



pennsylvania
DEPARTMENT OF ENVIRONMENTAL PROTECTION

Oil and Gas Management



Oil and Gas Update

Citizens Advisory Council

April 21, 2015



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DEPARTMENT OF ENVIRONMENTAL PROTECTION

Oil and Gas Management

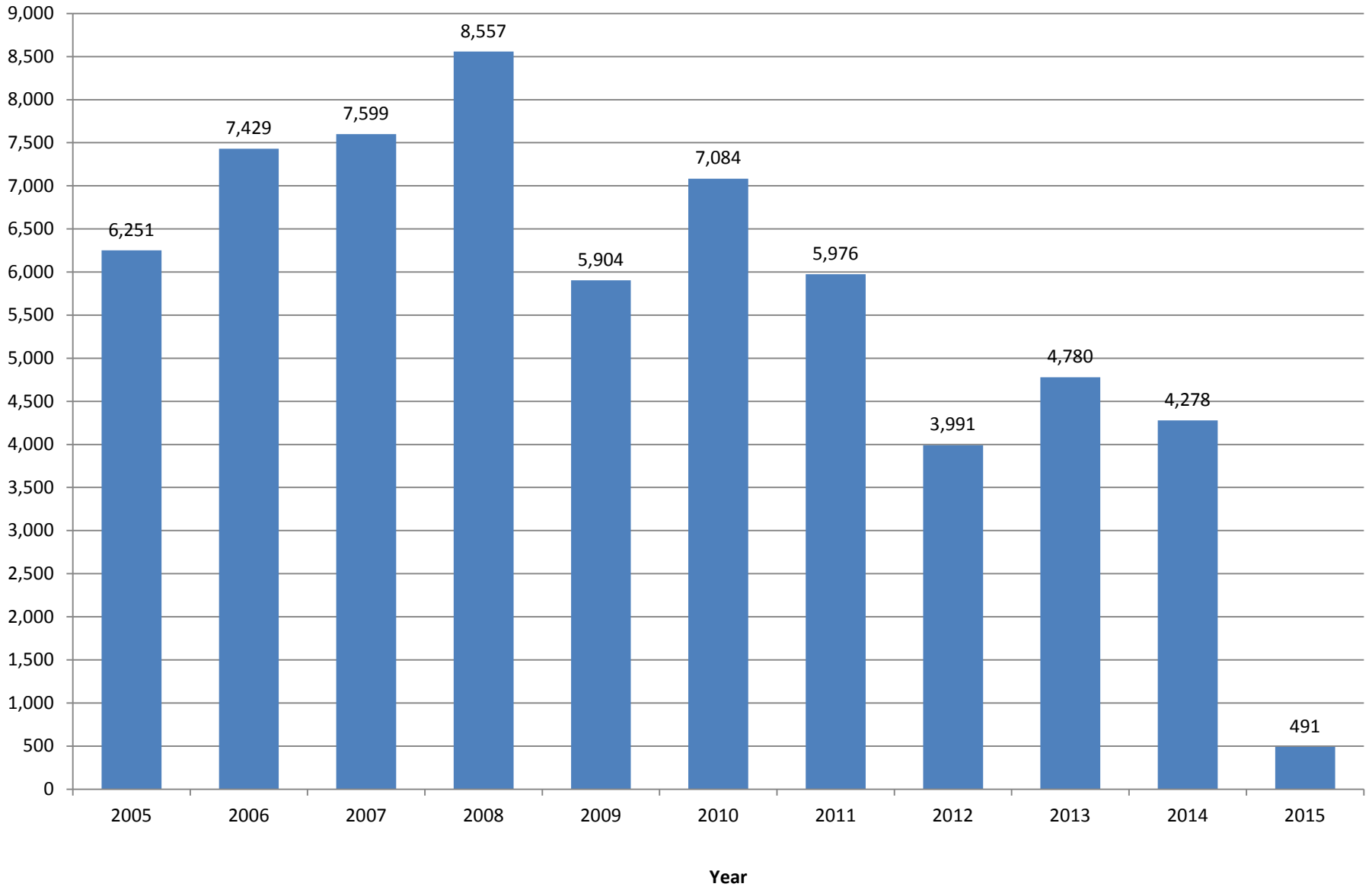


Roadmap

- Overview
- Enforcement
- Integrity and Transparency
- Surface Activities Rulemaking
- Vision for the Future
- Question and Answer Session

