Centre County Natural Gas Task Force
Meeting Notes

August 8, 2011 at 4:00 p.m.
Location: Central PA Institute of Science and Technology
540 North Harrison Road, Pleasant Gap, PA 16823

Present: Susan Shoemaker Benedict, Greg Myers, Dan Fisher, and Ken Hall
Absent: Jessica Bilger, Bob McDaniel, Tim Ziegler, Jeff Kern, Stan LaFuria, Bob Norbeck, and Steve Greer

Sub-Committee Members Present: Art Dangel, Dean Lawrence, Todd Taylor, Steve Lyncha, John Rodgers, Mary Carol Frier, and Joe Hart.
Sub-Committee Members Absent: Joe Urbanick, Mike Schauf, John Spychalski, John Ferguson, Bruce Snyder, Colleen Williams, Lynn Herman, Andrew Sicree, Bob Griffith, Butch Davey, Matt Hall, Dick Mulfinger, Jamie Walker, and Louis Glantz

Liaison Members Present: Dan Vilello
Liaison Members Absent: Doug D’Amore, Paula Ballaron and Rick Lamkie
Ex Officio Members Present: None Present.

County Resource Persons: Sue Hannegan
Centre County Commissioners: None Present

Guests: Guy Woodard – CPI / EE&I Program Instructor; Natalie Corman – Centre County Director of Adult Services; Martin Erim – President, First Renaissance Ventures; Barry Roman – President, Reliant Asset Management; Brian Chilton – Regional Operations Manager, HB Rentals; Allison Snyder and Bruce Houck – Mountain Top Community Pool; Matt Filteau – PSU graduate student; Cliff White – CDT Reporter; Sue Smith – Affordable Housing Coalition; Dave Wise – Centre County Chamber of Business and Industry; and Doc Taliaferro -- Immix

Total Number Present: 25

The meeting was opened by Chairman Susan Shoemaker Benedict at 4:00 p.m. No quorum present.

Welcome and Introductions: All meeting attendees provided a short introduction of themselves.

Declarations of Conflict of Interest and Ex Parte Communication: In order to remove any doubt of impropriety, the following task force and/or sub-committee members have declared interests. Steve Greer and Greg Meyers were not in attendance at this meeting but their declarations have been included for consistency. Bob McDaniel – Business Development Coordinator, G.O. Hawbaker, Inc. supplying contract work for drilling companies; Susan Shoemaker Benedict -- property owner with expected gas industry development; Steve Greer – Senior Project Manager with Arm Group, Inc., sub-contractor/consultant to various companies involved with the gas drilling industry, Ken Hall – actively involved with property lease management, Greg Myers -- Senior Engineer/Senior Geologist, DMS Environmental Services, providing services to the oil and gas industry, Joe Hart – employed by HRT, Inc. & PA Brine, who serve as sub-contractors to the natural gas industry, and John Ferguson – employed by Columbia Gas of PA.
Three additional conflicts were announced by newly appointed sub-committee members as follows: Dean Lawrence – realtor with commercial real estate activity of interest to the natural gas companies; John Rodgers – banker with Fulton Bank providing financial services to the gas industry, and Steve Lyncha – engineer with HRG providing consulting and engineering services to the industry.

Approval of Prior Meeting Notes:

July 11, 2011: No action taken due to the lack of a quorum. These minutes will appear on the September meeting agenda for consideration.

Announcements: None offered.

Citizen Comment: None offered.

Presentation: “On-Site Accommodations and Support Services for the Natural Gas Industry” – presented by Brian Chilton, Regional Operations Manager for HB Rentals, a leading supplier of well-site housing and auxiliary equipment.

Key points of the PowerPoint presentation by Brian Chilton are listed here:

