



July 24, 2015

Ms. Kimberly D. Bose, Secretary  
Federal Energy Regulatory Commission  
888 First Street, NE  
Washington, DC 20426

Re: *PennEast Pipeline Company, LLC*, Docket No. PF15-1-000  
Correction Regarding Delaware Riverkeeper Network “Report of Illegal Drilling  
Activity and Pollution by PennEast (FERC Docket No. PF15-1-000) on July 20 –  
21, 2015, Holland Township, Hunterdon County, NJ”

Dear Ms. Bose:

On July 22, 2015, Delaware Riverkeeper Network (“DRN”) filed a document titled “Report of Illegal Drilling Activity and Pollution by PennEast (FERC Docket No. PF15-1-000) on July 20 – 21, 2015, Holland Township, Hunterdon County, NJ” (the “DRN Report”). The DRN report contained a number of false statements of fact that PennEast Pipeline Company, LLC (“PennEast” or the “Company”) feels compelled to correct. DRN alleged, *inter alia*, that PennEast’s contractors unlawfully conducted geophysical test boring without the necessary New Jersey Department of Environmental Protection (“DEP”) permit, utilized an “unapproved source” of water, and discharged “pollution” to a “pristine” pond. These allegations are without merit, as is apparent from the actual facts discussed below.

On August 27, 2014, PennEast obtained permission from the Owners of 82 Old River Road, Milford, NJ 08848 (the “Site”) to conduct land survey activities. On July 20, 2015, after providing the Owners with required notice, PennEast’s consultant, Hatch Mott MacDonald (“HMM”) and its subcontractor, Craig Test Boring (“CTB”), began preparations for a Category 5 Geotechnical Well pursuant to N.J.A.C. 7:9D-2.1. DEP’s regulations define a Category 5 well as “test borings, probe holes drilled or otherwise constructed for the purpose of obtaining data for engineering and/or geophysical, hydrological or geological purposes . . .” *Id.* The purpose of the boring was to determine the physical properties of soil and rock at the Site and to select a suitable location for the future pipeline from a constructability and environmental standpoint. This boring is necessary to properly and safely complete the design of the horizontal directional drill of the Delaware River.

New Jersey law provides that individual permits are not required for Category 5 test borings fifty feet or less in total depth and 8.5 inches or less in diameter. N.J.A.C. 7:9D-1.11. However, any permit obtained may only be utilized for an individual boring location and must be formally closed at the conclusion of the boring. Because each permit relates only to one boring location, it is customary practice in New Jersey to obtain a permit for a Category 5 geophysical test boring

only when the drill operator knows with relative certainty that geological conditions will permit the bore to advance beyond fifty feet. When conducting a test boring in a rocky area, such as the Site, it is not uncommon for the drill operator to make several attempts to find a location where conditions permit the bore to advance beyond fifty feet. Thus, to avoid the administrative burden of filing multiple permit applications and closures with DEP, drillers customarily will obtain a permit for drilling in rocky substrate only after confirming that the drill will proceed beyond 50 feet, as was done here.

The boring at issue commenced at approximately 10:00am on July 20, 2015. At the conclusion of boring activities on July 20, HMM and CTB had reached a depth of approximately 29 feet. Boring activities resumed on the morning of July 21, 2015. In anticipation of the need to cool the drill bit, contrary to the DRN Report, CTB obtained clean, potable water from the Milford Fire Department, located approximately 0.5 miles from the Site.

As boring activities continued on the morning of July 21, CTB observed that the water pumped into the bore hole to cool the drill bit was resurfacing through existing rock fissures and collecting in a depressed area approximately 100 feet down-gradient of the boring equipment (the “Surface Depression”).

While DRN described the Surface Depression as a “spring fed,” “pristine” body of water home to the Wood Turtle and a variety of other species, this description is not accurate. Prior to any seepage of water into the Surface Depression from the boring activities, the Surface Depression contained only about one-inch of standing water, which appeared to be standing runoff from recent rainfall. The bottom of the Surface Depression is granite and covered with moss. The Surface Depression is not a mapped feature on any natural resource databases and is not spring-fed in the manner which is described by the DRN. The standing water was “algae-filled” (as noted by a DEP inspector) and had no aquatic life. In fact, this was not a “pristine” water source, as described by the DRN.

