BIG SANDY OIL COMPANY

P.O. BOX 269 FRANKLIN, PA. 16323 RECEIVED

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WATER STANDARDS & FACILITY REGULATION

April 10, 2011

Mr. Ronald Furlan
PADEP – Div. of Planning & Permits
Rachel Carson Building
P.O. Box 8774
Harrisburg, Pa. 17105-8774

Re: Request for Information – Permit ID PA0222011 (Big Sandy Oil Co.)

Dear Mr. Furlan:

This letter is in response to your letter dated March 18, 2011 requesting additional testing on the effluent from the above referenced wastewater discharge permit.

In the first sentence of your letter, you state "According to our records, your facility is accepting wastewater from Marcellus Shale operations." It appears we need to clarify details regarding the facility that this wastewater permit actually covers.

Permit ID PA0222011 (Big Sandy Oil Co.) is a discharge of treated production brine water from shallow (400 to 500 feet deep) old oil wells which produce from Upper Devonian Venango Sandstones in Cranberry Township, Venango County, Pa.

A few facts about this facility and the effluent:

- The TDS of the effluent is in the range of 20,000 35,000 PPM --- very similar in composition to common seawater.
- The volume of the effluent ranges from zero (operations are shut down completely each winter for three to five months) to 4000 to 6000 GALLONS per day in the summer.
- The treatment system itself was built as a cooperative project between the PADEP and Big Sandy more than 20 years ago. It is a passive wetland system, very similar to those used in Abandoned Mine Discharge remediation projects. The primary purpose of the system is to remove dissolved iron (which it does very effectively).
- MOST IMPORTANTLY, this facility and this discharge permit is NOT equipped to accept
 wastewater brought in to the property via truck or via any other means. It has no unloading
 bays --- no pumps or storage tanks ---- no good access road ----- no ability to offload any type of
 waste whatsoever other than the mild wastewater produced by the old shallow oil wells
 adjacent to the facility which is piped in directly. All wastewater processed by this facility is
 piped directly to it from the old shallow oil wells that immediately surround it.

In closing, we want to comply with any request that you feel is warranted ---- and we understand the pressure the PADEP is under due to Marcellus activity.

However, we want to make clear:

This waste facility is not, and never will be, physically able or configured to accept wastewater from anywhere but the old shallow oil wells in the immediate area. It will NEVER process Marcellus wastewater.

With that being said, do you still require the testing outlined in your letter of March 18? This will add significant cost to our operation and it appears it will only prove to repeatedly validate the mild (and non-Marcellus) nature of our effluent.

I look forward to your response. Please let me know if you need any more information or data from us.

Regards,

James Cochran

Big Sandy Oil Company