- HB Rental is owned by Superior Energy Services, Inc. and employs approximately 6,000 people world-wide.
- HB Rentals was established in 1976 as the “accommodation provider” for off-shore companies.
- Housing units are manufactured in the US at two locations: Louisiana and Aberdeen, Scotland.
- Mill Hall is one of 18 district offices. Forty-one (41) full time people are employed in the PA Region with 40 “native PA employees”.
- Southwestern PA is serviced by the regional office in Canonsburg, PA.
- Future HB Service Response Locations in PA may be located at Towanda and Brookville.
- Housing units are built to the Colorado building code and are code compliant to Colorado standards. HB adheres to a “no trace left behind” philosophy – “Haul it In / Haul it Out”.
- Housing units used in the NE Marcellus Region are skid mounted as opposed to wheel mounted.
- Theft has become a bigger issue and a need exists for a well site security system.
- Currently, HB Rentals has a waiting list for 60 additional housing units.
- Approximately 16 beds are needed for the full-time on-site well pad crews.
- By current standards and on average, a housing unit remains on-site for 48 days.
- Permits are granted by township for water and sewer service, depending on the area.
- The Mill Hall distribution site services 63 well sites at this time. Projections for 2012 show an expected increase in well pad employment, between 30 – 40% through the first quarter of 2012.
- Approximately 300 housing units are out on site from HB Rentals in PA.
- The life-span of a unit is 10-15 years.
- Units are built to withstand 120 MPH winds and 110 lbs of snow load /square foot.
- The nearest competitor is Stallion who has located a distribution site in Williamsport, PA

Old Business: None

Committee Reports:

Economic Development: Greg Myers presented a summary of the written report provided by the economic development sub-committee. The committee’s focus is utilization of natural gas and
expansion of the local housing industry to accommodate the demand for on-site drill pad housing. The committee report is attached.

Doc Taliaferro, Immix, reported that there is financial assistance for the expansion of broadband service in the Marcellus Shale area. These dollars would be available in the Bald Eagle Area School District service area. The contact for additional information is Jerry Bohinski, Susquehanna Economic Development Association – Council of Governments (SEDA-COG) at jbohinski@seda-cog.org or by phone at 570-524-4491, ext 7245.

Education: Dan Fisher, committee chairman, reported that the Central PA Institute of Science and Technology (CPI) is in the early phases of a capital campaign to raise $4 million for the Emerging Energy and Infrastructure Technology program (EE&I). This program is designed to serve the industry and will roll out this fall, 2011. Guy Woodard, EE&I program instructor was in attendance.

Todd Taylor provided the following two updates addressing new course offerings:

- Five (5) water and wastewater courses will be offered in addition to a one-day seminar for certification. All courses will be DEP approved and qualify as continuing education requirements /credits.
- The Centre County Public Safety Training Site has been selected as a “train the trainer” site for the Safe Gulf / Safe Land series. Two CPI instructors will receive this training.

Dan informed those present that the Mountain Top Community Pool was a great example of a community facility supported in the past by local industries. This is not the case today and as a result, the pool did not open this year. Allison Snyder, representing the pool committee presented the case for increased industry support.

Environment: No Report.

Dan Vilello, DEP Community Liaison, announced that he attended Senator Yaw’s Community Discussion Workshop and news coverage of the event was quite extensive.

Public Policy, Planning and Legal Issues: Ken Hall reported that the committee has begun to draft a series of pipeline considerations. This guideline document will be distributed prior to the next task force meeting with the hope of gathering input prior to the meeting. The goal is to have a nearly final format for consideration, and hopefully approval, at the September meeting.

New Business: Sue Hannegan shared the latest version of the county’s map titled “Active and Forecasted Development Related to the Natural Gas Industry”. This map is regularly updated and portrays pipeline infrastructure, leased acreage, water withdrawal and water consumption locations, and Marcellus well pad locations. The map has been posted to the Centre County Government website.

Next Meeting: September 12, 2011 – 4 p.m. at the Central Pennsylvania Institute of Science and Technology, 540 North Harrison Road, Pleasant Gap

Meeting Adjourned: The August meeting of the Centre County Natural Gas Task Force was adjourned at 5:30 p.m.
Centre County Natural Gas Task Force

Economic Development Sub-Committee Meeting Report

August 4, 2011

Present: Greg Myers, Stan LaFuria, John Rodgers, Lou Stubbs, John Ferguson, Joe Urbanick, Steve Lyncha, Dean Lawrence, John Spychalski (by phone), Bob Jacobs, Mike Bloom, and Sue Hannegan

New Committee Members Welcomed: Dean Lawrence, John Rodgers, Steve Lyncha, and Lou Stubbs.

Modular Workforce Housing

This discussion was focused on how to successfully establish a local manufacturer for workforce housing. Currently, these units are being transported from Texas at a cost of $20,000 each. If they were built locally, there would be a financial advantage for the industry and job creation and retention for the county. Next steps included:

1) Collection of the building specifications.
2) Understanding of the building code requirements.
3) A capital investment for the development of a prototype.
4) Committee members will approach the Department of Community and Economic Development for input, guidance and possible funding.

