

Executive Summary
Environmental Protection Performance Standards at Oil and Gas Well Sites
(25 Pa Code Chapter 78, Subchapter C)

The Department of Environmental Protection (Department) recommends amendments to Chapter 78 (relating to Oil and Gas Exploration and Production Activities) for consideration by the Environmental Quality Board (Board).

Summary of the Proposed Rulemaking

The proposed amendments modify and update existing requirements related to surface activities associated with the development of oil and gas wells, including containment of regulated substances, waste disposal, site restoration and reporting releases. These proposed regulations also establish new provisions for borrow pits, oil and gas gathering pipelines, identification of abandoned wells and the road-spreading of brine. Additionally, these proposed regulations add new provisions for unconventional gas wells regarding identifying the impacts to public resources, standards for freshwater and wastewater impoundments, well site containment systems, wastewater processing and water management plans.

Purpose of the Proposed Rulemaking

The purpose of these proposed regulations are to update 25 Pa. Code Chapter 78 Subchapter C and implement Act 13 which strengthened environmental protection measures at oil and gas sites, including well pads, freshwater and wastewater impoundments, gathering pipelines, and borrow pits.

Affected Parties

No new or previously unregulated entities will be affected by these proposed regulations. However, since oil and gas well drilling occurs in over 60% of the Commonwealth and oil and gas pipeline activities occur throughout the entire Commonwealth, all of its citizens will benefit from more robust and comprehensive regulations. These regulations will strengthen measures aimed at lessening the potential impacts oil and gas activities may have on the environment and yet still optimize the ability of the industry to develop the oil and gas resources of Pennsylvania.

There are costs associated with the additional environmental protection measures in these proposed regulations. These additional costs primarily fall on unconventional well operators due to the passage of the Oil & Gas Act of 2012 (Act 13). The Marcellus Shale Coalition has estimated that less than half of the oil and gas operators affected by these proposed amendments to Chapter 78 may be classified as a small businesses. According to the U.S. Small Business Administration, oil and gas well operators with less than 500 employees qualify as small businesses. There are currently 73 operators of unconventional well sites in Pennsylvania that will be required to follow these proposed regulations. Examples of these costs to unconventional well operators are as follows:

- Consultant fees for the identification of public resources, locating abandoned and orphaned wells, and determination of seasonal groundwater tables.
- Additional safety/security measures at well sites such as fences and locks.
- Labor to inspect and test the integrity of on-site waste storage pits.
- Secondary containment for permanent storage tanks on well sites.
- Additional reporting and record keeping requirements.

Since most operators of unconventional well sites subcontract their work, these additional costs are beneficial to small businesses such as environmental consultants and equipment and supply companies.

Advisory Groups

Representatives from the Department met with the Oil and Gas Technical Advisory Board on numerous occasions to discuss, review and receive comments on initial proposed concepts and eventually on the draft regulatory changes. Those dates are:

- April 12, 2011
- October 21, 2011
- August 15, 2012
- February 13, 2013
- April 23, 2013

Public Comments

The Department recommends a 60 day public comment period on these regulations and 6 public hearings to be scheduled at various locations across the state.