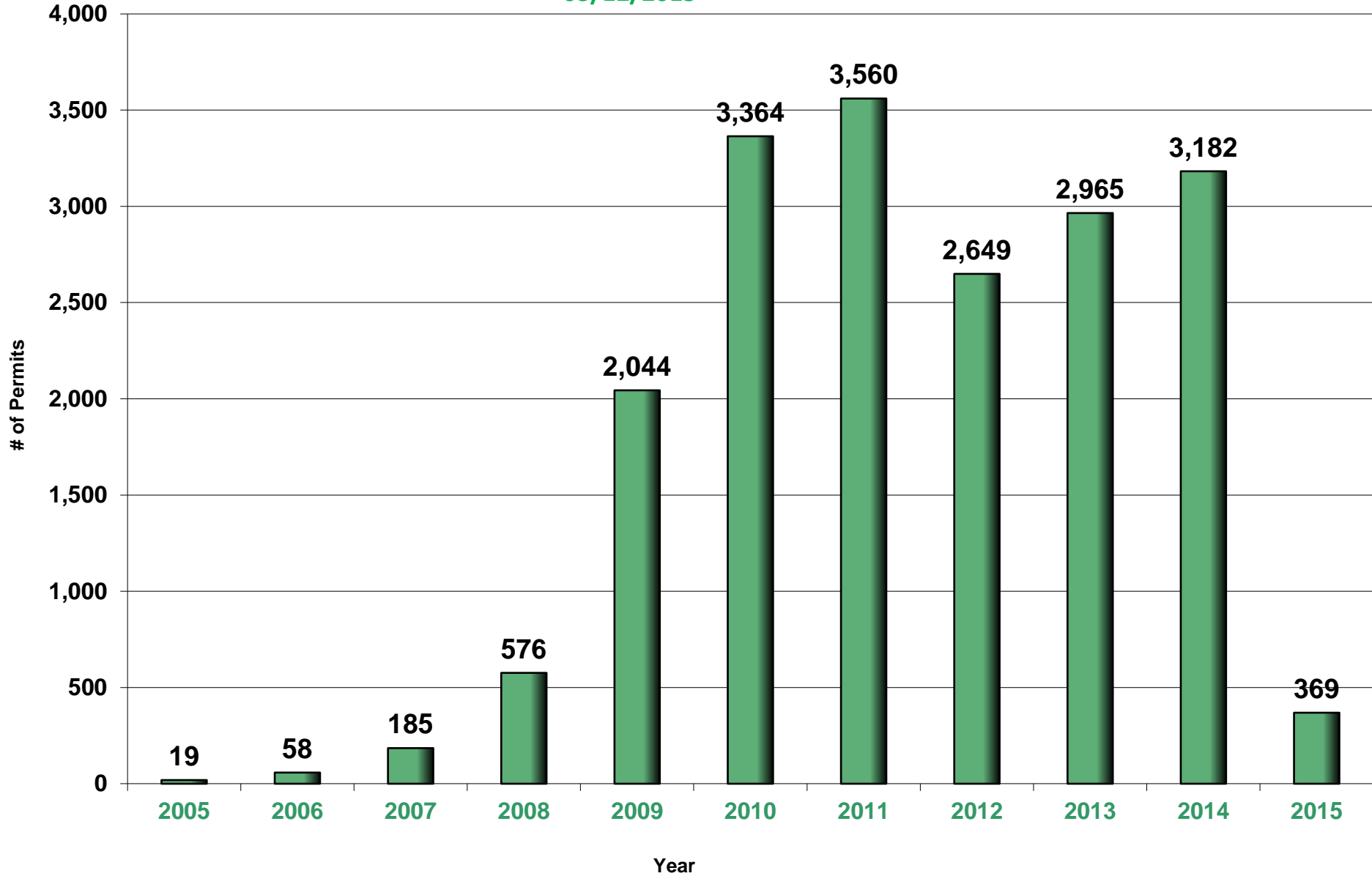
Total Well Applications Received

03/12/2015



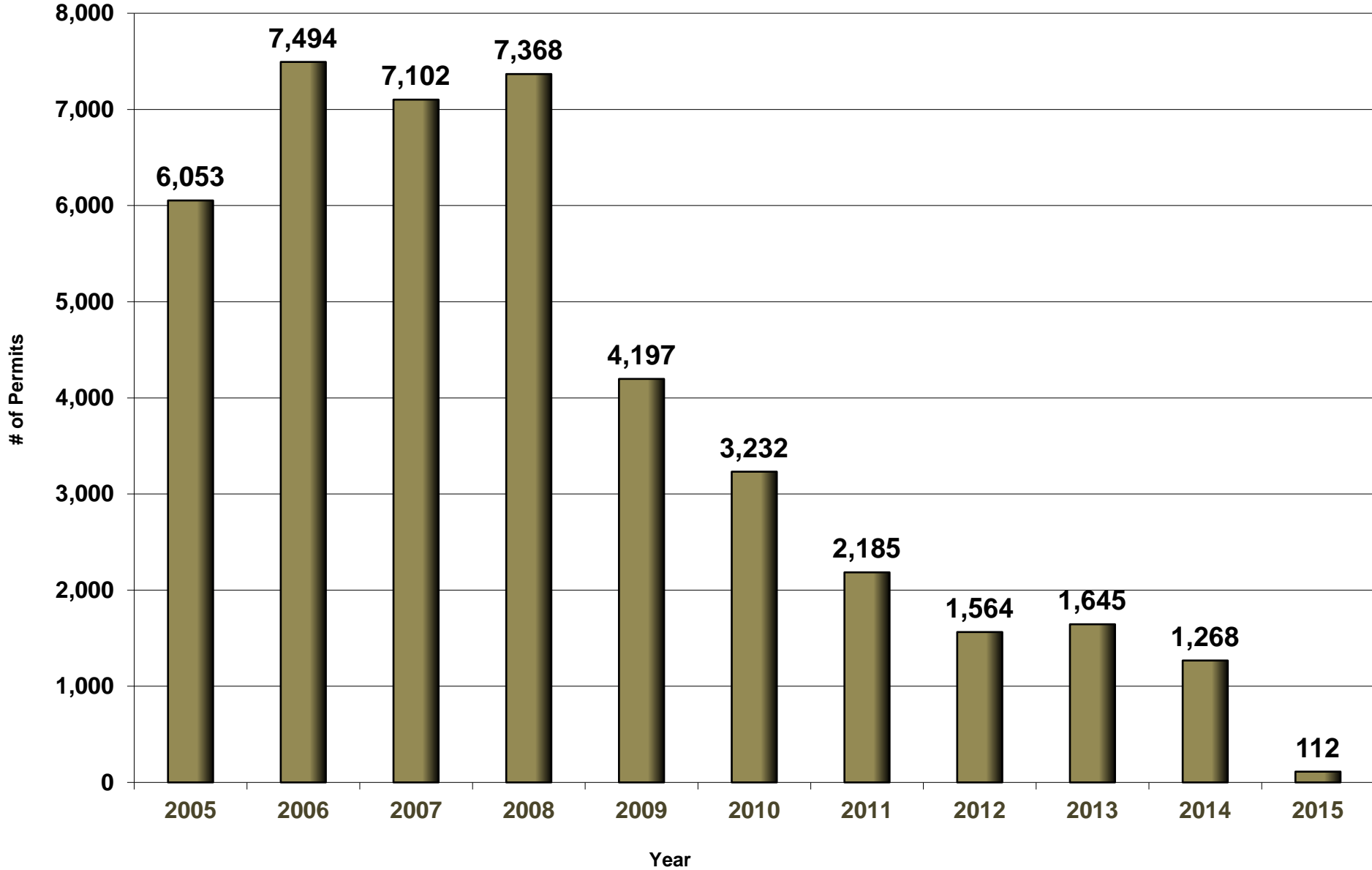
Unconventional Shale Well Permits Issued

