

**U.S. HOUSE OF REPRESENTATIVES HEARING  
OF THE COMMITTEE ON NATURAL RESOURCES,  
SUBCOMMITTEE ON ENERGY AND MINERAL RESOURCES**

**APRIL 19, 2016**

**STATEMENT OF CRAIG L. MAYER, ESQ., SECRETARY  
PENNSYLVANIA INDEPENDENT OIL & GAS ASSOCIATION**

1. Since 2008 I have served as Secretary of the Pennsylvania Independent Oil & Gas Association (“PIOGA”) and Chairman of PIOGA’s Allegheny National Forest (ANF) Committee. PIOGA is a nonprofit trade association headquartered in Wexford, Pennsylvania just north of Pittsburgh. It is comprised of over 700 members, including oil and natural gas producers engaged in development and production from both conventional and unconventional formations in Pennsylvania, as well as drilling contractors, service companies, manufacturers, distributors, professional firms and consultants, pipelines, end users and royalty owners with interests in the success of Pennsylvania’s oil and natural gas industry. Many of our members own subsurface acreage and are involved in exploration and production activities on private oil and gas estates within the Allegheny National Forest. I am offering testimony today in support of HR 3881 on behalf of our association.

2. By way of background, from 2004 until 2014, I was a Vice-President and General Counsel for Pennsylvania General Energy Company L.L.C (“PGE”), which is headquartered in Warren, Pennsylvania. Since 2014, in a part-time capacity, I have been PGE’s Vice-President for Government Relations. I am a retired United States Marine Corps officer having served on active duty from 1968 to 1992. I obtained a Juris Doctor degree from Duquesne University Law School in 1974 and am a 1968 graduate of the Pennsylvania State University.

3. The ANF encompasses approximately 513,000 acres which cover major parts of four counties in northwestern Pennsylvania, *i.e.*, Elk, Forest, Warren and McKean Counties. Notably, 93% of the ANF lands or about 483,000 acres are underlain by private severed oil and gas mineral estates. When the ANF surface lands were acquired by the federal government in the 1920s and 1930s, the Forest Service purposely did not acquire the private oil and gas estates. In fact, under Section 9 of the 1911 Weeks Act, 16 U.S.C. § 518, before the United States could even purchase surface lands that had been severed from oil and gas estates before the time of the United States purchase, both the Secretary of Agriculture and the National Forest Reservation Commission had to find that such estates “*from their nature*” would “*in no manner interfere*” with the use of the land for the purposes of the Act. The Forest Service viewed oil and gas production as not in conflict with forestry management purposes, and that view continued until 2006.

4. The ANF region is the birthplace of the oil and gas industry in Pennsylvania, the United States, and the world. The first oil well in the world, the Drake Well, was drilled in 1859,

about 15 miles from the current southwestern ANF boundary. Oil and gas production has occurred in this region for well over a century, including on the ANF lands. It is a vital part of the culture of the communities in the region and our economic base. For example, PIOGA estimates that annually 25% to 35% of the oil produced in Pennsylvania comes from estates within the ANF. There are approximately 60 producers and, at least, an equal number of direct supporting businesses who rely on natural resource development within the ANF. Only a handful of the producers are large companies with the vast majority being composed of individuals, families, and small companies. Traditionally, the U.S. Forest Service respected multiple use of the ANF and cooperated with oil and gas producers. This all changed beginning in 2006 and particularly so in early 2009.

5. Beginning in 2006 the US Forest Service departed from its decades-long cooperative relationship with private mineral owners and set upon a course of action designed to effectively seize control of the 483,000 acres of private mineral estates that they owned. Included in its various efforts was a 2009 “sweetheart” settlement agreement with environmental activists that was set-aside by the federal courts as well as various administrative actions and rule-makings crafted to strangle oil and gas development activity on private estates underlying the ANF and other national forest lands. PIOGA engaged the Forest Service on these and other fronts. In due course the Federal Courts intervened to stop the Forest Service from realizing its aims.

6. The story of Northwest Pennsylvania’s oil and gas industry 9 year engagement with the Forest Service is told in the attached 77 page article that was presented at the Proceedings of the Thirty Sixth Annual Energy and Mineral Law Institute of the Energy and Mineral Law Foundation in June 2015. It chronicles key events and provides, in my considered opinion, more than ample reason for supporting and adopting HR 3881. Federal court rulings in the *Minard Run* line of cases as well as actions by the Pennsylvania legislature which result in a barring of any federal regulation by way of Subsection (o) are discussed in the attached article at pages 271 and 272. In short, these actions have rendered Subsection (o) of section 17 of the Mineral Leasing Act (30 U.S.C. 226) moot and superfluous. Moreover, its prescribed terms are already implemented by way of the *Minard Run* judicial decisions and the common law.

On behalf of PIOGA I thank the members of the Committee here today for your interest and help on these issues which are of vital importance to northwestern Pennsylvania, and many other regions of our nation.

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Craig L. Mayer

Attachment: A Study in the Abuse of Power: The United States Forest Service’s Illegal Efforts to Seize Control of Mineral Estates Underlying the Allegheny National Forest, 36 *Energy & Min. L. Inst.* 244 (2015)