In addition to drill-site workforce housing, the need for additional housing within communities was discussed as a possible future need. Tasks related to this aspect:

5) Inventory of building lots for residential development in the Mountain Top and Moshannon Planning Regions was a top priority.
6) Second level inventory: Upper and Lower Bald Eagle Valley Regions

The housing discussion led to further consideration for the development of a:

7) “Guideline Document” – essentially a checklist for out of the area companies interested in setting up business in Centre County. The list would provide the key elements of “How to Successfully Establish a Business in Centre County”. This document would identify the types of permits needed as well as approvals. More discussion needed.
8) “Welcome to Centre County” – essentially a PR piece that would include important information (or perhaps this approach is incorporated into the guideline document) needed by the energy companies as they consider locations in the county.

Utilization of Natural Gas

Three lists are being developed as follows:

List A – Fleet vehicles that seem likely candidates for conversion to CNG / LNG. Clearfield County’s Meals-on-Wheels has converted 2 vehicles and will convert additional vehicles next year after installation of the needed fueling station and associated compressor (partially funded by a Wal-Mart Foundation grant). Swain Frozen Food vehicle fleets currently use NG. The
group felt meeting with John Kordish from the Clearfield County’s Meals-on-Wheels program my be beneficial.

Success may be easiest achieved by grouping 2-3 operators who could use a common refueling and service station location.

Included on the list, in no particular order, are:

- Centre County Government vehicles
- All Centre Region municipal and CRCOG vehicles (except for Halfmoon Township).
- Municipal vehicles in all municipalities outside the Centre Region where natural gas service is available. This of course would depend upon service stations but look first to the vehicle fleets in Bellefonte, Philipsburg, Spring Township . . . . . .
- UPS
- USPS
- State College Area School District
- Bellefonte Area School District
- Bald Eagle Area School District
- Additional CNG use at Penn State
- Commercial businesses with delivery vehicles, i.e., floral shops, office supply places, etc...
- FedEx
- Service Industry Fleets: garbage collection, Verizon, DirectTV, West Penn, Sears, Comcast, Cincler

List B – Potential Fueling Station Sites

- Sheetz along I-99 interchanges.
- Pacific Pride
- Snappy’s
- Lyken’s
- Kwik Fill
- Lehigh Valley Gas – owners of former Uni-Marts

List C – Service / Conversion Locations –

- The PA Propane Gas Association may be able to provide a list of existing conversion stations.

Having conducted this discussion at length, the committee seemed to conclude that the magnitude of this project, at this scale, was beyond their capabilities. The committee will be meeting in three weeks and consideration will be give to the development of a procedure to encourage or incentivize local entities to work cooperatively for the development of joint fueling stations.
Overview of Superior Energy Services, Inc.  
NYSE: SPN
Company Overview

• Diversified provider of services, tools and marine assets used to enhance, maintain & extend oil & gas production
  – Subsea & Well Enhancement
  – Drilling Products & Services
  – Marine Services
Emerging Global Footprint
About Us

- Established in 1976
- Joined Superior Energy in 2000
- Largest fleet of Land and Offshore Accommodations
- Primarily Rental
- Full Line of Accessory Rental Items for complete site needs
- Global Footprint
- Support services – installation, maintenance, refurbishment, design and engineering
- Two manufacturing sites – Louisiana and Aberdeen
OUR VISION

To be the **Global Leader in Remote Site Accommodations and Support Services** by having the:

- Largest Global presence
- Highest Quality fleet
- Most Talented and Dedicated people

OUR STRATEGY

To exceed customer expectations in strategic locations worldwide by delivering...

- The highest quality accommodations and support services
- Innovative solutions, and
- Service Excellence
Our Values

People – We will attract, develop and retain the best team members. We encourage open communication and will show respect for others.

Integrity – We are honest, fair and reliable in our day-to-day interaction with customers and fellow employees.

Quality – We are accountable for our actions and accept nothing less than total and complete customer satisfaction.

Health, Safety and Environmental – We are a performance driven company whose highest priorities are accident prevention, the health of our employees and protection of the environment.