03/12/2015



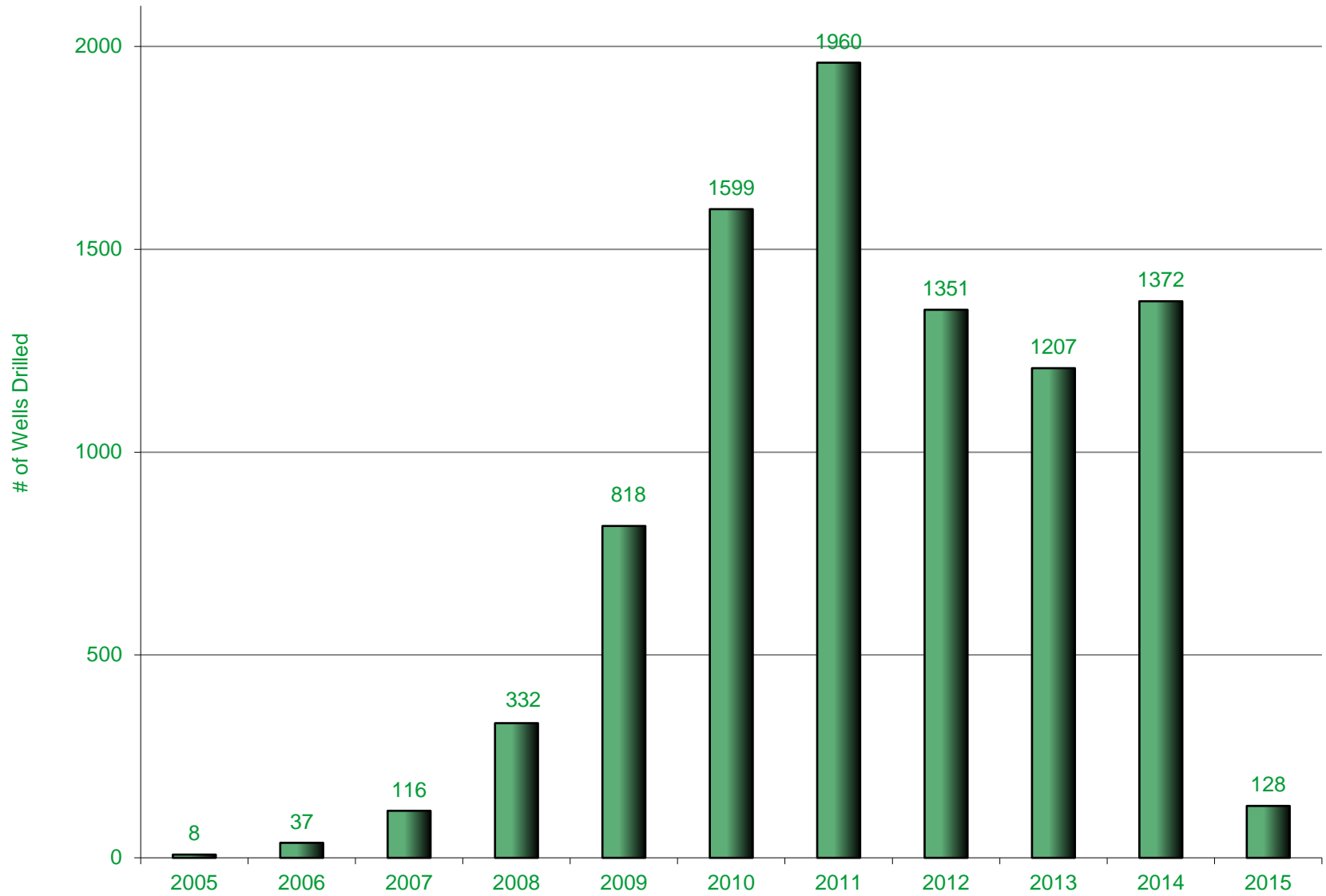
Conventional Well Permits Issued

03/12/2015



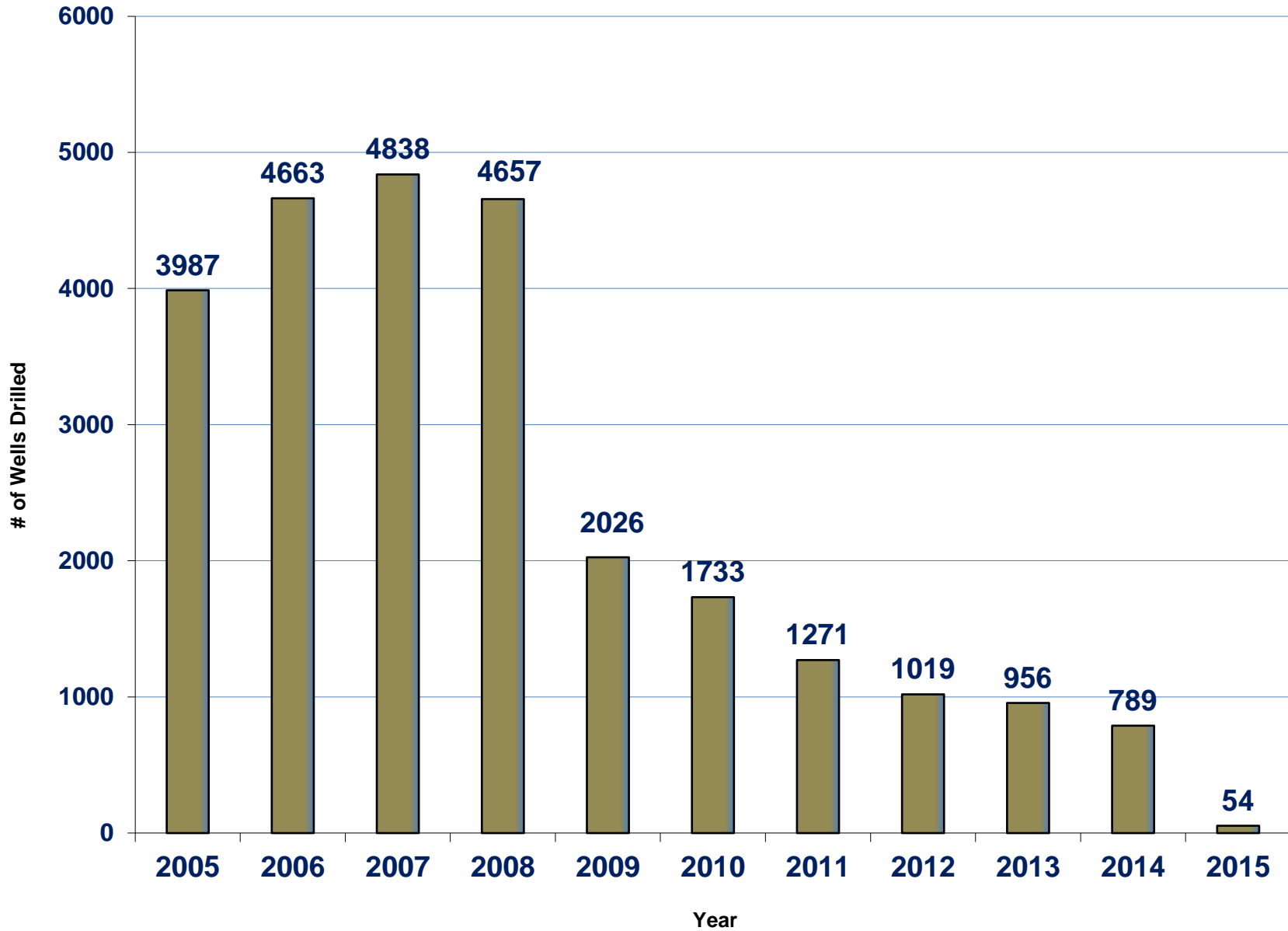
Unconventional Shale Well Drilled

03/12/2015

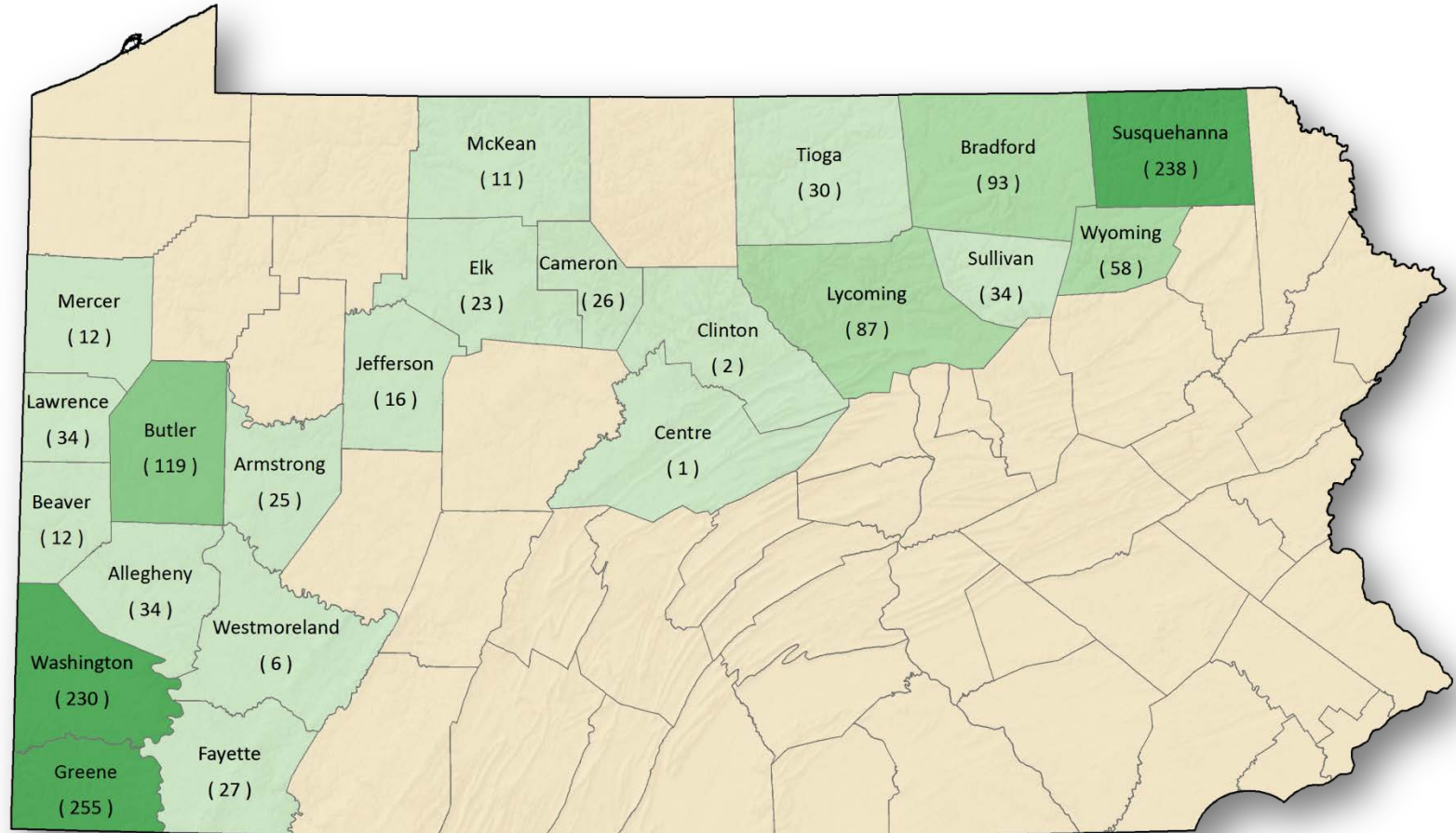


