Oil & Gas Technical Advisory Committee Meeting

Discussion of comments received on the Proposed Rulemaking: Environmental Protection Performance Standards at Oil and Gas Well Sites (25 Pa. Code Chapter 78 Subchapter C)

June 26, 2014

Dial-in number for Audio: 1-855-734-4390
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Public Participation Process

• Draft regulation published December 2013
• 90-day public comment period
• Nine public hearings – 300+ persons testified
• Public Comments
  – Around 25,000 letters, emails, petitions, etc.
  – 1,200-1,500 unique comments/commentators
  – Around 22,000 form letters, petition signatures
• Extend the public comment period and schedule more public hearings.
• Create separate regulations for conventional and unconventional activities.
• Improper/inaccurate financial analysis for conventional operations.

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Clarify, Expand or Modify the definitions for:

- Centralized Impoundment
- Conventional Formation
- Conventional Well
- Gathering Pipeline
- Mine Influenced Water
- Oil and Gas Operations
- Regulated Substance
78.1 Definitions

• Include definitions for:
  – Approximate Original Conditions
  – Freshwater
  – Occupied Dwelling

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• The permit applicant, not DEP, should be responsible for determining whether proposed activities would affect T&E species.

• DEP should respond to public comments received about a permit that may impact a public resource.
• Critical community ≠ special concern species
• Increase the setbacks for new wells near public park, forest, game land or wildlife area.
• There should be no drilling on state or federal lands.

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• No regulatory criteria for conditioning a permit included in proposal.
• 78.15(c) should be clarified to indicate what information must be provided regarding parent and subsidiary business entities.
• Authority for regulations
78.51 Protection of Water Supplies

• Operators should be required to restore contaminated drinking water to a quality that meets SDWA standards regardless of the quality of the water supply prior to contamination.

• If the quality of the water was better than SDWA standards prior to drilling, then the operator should be required to restore the water supply to the higher standard.
• Operators should be required to restore water supplies to pre-drill conditions regardless of whether the quality met or exceeded SDWA standards (either better or worse).
• Operators should be required to restore water supplies that they impact but should not be tasked with addressing water supply contamination unrelated to oil and gas activities.
DEP should establish a consistent and comprehensive list of parameters for pre-drill water testing.

All pre-drill data should be made available to the public through an online platform while maintaining homeowners’ privacy.
• Type and scope of investigation
• Timing of investigation
• Post-investigation action levels
• Wells that are identified by operators should be mapped on a publicly available web platform.
• Open pits should be prohibited for storing regulated substances during all stages of oil and gas activities.

• Clarify the design approval process for modular aboveground storage facilities.

• Use of closed loop fluid management systems should be required.

• Minimum liner thickness should be dependent upon pit depth.
• Certification of pit liners should be required.
• Pit liners should be required to cover freeboard.
• The new requirements for pit side slopes will unnecessarily increase site disturbance and cost.

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• Concerns over prohibiting open top structures
  – Pits are open top structures so they should not be allowed for production fluid storage.
  – 78.57(a) could be interpreted to exclude the use of centralized impoundments so clarify the intent of the subsection.

• Replacing buried or partially buried tanks for production fluid is unnecessary and very costly.
78.58 Onsite Processing

• Regulations should encourage the processing, recycling and reuse of fluids and waste at well sites.
• Prohibit onsite processing of shale cuttings, produced water and other substances related to oil and gas operations which often contain hazardous substances and radioactive materials and therefore require thorough analysis and special handling.
78.59(a, b and c) Impoundments

- Storage of mine-influenced water in freshwater impoundments
- The 100 ft. setback for blue line streams should be extended to all water bodies.
- Freshwater impoundments should not be regulated differently for oil and gas operators than anyone else in Pennsylvania.

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• Leak detection systems.

• Allowing operators to monitor natural springs instead of monitoring wells downgradient of centralized impoundments is inappropriate.

• The 500-foot setbacks from an occupied dwelling for centralized wastewater impoundments is not far enough.
78.59(a, b and c) Impoundments

• It is unnecessary for installation of geomembrane liners to be supervised by a representative of the manufacturer as well as a need to follow a DEP approved QA/QC plan.