Shareholders – We will continue to create shareholder value by efficiently managing projects, controlling our costs, and strategically reinvesting our capital.
**Global Locations**

**HEADQUARTERS**
- **Corporate** - *Broussard, LA*
- **Western Hemisphere** - *Houston, Texas*
- **Eastern Hemisphere** - *Aberdeen, Scotland*
- **Asia-Pacific** - *Singapore*

**Other International Locations**
- Australia
- Brazil
- Canada
- Indonesia
- Malaysia
- Mexico
- Norway
- Trinidad
- UAE
HB Rentals – US District Offices

The Global Leader In Onsite Accommodations
Locations:

North Central Pennsylvania – Mill Hall
Service Area: 40,669 sq mi
Central/Northeastern PA, New York

Southwest Pennsylvania – Canonsburg/Washington
Service Area: 61,377 sq mi
Southwestern PA, Ohio, West Virginia
Offshore Accommodations

A60 Certified Steel Building Fleet
- ABS
- USCG
- DNV
- IMO
- SOLAS
- Lloyds

Offshore Fiberglass Accommodations

Multiple Layouts:
- Sleepers
- Galleys
- Diners
- Recreation
- Offices
- Engineering Cabins

Stackable & Linkable

Fleet Quantities:
- A60 Fleet 450
- Fiberglass Fleet 250
Offshore Auxiliary Equipment

• Heliports
• Fire and Gas Detection
• Dual Water Distribution Systems
• Sewage Treatment Systems
• Potable Water Tanks
• Electrical Distribution
• Light Plants and Stands
• Diesel Storage Tanks
• VSAT Communications Systems
• Wireless Intercom System
• Satellite TV System
• And more….
Offshore/Onshore Support Services

- Design, Engineering, & Project Planning
- Refurbishment Services
- Customer Support 24/7
- Certified Technicians for Installation and Maintenance
- Knowledge in Regulatory & Code Compliance

HB Rentals was the first firm to be placed on an Alternate Inspection Program with the US Coast Guard.
Offshore Project Showcase

British Gas
Trinidad
- 25 Building Package and CAP
437 Helideck

Cicsa Marine
Mexico
– 6 Building Project

The Global Leader In Onsite Accommodations
Land Accommodations

Designed for Specific Requirements:

- Company Man Houses
- Directional Driller Houses
- Mud Logging Houses
- MWD Houses
- Crew Quarters
- Safety Meeting Houses
- Shower/Change Houses
- Offices

Unique Features:

- Fully Furnished
- Wheel Mounted or Skid Mounted
- Multiple Layouts for Customer Needs
- Delivered & Setup Onsite w/HB Technicians
- Warm & Cold Weather Compliant

Fleet Quantity:

- Wheel Mounted Trailers - 600
- Skid Houses - 450
- Auxiliary Equipment / Accessories – 1,500

The Global Leader In Onsite Accommodations
Land Auxiliary Equipment

- Sewage Systems & Port-o-Lets
- Sub-Zero Sewage and Water Systems
- Sump Pumps & Holding Tanks
- Potable Water Systems, Pressure Sets and Water Tanks
- Generators / Distribution Panels
- Maxi-Light System
- TV’s & Satellite Receivers
- Trash Trailers
- Diesel Tanks
- Wireless Intercoms
- Satellite Communications
Land Support Services

- Installation and Commissioning
- Satellite Communications
- Water Hauling
- Sewage Removal
- Trash Removal
- Maintenance Services
- Site Layout Drawings

The Global Leader In Onsite Accommodations
Land Project Showcase

Conoco Phillips
Piceance Creek
- 150 Man Camp

Helix Energy
Galveston Island
Land and Offshore Joint Project
- 100 Man Camp
Relationship Management & Support

OPERATIONS MANAGEMENT
- REGIONAL OPERATIONS MANAGER
- SERVICE MANAGER
- HSE TEAM LEADER

SALES
- CORPORATE SALESMAN
- REGIONAL SALES MANAGER
- FIELD SALES REPRESENTATIVE

SUPPORT
- FIELD SERVICE TECH
- COMMUNICATIONS TECH
- HVAC SPECIALIST
- ELECTRICIANS
- CARPENTERS
- PLUMBERS
- COMMERCIAL DRIVERS
- WELDERS
- HOUSE KEEPING

The Global Leader In Onsite Accommodations
Major Initiatives Underway

- Establish a Middle East Operation
- Fleet Build in Brazil
- Marcellus Shale Region Development
- Evaluating West African Presence
- Customer Relationship Management (CRM)