executive director, Carol Collier, imposed a moratorium on drilling for natural gas in the basin, pending adoption of regulations to govern that activity. And now 19 months have passed since the Commission proposed regulations, held hearings on them and then failed to bring them to a vote. We're at a loss to understand why this is going on or to accept the temporizing the Commission staff has offered instead of substantive explanations.

This situation is particularly frustrating to the Northern Wayne Property Owners Alliance and its more than 1,300 family members. We founded the Alliance to be an advocate for the region's landowners with oil and gas producers. Aided by highly qualified attorneys who specialized in environmental and Pennsylvania law and who knew the oil and gas industry, the Alliance spent two and a half years, an immense amount of volunteer time and nearly three quarters of a million dollars to procure a precedent-setting lease that is among the most community- and environmentally friendly leases in existence. Those leases were then executed with two of the most reliable exploration companies in the country.

The Alliance exercised great prudence in the formulation of its lease and is now in jeopardy of losing that lease, the environmental protections it provides for the community and those highly competent and respected companies, the Hess Corporation and the Newfield Exploration Company. Our lessors, if terminated, and our region could be targeted by wildcat companies with boiler-plate leases and shoddy operations. The unending delays have gone well beyond merely testing our patience.

In all this time, the commission could have at least stepped aside and limited its activities to its already established functions, which focus on water quantity and water quality data collection and analysis and could help assure the long-term balance between healthy ecosystems and economic vitality, as the Wayne County Commissioners have suggested in a recent letter of their own to you. The Commission could have allowed its individual member states to regulate gas exploration and drilling within their respective borders. This approach would be more than satisfactory to us since Pennsylvania has both strong regulations and an enforcement regime already in place and operating successfully.

The Commission's failure to adopt natural-gas regulations or step aside has not only harmed many people financially, it actually threatens the land itself. Several of our members with extensive acreage say they could be forced to heavily timber their lands or subdivide them and open the subdivisions to development so they and their families can keep going financially. It is hard to predict what community and environmental problems new residential and commercial development could bring.

It cannot be said we haven't tried to resolve this conflict during the last three years. In early February of 2012 – February 2nd, to be precise – our lawyer wrote to the Executive Director expressing our concerns, outlining our legal position, and requesting action. Ms. Collier's reply of March 13th that year was little better than no response at all, a recitation about the complex science and policy questions involved – the same old refrains we'd been hearing since the summer of 2010.

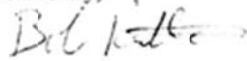
Before and after that exchange of letters, the Alliance and individual members met with DRBC representatives and with one of the Commissioners, wrote letters and e-mails to the Commissioners and Ms. Collier, wrote and called our elected officials, and attempted to bring pressure on the Commission and its executive director through the media – all to no avail. The Commission's inaction has brought natural gas exploration in the basin to a complete halt to the detriment of the local economy and the citizens who in good faith leased their land for gas exploration and development.

In our opinion, the Commission is allowing itself to be held hostage by the media and an emotion-driven anti-drilling community made up mostly of people from outside our region and by activist staffers within the DRBC who are exercising their personal biases. "Water quality" is not a genuine issue, as Newfield and Hess have testified repeatedly. Many drilling companies already operate successfully in settings with "High Quality" and "Exceptional Value" waters elsewhere in the Commonwealth. Our neighbors to the west in Susquehanna, Bradford and Tioga Counties -- all in the Susquehanna River Basin – are seeing an economic boom that is wonderful to behold, but we're kept from sharing in that bounty.

We recently learned that Susquehanna County and municipalities within the county will soon receive in excess of \$8 million in Marcellus drilling impact fees. In these financially troubled times, funds of this sort are sorely needed by Wayne County's public sector especially with service workers' pensions hitting local community budgets hard. Over time, the struggle just becomes more difficult to pay our ever-rising taxes, to support the salaries and pensions of our teachers and public workers and to secure for the next generation and the community at large the farms and forested properties that in many cases have been in the same families for generations. Whichever way we go, however, whether with or without gas production in our region, we cannot begin to work toward our private and community goals without a blueprint for the future, and that entails a decision from the Delaware River Basin Commission.

The Commission's inaction has left the Alliance and a huge share of its individual members – along with many other Wayne County landowners, property groups and businesses – to conclude that if the Commission, at its July 9-10th meeting, fails to at least schedule a vote before year's end on the proposed regulations or, alternatively, fails to step aside and abandon any plan to regulate natural-gas activity in the basin that the Commission simply has no intention of ending what has become a de facto ban and that we are being forced to begin litigation against the Commission, its member states and executive staff and others who may have worked in concert with them, to regain our right to access our mineral estates.

Sincerely,



Bob Rutledge, Executive Director, Northern Wayne Property Owners Alliance

cc: Brigadier General Kent D. Savre
Governor Chris Christie
Governor Thomas W. Corbett
Governor Andrew M. Cuomo
Kelly Heffner
Governor Jack A. Markell
Joe Martens
Robert Martin
Collin P. O'Mara
Erik Rourke
Wayne County Commissioners (Pennsylvania)
Wayne/Pike County Farm Bureau (Pennsylvania)