Conventional Wells Drilled

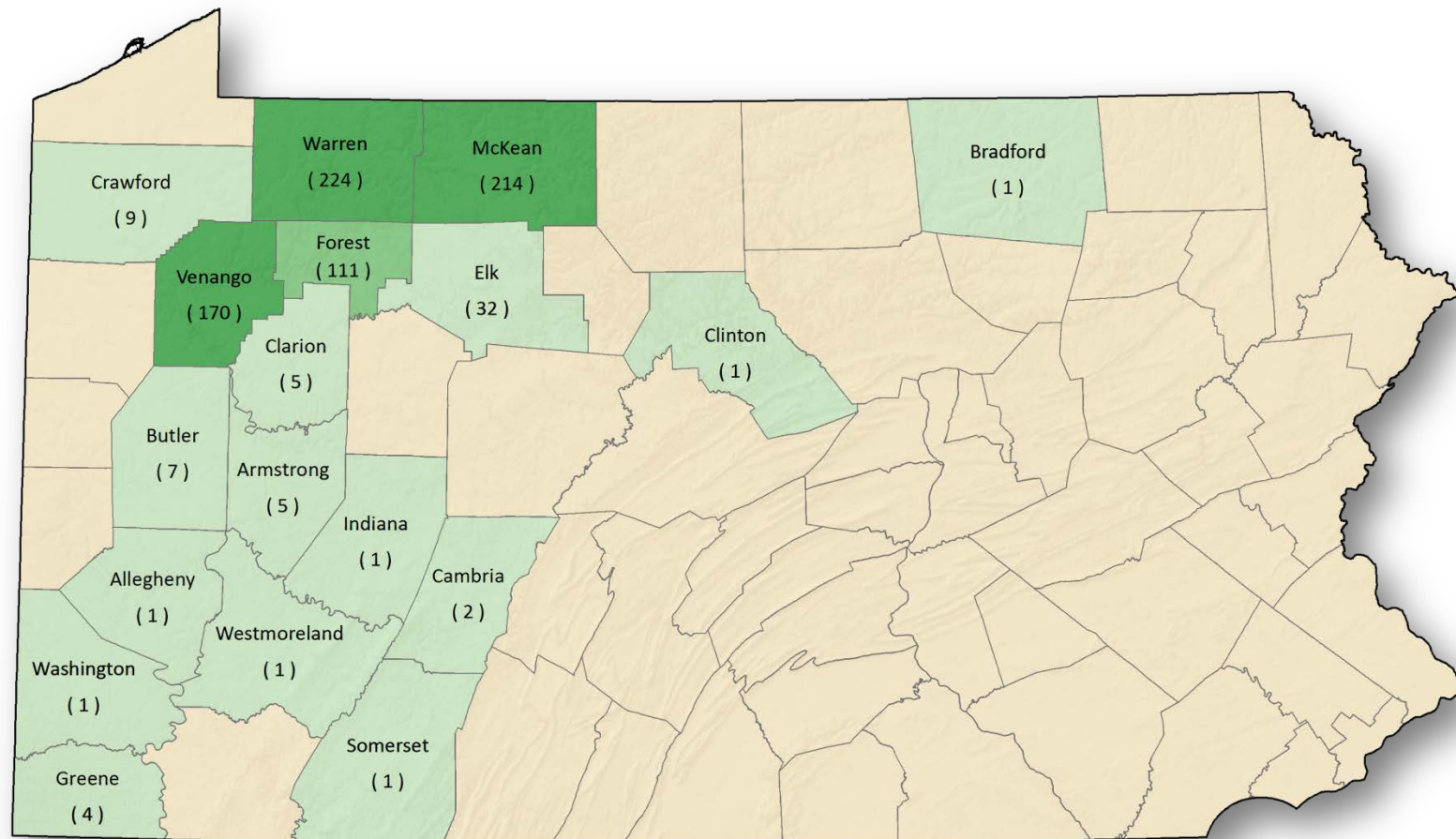
03/12/2015



Department of Environmental Protection
Office of Oil and Gas Management
Unconventional Wells Drilled in 2014