Nor is there any documentation to support the claim that the Surface Depression is home to the Wood Turtle or any other threatened or endangered species. The Surface Depression is not mapped as Wood Turtle habitat and the general area has not been identified as an area exhibiting the habitat characteristics suitable for supporting Wood Turtle. According to PennEast’s consulting biologist, the general area is highly disturbed and does not contain any critical habitat features such as hibernacula or nesting sites. The Surface Depression has not been documented as a Critical Habitat for Wood Turtle and Wood Turtles have not been routinely documented in the area.

As the water used to cool the drill bit seeped into the Surface Depression through natural fissures, it brought with it sediment and rock dust, which clouded the water in the same manner as one would see during a period of heavy rain. After approximately 500 gallons of water seeped into the Surface Depression, CTB placed a hose in the Surface Depression so that it could recycle and reuse the water that was escaping through rock fissures by pumping the water back into CTB’s water tanks and then into the boring hole to continue cooling the drill bit. Even after

this seepage, the maximum depth of the Surface Depression was only two to three inches, as verified by actual measurements.

It is important to note that the DEP Permit issued to PennEast does not prohibit the recirculation of spent water, as confirmed by Pat Bono, Section Chief of the Well Permitting Section within DEP's Bureau of Water Allocation and Wells. **No substance other than potable water was used to cool the drill bit or otherwise pumped into the boring hole. Absolutely no bentonite ("mud"), chemicals, or other substances were used during the boring activities conducted at the Site.**<sup>1</sup>

When HMM and CTB reached a depth of 41 feet, they determined that the physical conditions at the Site would allow the boring to advance beyond fifty feet, and as is customary and in accordance with DEP regulations, they then submitted a request to DEP's Bureau of Water Systems and Well Permitting (the "Bureau") for the required Well Permit that would allow the advancement of the drill bit beyond fifty feet. DEP generally processes such permit requests within approximately one hour.

Verbal approval of the permit request was granted by the Bureau at approximately 1:10pm on July 21, 2015 and the permit was formally issued, and received by HMM, at approximately 2:12pm on July 21, 2015. A copy of Well Permit No. E201508201 (the "Permit") is attached as Enclosure 1.

By this time, individuals affiliated with DRN were present at the Site, including Maya van Rossum, Bob Rader, Ed Rodgers and Lorraine Crown. HMM and CTB informed the individuals present that the only substance being pumped into the boring hole was water and that the boring activities were being conducted in accordance with New Jersey law and that required permits had been obtained. However, PennEast suspended the boring operations at the Site at approximately 11:55am to address the concerns of those present.<sup>2</sup>

Mr. Rader and Ms. Rossum both contacted DEP's emergency hotline to report the "incident;" i.e. PennEast's drilling of a permitted geophysical test boring in accordance with New Jersey law. A Hunterdon County Public Health Official, Paul Kaszas, was dispatched in response to the report. Mr. Kaszas did not find any violations, and as noted above, PennEast confirmed in a follow-up conversation with Pat Bono, Section Chief of the Well Permitting Section within DEP's Bureau of Water Allocation and Wells, that the boring activities complied with New Jersey law and DEP regulations. DEP confirmed to the media that PennEast's drilling was done with the necessary permits and with the landowner's permission and that DRN's claims that the operation was fouling a stream were not substantiated by DEP's inspections at the site. See "DEP confirms: PennEast drilling in Holland was OK," [NJ.com](#), July 23, 2015.

---

<sup>1</sup> It is important to note that although no bentonite has been used at the Site, to date, DEP regulations will require the use of a sealant to properly close the boring, such as bentonite. See N.J.A.C. 7:9D-3.1(i) (General requirements for the decommissioning of all wells).

<sup>2</sup> The DRN Report incorrectly states that drilling operations ceased at between 12:45pm and 1:00pm. Any activities that may have been observed after approximately 11:55am were related to closure of the bore, not drilling.

Ms. Kimberly D. Bose, Secretary

July 24, 2015

Page | 4

Because of DRN's unfounded reports to the DEP hotline, Holland Township Police Department was asked to respond to a reported "discharge into the Delaware River." Holland Township Chief of Police, John Harris, responded to the scene and as with the Hunterdon County Department of Health, found nothing improper on the part of PennEast, HMM, or CTB. In fact, Chief Harris admonished Ms. Van Rossum to cease "reporting incidents or violations that they know have no basis just to harass or impede the pipeline work." A copy of the Holland Township Police Report is attached as Enclosure 2.

