2018 Natural Gas Activity Report and 2019 Outlook
- Centre County, Pennsylvania -
Natural gas drilling activity has leveled-off in the last five years as Centre County has witnessed a steady decline in both the number of drilled and permitted wells. In 2018, DEP revised the “well status” definitions to reflect the true nature of on-site natural gas drilling activity.

Drilled and Permitted

- **DRILLED-ACTIVE**: 22
- **DRILLED-PLUGGED**: 16
- **DRILLED-REACTIVATED**: 13
- **DRILLED-REGULATORY INACTIVE**: 14
IMPACT FEES MONEY COLLECTED IS BASED ON THE AMOUNT OF NATURAL GAS PRODUCED.

2017 ACT 13 IMPACT FEE DISTRIBUTION

CENTRE COUNTY: $125,276.37
SNOW SHOE TOWNSHIP: $57,725.39
BURNSIDE TOWNSHIP: $53,581.93
BOGGS TOWNSHIP: $20,588.72
NATURAL GAS PRODUCTION IS DOWN, SO IS ACT 13 FUNDING TO MUNICIPALITIES

2015
Total funds to all municipalities: $253,496.52

2016
Total funds to all municipalities: $210,793.83

2017
Total funds to all municipalities: $193,648.90
NATURAL GAS INFRASTRUCTURE

Interstate Pipeline
Remains the dominant type of natural gas infrastructure across Centre County.

Gathering/Midstream Pipeline
Additional lines were constructed but remain the missing link to get gas to the market.

Distribution Pipeline
Most projects involved replacing line and not building out new distribution systems.

Percent of total pipeline in Centre County

- 2010
- 2012
- 2017

<table>
<thead>
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<th>Year</th>
<th>0%</th>
<th>20%</th>
<th>40%</th>
<th>60%</th>
<th>80%</th>
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<tbody>
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<td>2012</td>
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<td>2017</td>
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According to the U.S. Energy Information Administration, domestic natural gas production and consumption increased between 2010 and 2018. Exports of all natural gas products increased in the same time period.
Unconventional natural gas well drilling has targeted the Marcellus Shale Formation in Centre County. Assessment of the Utica Shale Formation indicates the extent but reaching the formation through horizontal drilling in the County has yet to be realized.

- 30% Of Centre County underlain by Utica Shale
- <10% May be viable to reach
- 3,800 +/- feet Average depth to reach the Utica Formation
HEATING FUEL USAGE IN CENTRE COUNTY

- Natural Gas: 13%
- Fuel Oils: 32%
- Electricity: 30%
- All Other Fuels: 15%
**CENTRE COUNTY OUTLOOK BEYOND 2019**

**Automatic Renewals**
Lease Agreements
5-year terms

**Getting Gas to Market**
Increased gathering lines needed

**Permit Re-issues**
SRBC Water Withdrawal Request
8 NOI's, all out of county

**Centre Hall Pipeline Project**
100
New customers
1
Industrial anchor

**Trending Act 13 Impact**
Fees to Municipalities

<table>
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<tr>
<th>Year</th>
<th>Fee</th>
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<tbody>
<tr>
<td>2019</td>
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<td>2021</td>
<td>$167,500</td>
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- Natural gas market is subject to fluctuations based on global economy.
- CNG and LNG can be delivered by truck from a fixed delivery point to an end-user.
- Natural gas consumers can choose their gas supplier.
For more information please contact the Centre County Planning and Community Development Office
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