



Oil and Gas Management



DEP Webinar

April 17, 2012



Oil and Gas Management

AGENDA

1. Welcome
2. Effective Environmental Compliance
3. Inspections & Enforcement
4. Questions & Comments

Note: WebEx Technical Support is available at
866-229-3239

3 Effective Environmental Compliance

Effective Environmental Compliance

4

Pennsylvania's Environmental Resources are Treasured!

- Environmental Excellence is the benchmark
 - Responsible operations and environmental practices ensure resources for future generations
 - Environmental compliance is expected and required

Effective Environmental Compliance

5

Begins with Good Communication

- Notification Requirements for Unconventional Wells
 - Spud date (commencement of drilling)
 - Resumption of drilling (after 30-day, or longer, break in drilling)
 - Cementing of all casing strings
 - Conducting pressure tests of the production casing
 - Stimulation of a well
 - Abandoning or plugging of a well
- DEP recommends submitting all notifications using electronic reporting tool.

Effective Environmental Compliance

6

Notifications:

Submit notifications electronically via DEP Website at:

<https://www.paoilandgasreporting.state.pa.us>

(Electronic spud and resumption of drilling notifications are mandatory)

- Enter “OGO” number and password
- Select type of notification
- Enter date that activity will occur and approximate time
- DEP inspector will be automatically notified via e-mail
- NOTE: If activity date changes, operator is responsible to re-notify DEP of revised dates using DEP’s electronic notification system

DEP Spill Policy

7

Draft DEP Spill Policy has been prepared

- Presented to the Oil and Gas Technical Advisory Board in October 2011 and February 2012

Pennsylvania Bulletin Notice

- Draft DEP Spill Policy was published in the *Pennsylvania Bulletin* on April 14, 2012 and includes a 30-day public comment period
- Comment period closes May 14, 2012
- Written comments should be submitted to Kurt Klapkowski, DEP, Bureau of Oil and Gas Planning and Program Management, P. O. Box 8765, Harrisburg, PA 17105-8765, (717) 772-2199 or kklapkowski@pa.gov.

DEP Spill Policy

What Spills Must be Reported?

- Specific requirements for spills/releases of brine greater than five (5) gallons (25 Pa.Code § 78.1, §78.66)
- All spills or releases of a pollutonal substance on areas of a well site without secondary containment should be reported to DEP regardless of volume spilled/released (25 Pa. Code §91.33, § 78.66(a))
- If secondary containment is in place where the spill/release occurred, the responsible party should notify DEP of spills/releases greater than 42 gallons

Spill Reporting

How do I notify DEP?

- Call appropriate DEP Regional Office by telephone to report a spill/release
- Regional phone numbers are listed in Appendix A of draft policy and are also listed on DEPs website (Select “Report an Incident” from main web page)
- If you don’t know your DEP region, call 1-800-541-2050

DEP Spill Policy

10

How do I remediate the spill/release?

- Small Spills (Less than 42 gallons) where no waters impacted
 - Remove and dispose of impacted soil in accordance with all federal, state and local laws and regulations
- Voluntary Cleanups Using Act 2 Process
 - Follow administrative process set forth in Act 2
 - If DEP approves the Final Report, relief from liability
- Alternative Process
 - Does NOT follow administrative process set forth in Act 2
 - Must meet background or Statewide health standard
 - Relief from liability is not available

11

Inspections

Organizational Structure

12

Office of Oil and Gas (O&G) Management

- Bureau of O&G Planning and Program Management
 - Central Office
 - Develops Inspection & Enforcement Policies, Procedures, Guidance
- Bureau of District O&G Operations
 - Responsible for Implementation of Inspections and Enforcement Actions
 - Three District O&G Offices
- DEP District Oil and Gas Office Locations
 - Northwest District Office (Meadville)
 - Southwest District Office (Pittsburgh)
 - Eastern District Office (Williamsport)

Types of Inspections

14

Well Pad Inspections (Surface)

- Water Quality Specialists
 - Erosion and Sedimentation Controls
 - Inspect waste containment

Well Drilling Inspections (Sub-surface)

- Oil and Gas Inspectors
 - Perform inspections when well drilling commences and ongoing drilling activities (setting casings, cementing jobs, etc.)
 - Inspect well fracturing operations