Undeterred by the findings of all three regulatory agencies that no violation of law occurred, DRN proceeded to issue a July 23, 2015 press release and twitter feed headlined "PennEast Caught Drilling Without Permits; Drilling Discharge Clouds Spring Fed Pond," while also continuing its effort to sensationalize the Project and incite landowners to deny access for survey work. Regrettably, it appears that this unfortunate incident is only the latest stunt in DRN's continuing campaign to harass, disparage, and disrupt the Project.

Should you have any questions concerning this request, please contact me at (610) 406-4322.

Sincerely,

/s/ Anthony C. Cox

Anthony C. Cox

PennEast Pipeline Company, LLC,

By its Project Manager

UGI Energy Services, LLC

Enclosures

cc: Pat Bono, Section Chief, DEP Well Permitting Section  
Paul Kaszas, Hunterdon County Department of Health  
Chief John D. Harris, Holland Township Police  
Holland Township Committee  
John King, Executive Hunterdon County Board of Chosen Freeholders  
Maya van Rossum, DRN

# Enclosure 1

**WELL PERMIT**

New Well

The New Jersey Department of Environmental Protection grants this permit in accordance with your application, attachments accompanying same application, and applicable laws and regulations. This permit is also subject to further conditions and stipulations enumerated in the supporting documents which are agreed to by the permittee upon acceptance of the permit

**Certifying Driller:** BEN THIES, JOURNEYMAN LICENSE # 0023179

**Permit Issued to:** CRAIG TEST BORING CO INC

**Company Address:** BOX 427 MAYS LANDING, NJ 08330

**PROPERTY OWNER**

Name: RICHARD & ANNE THOMPSON RICHARD & ANNE THOMPSON

Organization: Richard & Anne Thompson

Address: 82 old River Road

City: Milford Boro

State: New Jersey

Zip Code: 08848

**PROPOSED WELL LOCATION**

Facility Name: PennEast

Address: Old River Road

County: Hunterdon

Municipality: Holland Twp

Lot: 12

Block: 18

Easting (X): 300068 Northing (Y): 638458

Local ID: B-33

Coordinate System: NJ State Plane (NAD83) - USFEET

**SITE CHARACTERISTICS**

**PROPOSED CONSTRUCTION**

**WELL USE:** BORING/INDIVIDUAL

Other Use(s): \_\_\_\_\_

Diameter (in.): 4

Regulatory Program

Requiring Wells/Borings: \_\_\_\_\_

Depth (ft.): 100

Case ID Number: \_\_\_\_\_

Pump Capacity (gpm): 0

Deviation Requested: N

Drilling Method: Hollow Stem Augers

Attachments: \_\_\_\_\_

**SPECIFIC CONDITIONS/REQUIREMENTS**

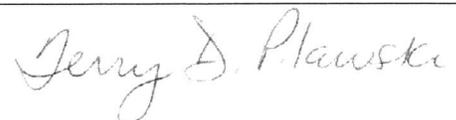
**Approval Date:** July 21, 2015

**Expiration Date:** July 20, 2016

Approved by the authority of:

Bob Martin

Commissioner



Terry Pilawski, Chief  
Bureau of Water Allocation and Well Permitting

**WELL PERMIT**  
 %%:activity\_class\_well%%

<b>DEVIATION INFORMATION</b>	
Purpose:	
Unusual Conditions:	
Reason for Deviation:	
Proposed Well Construction	

