

## **Pa. agency leasing land for exploration**

### **Adjacent properties would house drilling**

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Franklin Twp: Beaver County -- The Pennsylvania Fish and Boat Commission has begun to lease portions of its property for oil and gas exploration as a way to pay for rebuilding 18 "high hazard" dams on commission property.

The commission's list includes dams at the recently drained Glade Run Lake in Middlesex Township and the soon-to-be drained Hereford Manor Lakes, west of Zelienople, in Beaver County.

Commission officials have not committed to which dams will be repaired or whether the dams at either of those two sites would be on that list.

Hereford Manor Lakes is the first of about 43,000 acres the commission plans to market to drillers to raise money to pay for dam repairs at lakes the commission owns.

Two of its properties in Clinton and Westmoreland counties already have been leased to natural gas developers for use in the drilling process.

Bids on the 44 acres of Hereford Manor property are being accepted until the end of August.

Eric Levis, a commission spokesman, said the lease would be a no-development, no-equipment, non-drilling one.

All of the future commission oil and gas leases will be bid as non-drilling leases, he said.

That would mean that the drilling would have to occur on some adjacent property, he said.

Range Resources, a prominent Western Pennsylvania Marcellus Shale natural gas developer, has an operating well in Marion Township and has lease agreements with several property owners in Franklin Township, according to documents at the Beaver County Recorder of Deeds website. Rex Energy also has a number of leases signed in neighboring Jackson Township.

The money garnered from the commission leases would go into a pot that would be used for dam repairs.

About 16 lakes with dams across the state are deemed deficient and in need of repair, Levis said. The estimated cost to repair those dams is \$36 million.

The money received from the Hereford Manor lease would not be specifically earmarked for that lake's repairs.

"It could be, but the leases are not set up to fund a specific lake," said Levis.

John Ball, president of the Hereford Manor Lake Conservancy & Watershed Group, said the group has encouraged the commission to use the lease as a way to generate revenues.

The conservancy supports the lease effort with the commission's policy of no natural gas wells on its property and as long as the money gained from the leases stays local.

"What happens at Hereford, should stay at Hereford," Ball said. "They (the Fish and Boat Commission) shake their heads up and down and say they will do that."

Ball estimated that the non-drilling lease would probably generate less than \$1 million for the property, with the additional revenue from royalties unknown.

A backup plan is in the developmental states to turn the Hereford Manor Lakes area into a green space area through a partnership with the beaver County Conservation District, if the lakes are not to be refilled by the commission.

Ball said the property should be available for some type of public use and not become "a dangerous mudhole." But he continues to hold out hope that the dam will be repaired.

The future of the upper and lower Hereford Manor lakes still remains unknown.

The reconstruction of the dams at Hereford Manor will cost \$24 million, but the commission does not have the funds for that.

The dams were built before 1958 in conjunction with strip mining operations and were acquired in 1973 by the Fish and Boat commission.

The state Department of Environmental Protection's Division of Dam Safety had declared both dams as "high hazard, structurally deficient" structures. The dams were scheduled to be breached in the spring, but that has been delayed until October.

The lake already has been drawn down in anticipation of the dam-breaching, which is projected to cost \$3 million.

Meanwhile, the recently drained Glade Run Lake property is not one of the properties that is being considered for an oil and gas exploration lease.

However, Levis pointed out that could change if there is interest from drillers in that area.

Fixing the dam at Glade Run would cost about \$4 million.