

CHESAPEAKE UTILITIES
HORIZONTAL DIRECTIONAL DRILLING
INADVERTENT SURFACE RELEASE CONTINGENCY PLAN
SOMERSET COUNTY EXPANSION PROJECT

Purpose and Objective

The purpose of this Horizontal Directional Drilling Inadvertent Surface Release Contingency Plan (Contingency Plan) is to identify procedures to be followed in the event of an inadvertent surface release of drilling fluids during horizontal directional drilling (HDD) operations. An inadvertent surface release (also sometimes referred to as an “inadvertent surface return” or “frac-out”) is a condition in which drilling mud used in HDD operations is released through fractures in the soil and migrates toward the surface. Drilling mud consists mainly of a bentonite clay-water mixture, which is not considered to be hazardous or toxic. The company’s objective in adopting this plan is to minimize the potential of a surface release and identify response measures in the event that a surface release occurs, in order to mitigate any potential adverse impact to water bodies and associated habitats. Escape of drilling mud from a surface release is most common near the HDD entry and exit locations; however, surface releases can occur at any location along a directional drill.

This Contingency Plan provides operational procedures and responsibilities for the prevention, containment, and cleanup of surface releases associated with HDD operations.

The objectives of this plan are as follows:

- Minimize the potential for a surface release due to HDD operations.
- Identification and timely detection of surface releases.
- Provide for environmental protection of the water bodies and associated habitats.
- Establish response procedures in the event of a surface release.
- Provide for notifications to the applicable parties and regulatory agencies.

Scope of Work for HDD Crossings

The pipeline plan and profile drawings show the targeted entry and exit locations for each proposed HDD. These layouts have been designed to minimize the potential for impact to water bodies. The significant clearance between the bottom of the water bodies/wetlands and the top of the proposed pipeline provides additional protection for the water bodies. Specifically, a minimum clearance of 25 feet will be maintained between the top of the proposed pipeline and the riverbed and/or the ground surface beneath tidal wetlands.

Potential Impacts to Biological Resources

The release of drilling mud during an inadvertent surface release may occur in either upland or aquatic environments. Releases occurring in upland areas can generally be contained relatively quickly, and with minimal difficulty, and therefore typically result in minor impacts to the surrounding environment. Releases occurring in aquatic environments may be more difficult to contain, because bentonite readily disperses in water, and may settle on the bottom quickly, depending on water flow. Although bentonite is non-toxic, it may have several indirect effects on aquatic life. Initially following a surface release, suspended bentonite may inhibit the respiration of fishes. This effect is typically of a short duration. Longer term effects may occur once the bentonite settles. One possible longer-term effect is egg masses of fish being covered by a layer of bentonite, thereby inhibiting the flow of dissolved oxygen to the egg masses. Another possible longer-term effect of a surface release is benthonic invertebrates and the larval stages of pelagic organisms becoming covered by the bentonite and suffocating.

Equipment

The following equipment is proposed to be used during HDD operations:

- Horizontal Directional Drill rig;
- Ancillary tractor trailers associated with the Drill rig;
- Drilling mud reclaimer;
- Multiple water tankers;
- Multiple vacuum trucks and trailers;
- Multiple construction pickup trucks;
- Multiple boom trucks; and a
- Small office trailer

Environmental Inspection and Training

An Environmental Inspector will be on-site at all times during HDD operations. The Environmental Inspector will be experienced in directional drilling and the associated environmental protection measures. The Environmental Inspector will ensure that the proper equipment and materials are available on-site at all times, and that the necessary procedures are followed on a daily basis. Prior to the start of construction, the Environmental Inspector will conduct a training session with all key contractor, drilling and inspection personnel. All such personnel will be thoroughly trained in the requirements of this Contingency Plan. Daily on-site safety and environmental protection meetings will provide ongoing communications and awareness measures regarding prevention, mitigation and response associated with potential surface releases.

On-Site Monitoring

During HDD operations, visual inspection along the bore path of the alignment will take place. Where the alignment crosses flowing water, trained inspection personnel will be placed approximately 50 feet upstream and downstream of the alignment crossing, access permitting. The

names and phone numbers of inspection personnel will be provided to on-site regulatory representatives. During the duration of HDD operations, the contractor will provide the following information to the Environmental Inspector and other inspection personnel.

- Position of the drilling head relative to the drilling point of entry;
- A comparison of the estimated total volume of drilling mud that has been pumped throughout the HDD operation and the estimated current total volume of returns;
- Equipment malfunctions and/or repairs;
- Abnormal changes in drilling mud pressure at the time of occurrence; and
- Changes in drilling mud mixture or contents.

Surface Release Mitigation Measures

- Applicable regulatory agencies will be contacted as required. Prior to construction, a complete list of applicable regulatory agencies will be prepared and available at the job site.
- All equipment will be checked and maintained daily to prevent hazardous material leaks.
- Sufficient supplies of spill containment materials and hay bales will be available on-site at all times. A vacuum truck will also be available at all times.
- A supply of empty barrels will be located on-site at all times.
- Entry and exit drill pits will be contained using berms, silt fence and/or hay bales.
- Tracing dye will be added to the drilling mud to help identify surface releases in water bodies.
- Visual observation (on-land and water bodies) will occur on a regular basis throughout HDD operations so that a potential surface-release can be identified.
- The contractor will adjust the thickness of the drilling mud mixture to match the substrate conditions, and will monitor drilling mud pressures and penetration rates, in order to ensure optimal fluid pressure to penetrate the substrate.
- HDD operations will be suspended immediately upon evidence of a drop in drilling pressure, a sudden loss of approximately 75 percent of returns at the entrance pit, or other evidence of a surface release.
- In the event of a surface release, the bore stem will be pulled back to relieve pressure at the leak location, and the on-site Environmental Inspector will evaluate the situation and provide direction for mitigation actions.
- Cleanup of all surface releases/spills shall begin immediately.
- In the event of a surface release that does not reach a water body, bentonite shall be contained, removed and disposed at an approved facility.
- In the unlikely event that a surface release reaches a water body, corrective action will be taken immediately. Clean-up work will be performed by hand to the extent possible. A vacuum truck would be used to vacuum up the associated bentonite and soils as necessary. The materials will be properly disposed at an approved facility. Clean sand would be replaced in the riverbed if necessary.
- All cleanup materials will be disposed on a daily basis as applicable, and at the completion of the project.
- In the event that a drill hole must be abandoned, the bore will be sealed by the injection of a high-viscosity bentonite slurry. Construction operations will not be allowed to re-start until approved by the on-site Environmental Inspector.

- Documentation will be prepared for any surface releases that occur during HDD operations.