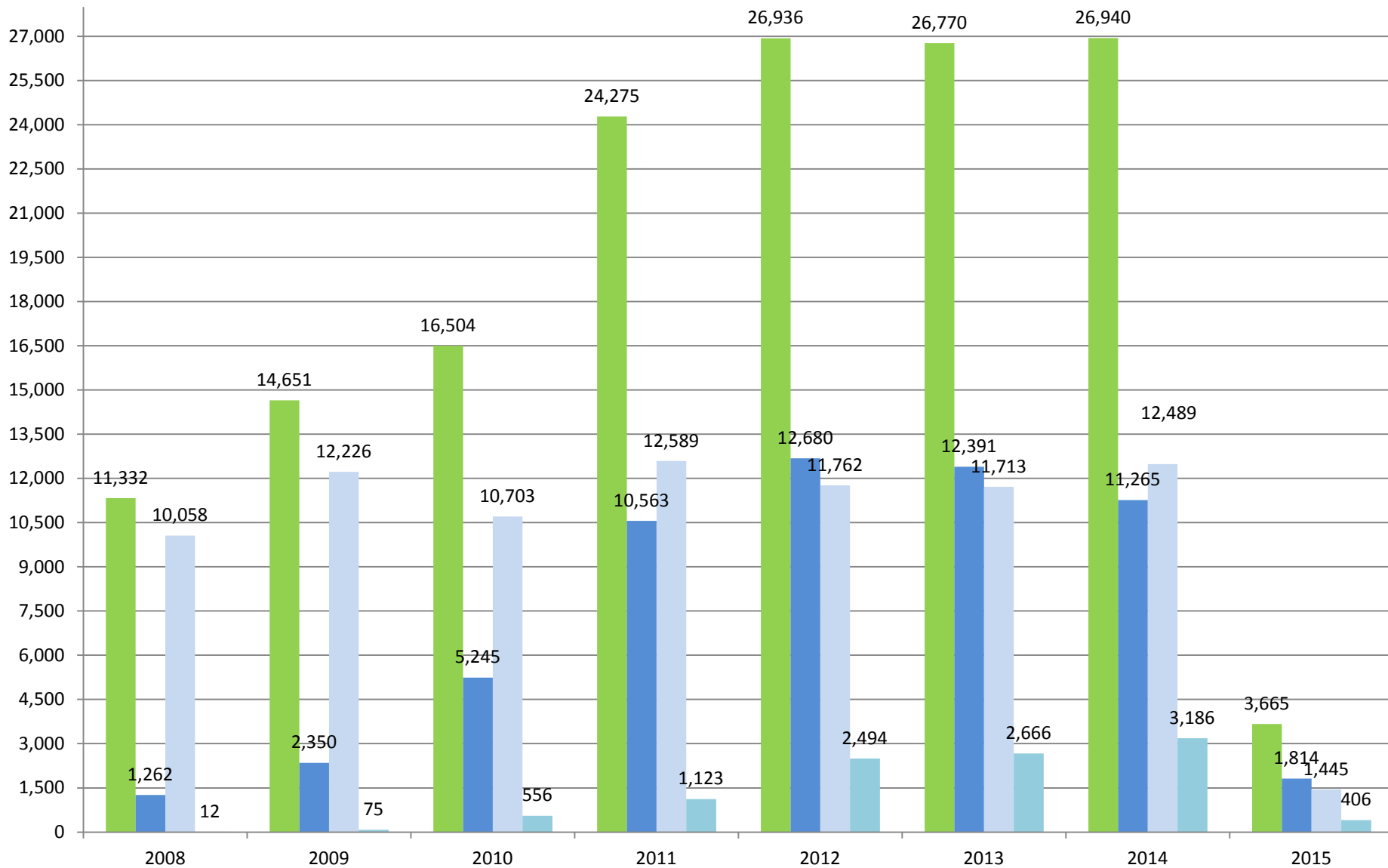
**Department of Environmental Protection
Office of Oil and Gas Management
Conventional Wells Drilled in 2014**



Compliance Inspections January - February

03/12/2015

■ Total Inspections ■ Unconventional Inspections ■ Conventional Inspections ■ Client/Site Inspections