<b>GENERAL CONDITIONS/REQUIREMENTS</b>
A copy of this permit shall be kept at the worksite / on the property and shall be exhibited upon request. [N.J.A.C. 7:9D-1]
A well record must be submitted by the well driller to the Bureau of Water Systems and Well Permitting. Unless prior written approval is obtained from the Bureau of Water Systems and Well Permitting the well record shall be submitted electronically through the New Jersey Department of Environmental Protection's Regulatory Services Portal Submit Well Record: within ninety (90) days after the well is completed.[N.J.A.C. 7:9D-1]
All well drilling/pump installation activities shall comply with N.J.A.C. 7:9D-1 et seq. [N.J.A.C. 7:9D-1]
For this permit to remain valid, the well approved in this permit shall be constructed within one year of the effective date of the permit. [N.J.A.C. 7:9D-1]
If the pump capacity applied for is less than 70 gpm, no subsequent increase to 70 gpm or more shall be made without prior approval of the Bureau of Water Systems and Well Permitting. [N.J.A.C. 7:9D-1]
If the use of the well is to be changed a well permit for the proposed use of the well shall be submitted for review and approval. [N.J.A.C. 7:9D-1]
If you or a future property owner intend to redesignate this well as a Category 1 well (domestic, non-public, community water supply or public non-community water supply wells), the well must be constructed as a Category 1 well per the Well Construction and Abandonment Regulations at N.J.A.C. 7:0D-1.1 et seq. In addition, if the current or future property owner intends to have this well redesignated as a community water supply well, the well must be constructed by a Master well driller, which would include having a Master well driller on-site at all times during construction of the well, as specified in the Well Construction and Abandonment Regulations. Otherwise, the New Jersey Department of Environmental Protection will not allow the well to be redesignated, and a new well would have to be installed. [N.J.A.C. 7:9D-1.7((a))1i]
In accepting this permit the Property Owner and Driller agree to abide by the following terms and conditions [N.J.A.C. 7:9D-1]
In the event that this well is not constructed the well driller shall notify the Bureau of Water Systems and Well Permitting of the permit cancellation. Unless prior written approval is obtained from the Bureau of Water Systems and Well Permitting the Cancellation notification shall be submitted electronically through the New Jersey Department of Environmental Protection's Regulatory Services Portal Submit Well Permit Cancellation : by the expiration date of this permit.[N.J.A.C. 7:9D-1]
In the event this well is abandoned, the Owner or Well driller shall assume full responsibility for having the well decommissioned in a manner satisfactory to the New Jersey Department of Environmental Protection in accordance with the provisions of N.J.A.C. 7:9D-1 et seq. [N.J.A.C. 7:9D-1]
The granting of this permit shall not be construed in any way to affect the title or ownership of property, and shall not make the New Jersey Department of Environmental Protection or the State a party in any suit or question of ownership of property. [N.J.A.C. 7:9D-1]
The issuance of this permit shall not be deemed to affect in any way action by the New Jersey Department of Environmental Protection on any future application. [N.J.A.C. 7:9D-1]
This permit conveys no rights, either expressed, or implied to divert water. [N.J.A.C. 7:9D-1]
This permit does not waive the obtaining of Federal or other State or local Government consent when necessary. This permit is not valid and no work shall be undertaken until such time as all other required approvals and permits have been obtained. [N.J.A.C. 7:9D-1]
This permit is NONTRANSFERABLE [N.J.A.C. 7:9D]
This well shall not be used for the supply of potable / drinking water. [N.J.A.C. 7:9D-1]

# Enclosure 2



# Holland Township Police

15-0918

- Administrative
- Investigation
- Suspects
- Gang Related
- Accident
- Ready for DA / Prosecutor
- Paperless
- Arrests Made

Officer: JOHN D. HARRIS, JR. - JDH

07/21/2015

## Incident Report Form

	<u>Vehicle</u>	<u>Officer 1</u>	<u>Officer 2</u>	<u>Officer 3</u>	<u>Officer 4</u>	<u>Division</u>	<u>Supervisor</u>
Unit 1		JDH					
Unit 2							
Unit 3							
Unit 4							
Agency Numbers	Units & Times						

### COMMENTS / NARRATIVES

Title  
**INITIAL REPORT**

Created By / On  
**JOHN D. HARRIS, JR.**

07/22/2015

Updated By / On  
jharris

07/22/2015

Approve By / On  
**JOHN D. HARRIS, JR.**

07/22/2015

I received a telephone call from the New Jersey DEP operator 25 reporting a discharge into the Delaware River on Old River Road. I checked the area and located a work crew representing Penneast Pipe as well as Maya van Rossum who was representing the Delaware Riverkeeper Network. Also present was a local resident and the press. I spoke to Penneast who advised that they were drilling test holes when they hit a liquid. They were awaiting someone to respond to check it. It appeared to be water. I asked them if they had all permits and permissions necessary to drill. They advised me that they did. They advised that they were ok with those opposed watching the process but asked that they did not come near the equipment. They advised that one of the group tried to take a water sample off of one of the machines.

I spoke to Ms. van Rossum who advised she called DEP about the drilling. She also advised that she asked to see permits. Penneast advised her that they didn't not have them at the site. I explained to her that they may not be required to keep them at the site. She went on to say that the Hunterdon County Health Department was responding. While speaking to her, the Health Department arrived on location.

I suggested to Penneast that they carry a copy of any permit needed. This may alleviate any further questioning by those opposed to the pipeline. I advised Ms. van Rossum that I will also not tolerate reporting incidents or violations that they know have no basis just to harass or impede the pipeline work. I explained to both parties that they would have to work together and respect each others boundries, including touching equipment. Both parties understood.

15-0918

07/21/2015

APPROVED BY:  
APPROVED ON:

PAGE 2

COPY