

Attachment 8

Kenneth L. Hall
115 Grouse Lane
Moshannon, PA 16859

May 27, 2009

Ms. Victoria J. Ruston, Chief
Section of Environmental Analysis
Surface Transportation Board
395 E. Street, S.W.
Washington, DC 20423-0001

RE: Fletcher & Sippel LLC April 28, 2009 Letter, STB Number EI-17530
Finance Docket 35116

Dear Ms. Ruston:

My name is Kenneth L. Hall, my family was in the coal business for over 50 years and I was in the business for 10 years, in addition I now manage over 30,000 acres of gas and oil rights in Centre County, including acreage adjoining the property this rail line would access. I am very familiar with coal mining and gas exploration and their inherent conflicts.

In response to the April 28, 2009, letter from Ronald Lane, attorney for R.J. Corman Railroad Company/Pennsylvania Lines Inc. (RJCP), regarding outside support for the proposed re-activation of the rail line to Gorton by RJCP, I offer the following comments:

1. Mr. Lane's comments regarding support from the coal companies are misleading at best and most likely blatantly exaggerated. For example, he states on page six that the Resource Recovery site contains over 100 million tons of recoverable coal reserves to be mined by Robindale Energy Services Inc, (RES) when he has information that there exists only one million tons in letter from RES that he attaches to this same document. Even at the one million tons, anyone familiar with coal-extraction permitting would know that much of this coal could not be permitted due to overburden and quality unsuitable for the market.
2. Regarding the coal and the support letter from D. Scott Kroh of RES, Mr. Kroh indicates he has the right to remove the coal yet there is no Pennsylvania Department of Environmental Protection permit for coal mining nor to my knowledge, any coal lease on the property. In addition, Mr. Kroh's estimate of removing 30,000 to 50,000 tons of coal per month (assuming he meant per month, not per year) presents an interesting conflict considering that the same

property is leased to Rex Energy for gas exploration and drilling. Although gas exploration and coal mining are not mutually exclusive, conflicts will arise every time a gas well is proposed and will affect the mining of the coal. Working around wells and pipelines is extremely difficult, even for smaller operations. To produce this much tonnage with active gas well drilling taking place would be nearly impossible. It is even more interesting when you realize Mr. Kroh was a principal in another company that extensively drilled this same site for coal a few years ago and did not find enough marketable coal to mine. They did this when the coal market was relatively strong. The coal market is now extremely poor—you might want to ask Mr. Kroh how many of his employees are currently laid off.

3. In regards to the support letter from A.W. Long Coal Company claiming they will ship 10 carloads of coal per month—this is not significant tonnage and I doubt there even exists an order for this quantity, and if so, delivery would be to a site that truck delivery would be the only possibility. As for frac water processing, the logistics of this would negate having the tank trucks hauling to a loading dock from the gas well site. They could just as easily truck to the actual plant. We are talking less than 15 to 20 miles to many of the well locations. Rail lines are economical for large quantities and longer distances, not small quantities and short distances. Lastly, regarding A.W. Long Coal Company's claim of using the proposed landfill for Snow Shoe Borough trash, this would be in violation of their contract with the Centre County Solid Waste Authority.
4. Regarding the Glenn O. Hawbaker (GOH) sand and gravel extraction, the current quarry site is in the process of being backfilled. There is no existing permit for the 200,000 tons per year claimed by Mr. Lane in his letter. The current GOH permit cannot simply be amended as stated by Mr. Lane. GOH would have to submit a new permit application if they want to increase their tonnage from their current permitted 10,000 tons per year.
5. Regarding the Rex Energy proposal to permit a processing plant for frac water at this location, how can one assume they will even get a permit? If the wells are within 20 miles of the proposed rail line, where would they load the railcars to transport? Most likely they would use the frac water trucks to deliver directly from the gas well site to the processing plant.

In summary, to paraphrase Mr. Lane, PPC is not using Nimbi-ism ahead of public interest. They have raised legitimate concerns. RJCP and Resource Recovery, LLC are simply presenting *possibilities* of other railroad use without any legitimate analysis to substantiate their claims.

Sincerely,



Kenneth L. Hall