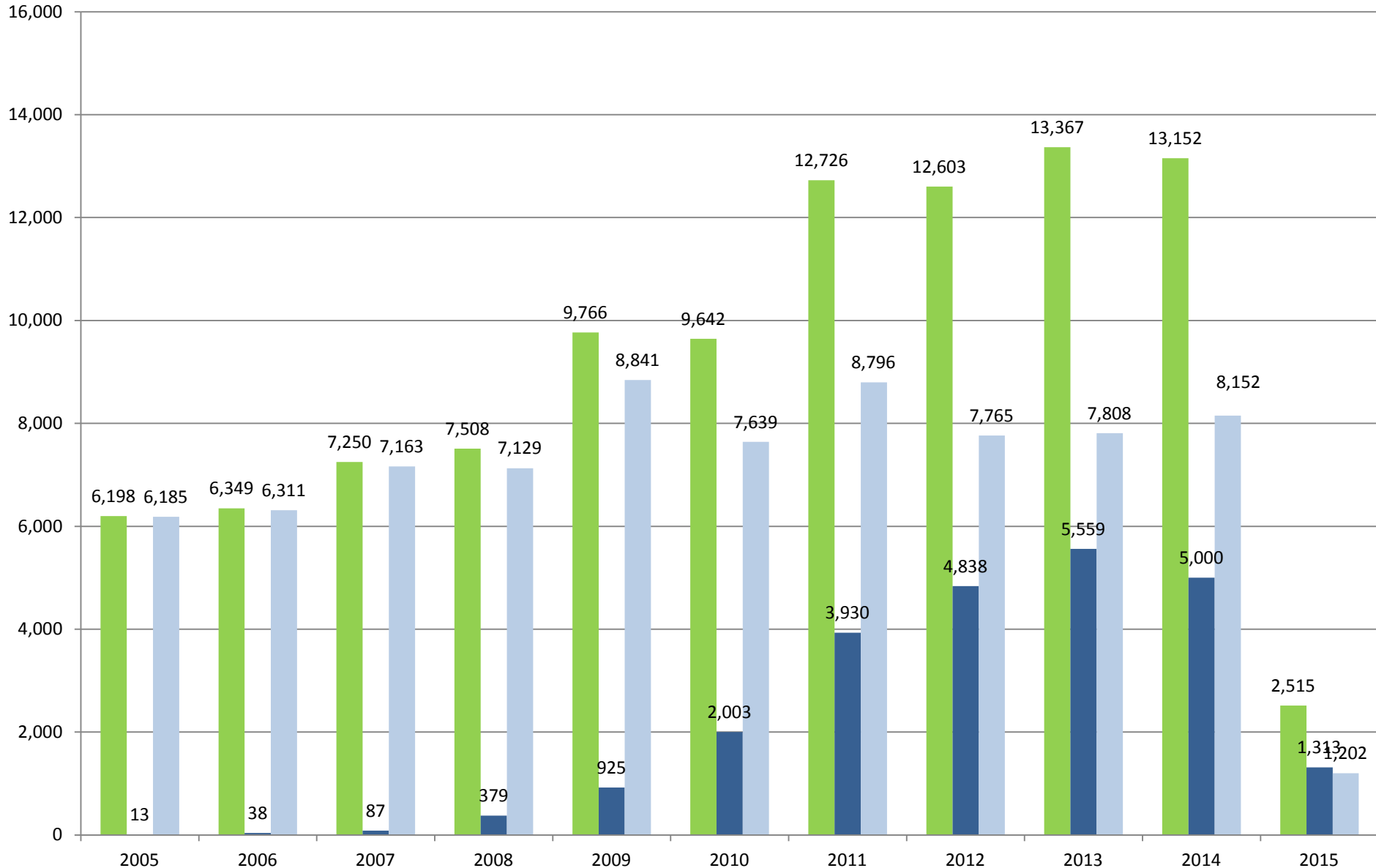
Wells Inspected January - February

03/12/2015

Total Wells Inspected

Unconventional Wells Inspected

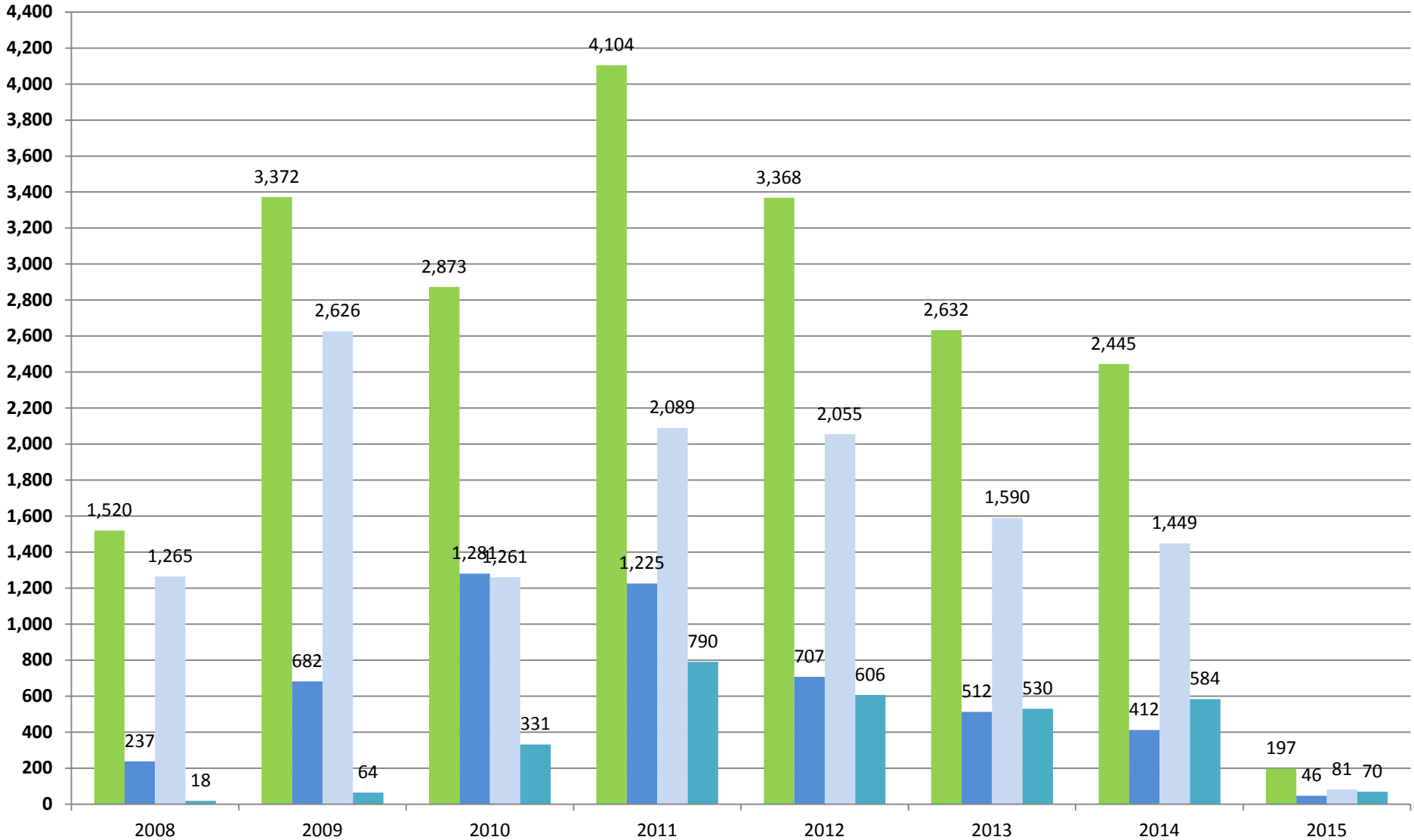
Conventional Wells Inspected