• Centralized wastewater impoundments should not be allowed.

• Centralized impoundment design standards should not be included in the regulations.
• Land application of any residual waste substance, fill or dredge material must be prohibited.

• Prohibit the burial or land application of drill cuttings which can contain polluting and radioactive materials.
• Legal and scientific basis for blanket prohibition on disposal of wastes from unconventional wells
• Drill cuttings need to be tested for radioactivity.
• Any disposal of waste materials at well sites should require that representative samples of the material be taken, analyzed and submitted to DEP to demonstrate that the materials are not contaminated, or that residual waste meets the regulatory standards prior to disposal.
• Apply U.S. Resource Recovery and Conservation Act standards to regulate all aspects of the storage, transport, and use of hazardous materials contained in pits, centralized impoundments and tanks.

• Long term groundwater monitoring and financial assurance should be required for onsite waste disposal areas.
• Regulations for containment around oil and condensate tanks must be strengthened.
• Limit containment to the six materials listed in the 2012 Oil and Gas Act.
• Clarify the requirement for secondary containment for storing additives, chemicals, oils or fuels. (78.64a(f))
• The requirements for subsurface secondary containment systems should be flexible.

• It is not practical to keep the inspection and maintenance records at well site.

• Stormwater management

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Site-specific baseline assessments and restoration plans for all well sites and impoundment sites

- Professional certification of restoration goals
- DEP approval before a site can be considered to be restored
- The site restoration standards are unenforceable and inappropriate.
78.65 Site Restoration

- Restoration time limit should start at the completion of the well, not completion of drilling.

- Inconsistency in 78.65(d)(4) - it allows for written consent from a landowner to deviate from the regulation’s restoration requirements, but then reiterates that restoration has to comply with the regulation.
• Notice requirements for spills and releases should be no more stringent than Clean Streams Law requirements.

• Lack of statewide standards for chloride makes subsection (c) costly and difficult to implement.

• Uncertain definition of “regulated substances”
• Borrow pits need to remain active for the life of the project area, not just one well pad.
• This section is unnecessary; all issues with gathering lines are already addressed by other regulations or statutes.

• Topsoil segregation is a good practice, but a strict mandate to segregate topsoil in all circumstances is not feasible.
• It is not practical or reasonable for industry to report all loss of drilling fluid circulation particularly when the fluid does not come to the surface.

• Provisions for the beneficial reuse of drilling fluid should be included.

• PPC Plan requirements are unclear and redundant.
• The width of a stream may exceed the length of a section of temporary pipe, so replace the term “shall not have joints or couplings” with “minimum number of joints.”

• It is unclear how often the inspections must occur and how often they need to be documented.

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• In order to increase the amount of water being reused/recycled in Pennsylvania, the regulations need to provide an avenue for the operator, either through permits or DEP approvals, to document, move and reuse water from one site to another.
• Water source locations outside of Pennsylvania
• Amending and renewing WMPs

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• Prohibit the use of brine for dust suppression, de-icing and road stabilization.

• Prohibition of roadspraying of brines from unconventional wells is not supported by any scientific basis and should be allowed if the analysis required by section 78.70(c)(8) is met.
• The proposed regulations do not ensure compliance with the DEP’s anti-degradation program or contain adequate chain-of-custody requirements, the risks of spreading brine on roads outweigh the benefits, which are largely confined to disposal-cost savings for the industry.
Wastewaters from oil and gas operations are residual waste under the Pennsylvania Solid Waste Management Act (SWMA). Beneficial use of brine is subject to regulation under the SWMA regulations. Beneficial uses of brine may be approved only under a general permit issued under Chapter 287. The proposal is imprudent and illegal.

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Next Steps

• Continued consideration of comments
• Draft final-form rule to TAB in Fall 2014
• Continued drafting with TAB through 2014/Spring 2015
• Possible ANFR in 2Q 2015
• Final-form to EQB in Fall 2015
• Effective in late Spring 2016
Questions?

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