Other DEP Inspections

- Air Quality
- Waste Management
- Water Management (Water Quality)

Inspections - Best Practices

15

Inspection Coordination and Consistency

- Internal Review of Surface Inspections and Enforcement
 - Nov. 14, 2011 report published
 - Recommendations for improved coordination and tracking
- Surface Activities Inspection Report
 - Developed and implemented as result of internal review
 - Single inspection form promotes inspection consistency
- Surface Activities Field Manual
 - Compilation of all inspection procedures and guidelines
 - Under development and expected to be available fall of 2012

(New) Inspection Requirements

16

Inspections of E&S Controls (3258(a.1))

- An operator may not commence drilling activities until after DEP has conducted an inspection of the unconventional well site after the installation of erosion and sedimentation (E&S) control measures.

Site Access

- The person in charge of a well site property, facility, operation or activity subject to Chapter 32 of Act 13 must provide to DEP and its agents access to the site and facilities for inspection purposes or to remediate or respond to a well control emergency. (3258(b))

(New) Inspection Requirements

17

Availability of Inspection Reports

- Inspection Reports are available for public review at each DEP District Oil & Gas office (ongoing practice)
- DEP will post inspection reports on its website. The reports will include:
 - Nature and description of violations
 - Operator's written response to violation, if available
 - Status of violation
 - Remedial steps taken by operator or DEP to address a violation (3262)

18

Enforcement

Enforcement

19

Enforcement Orders

- DEP may issue orders necessary to aid in enforcement.
- An order issued by DEP shall take effect on notice (unless the order specifies otherwise)

Enforcement

20

Permit Denial (New)

- DEP may deny a permit if:
 - Applicant, or any parent or subsidiary corporation, is in continuing violation of:
 - Act 13
 - Any other statute administered by the Department
 - Any Plan Approval, permit or order of the Department
(3211(e.1)(5))

Enforcement

Permit Revocation (New)

- DEP may suspend or revoke a well permit or registration for any well in continuing violation of: (3251(b)(1))
 - Act 13
 - Clean Streams Law
 - Solid Waste Management Act
 - Any other statute administered by DEP
 - OR if the likely result of a violation is an unsafe operation or environmental damage
- Prior to suspension or revocation of the permit
 - DEP shall provide written notice to the operator or its agent (32519(c))

Enforcement

Permit Prohibition and Suspension (New)

- Non-Payment of Gas Well Fee
 - DEP shall not issue a permit to drill an unconventional gas well until all unconventional gas well fees owed under Section 2302 of Act 13 have been paid to the Pa. Public Utility Commission (PUC) (2305(b))
- Timely Payment of Gas Well Fee
 - The PUC shall notify DEP of any producer that has failed to pay the unconventional gas well fee.
 - DEP shall subsequently suspend an unconventional well permit of a producer who has not paid a required unconventional gas well fee (2308(c))

Enforcement

Orders to Cap Wells

- If DEP suspends or revokes a permit or registration, it may order the operator to cap the well if the likely result of the violation is an unsafe operation or environmental damage (3253(c))
- An operator shall have 30 days to appeal to the Environmental Hearing Board (3253(b)(1))

Increased Penalties

Summary Offenses

- Increases penalty amount from \$300 to up to \$1,000 for each day violation continues (3255(a))
- Willful violations are subject to penalty of up to \$5,000 for each day violation continues and up to 1 year imprisonment. (3255(b))

Civil Penalties (3256)

- Up to \$25,000, plus \$1,000 for each day violation continues
- Violations arising from the construction, alteration or operation of an unconventional well shall be subject to penalty of \$75,000, plus \$5,000 for each day violation continues
- 30-days to pay penalty or file appeal with Env. Hearing Board (EHB)

Cost Recovery

25

Well control emergency response

- A person liable for a well control emergency is responsible for all response costs incurred by DEP to respond to the well control emergency. (3254.1)

Enforcement Conferences

26

- A person with a direct interest in an enforcement matter may request a conference with DEP to discuss matter
- Interested parties provided notice
- Conference scheduled within 90 days of request
- DEP renders written decision within 10 days after conference
- DEP retains full authority to issue orders and require compliance (3251)



Oil and Gas Management

For more information, visit:

www.depweb.state.pa.us

click on the



graphic.



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Questions?
E-mail:
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