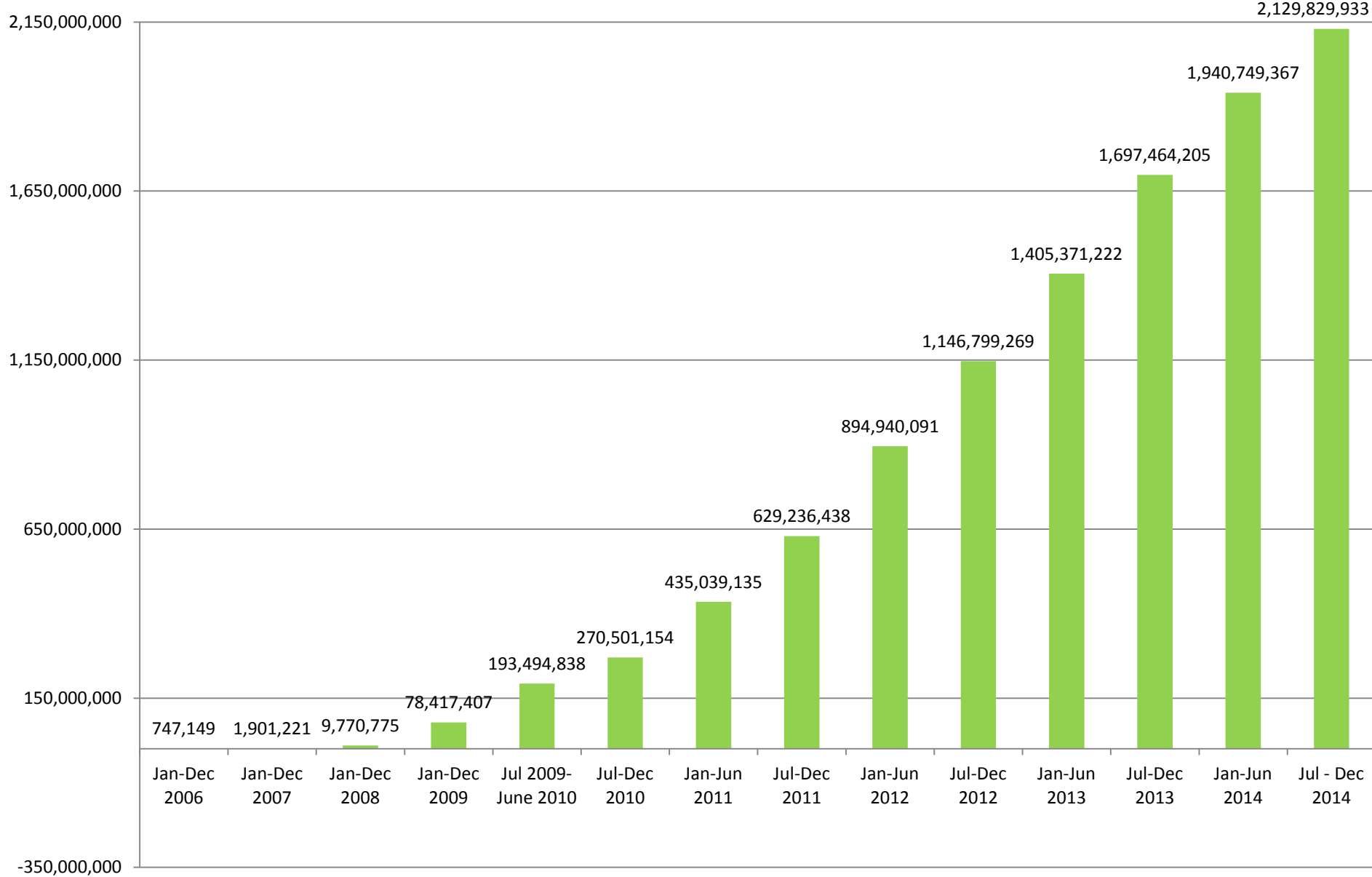
Compliance Violations January - February

03/12/2015

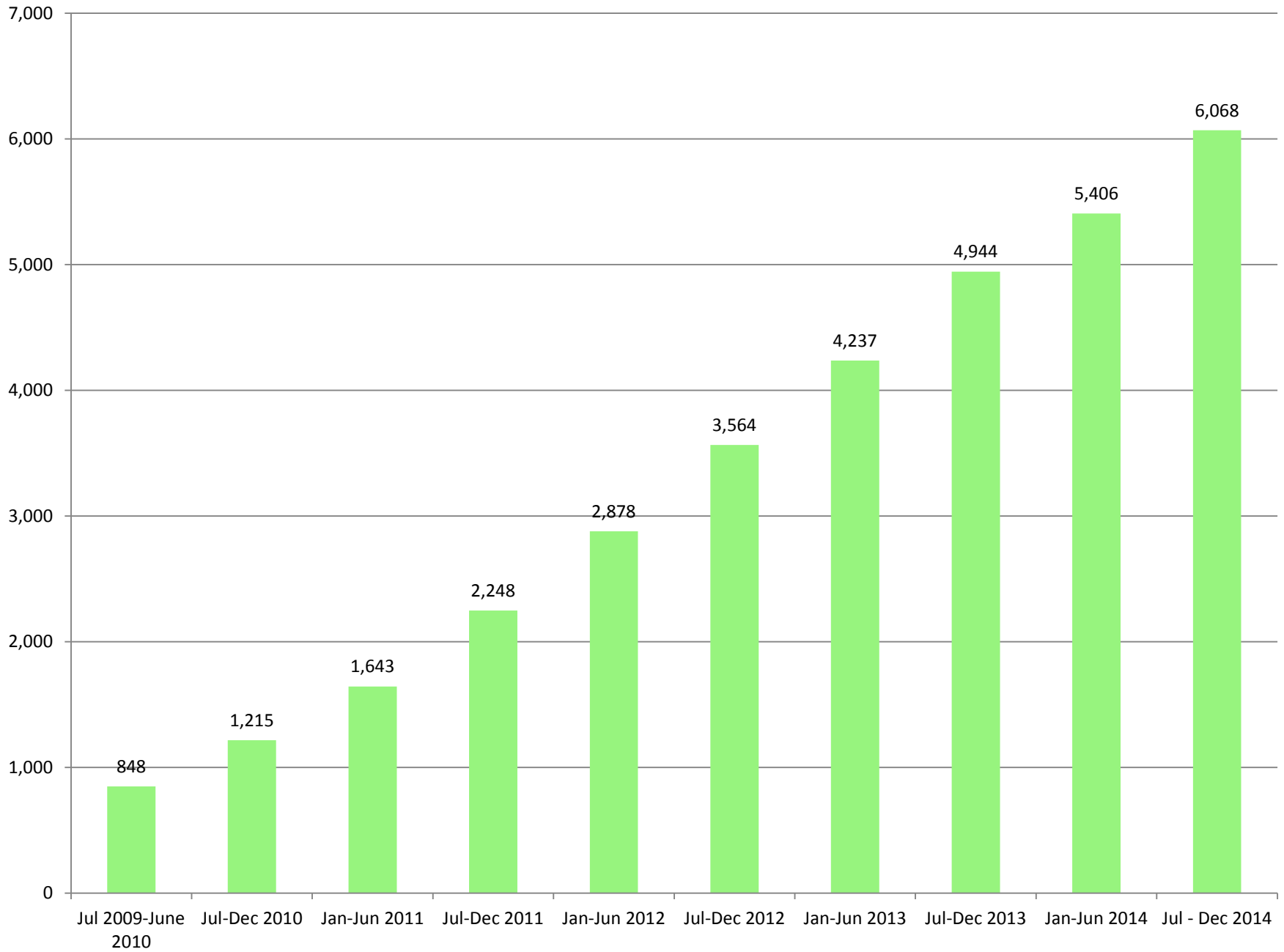
■ Total Violations ■ Unconventional Violations ■ Conventional Violations ■ Client/Site Violations



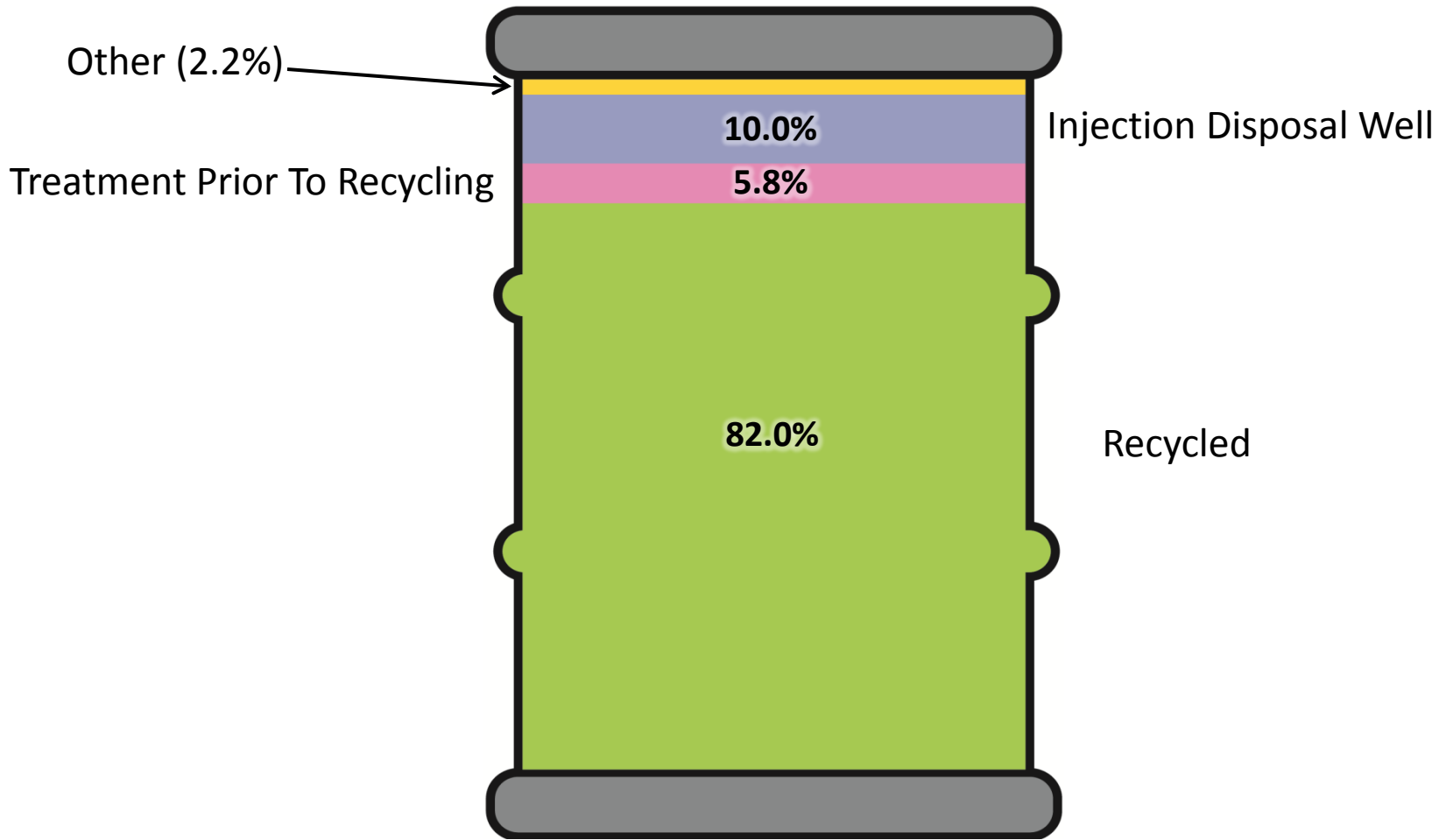
Unconventional Shale Wells Gas Production (MCF)



Unconventional Shale Wells Reporting



Unconventional Shale Well 2013 – 2014 (Jan-Jun) Liquid Waste Summary



Total: 48,614,321.1 Bbls

Enforcement

- Compliance and Enforcement Policy
 - “Standards and Guidelines for Identifying, Tracking, and Resolving Oil and Gas Violation”
 - Finalized: January 17, 2015

- Recent Enforcement Actions

Surface Activities Rulemaking

- Background of Rulemaking
- Bifurcation
- Current Status
- Conventional and Unconventional Changes

Surface Activities Rulemaking

- Proposed regulation published 12/14/2013
- 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

Bifurcation

- Act 126 of 2014 requires regulations relating to conventional oil and gas wells to be promulgated separately from regulations relating to unconventional wells.
- DEP is proceeding with one process to promulgate separate rules.
- Chapter 78 – Conventional
- Chapter 78a – Unconventional

Current Status

- March 20, 2015 – Oil and Gas Technical Advisory Board (TAB) – Ch. 78a (unconventional)
- March 26, 2015 – Conventional Oil and Gas Advisory Committee (COGAC) – Ch. 78 (conventional)
- April 4, 2015 – Advanced Notice of Final Rulemaking – 45 days public comment, 3 public hearings.

Protects Water Resources

- Requires operators to demonstrate that streams and wetlands will be protected if the edge of the pad is within 100 feet of the resource
- Eliminates the use of waste storage pits for unconventional operators

Protects Water Resources (cont.)

- Requires centralized wastewater impoundments to be permitted through more appropriate Residual Waste Regulations
- Requires existing centralized wastewater impoundments to be upgraded and re-permitted, or closed within 3 years of the rule's effective date
- Adds a new section to create a centralized tank storage permit

Adds Public Resources Considerations

- Expands impacts analysis of public resources
- Includes additional public resources for consideration:
 - Schools
 - Playgrounds
 - DEP-approved wellhead protection areas

Protects Public Health and Safety

- Requires operators to identify active and inactive wells within a specific area of the well bore and submit a report and plan to DEP at least 30 days prior to drilling
- Adds a monitoring plan component
- Makes explicit that water supply must be restored to the better of pre-drill conditions or Safe Drinking Water Act standards

Addresses Landowner Concerns

- Creates new Noise Mitigation section for unconventional only
- Requires operators to prepare and implement a site-specific noise mitigation plan for drilling, stimulation and servicing activities
- Gives DEP the ability to suspend operations and modify the plan
- Adds requirements to inform surface landowners of certain activities

Enhances Transparency and Data Management

- Adds new notification requirements
- Requires all notifications to be submitted electronically
- Requires all documents and reports to be filed electronically
- Provides efficiencies for DEP inspections
- Sets the stage for more use of Internet-based submission and management

Next Steps

- March/April 2015: Advisory committee review
- April 4, 2015: Advanced Notice of Final Rulemaking
- Summer 2015: Additional advisory committees discussions
- Late 2015: Final form to Environmental Quality Board
- Spring 2016: Rules become effective

Subchapter D Rulemaking

- Conceptual Changes Presentation – June 2014
- Proposed Rulemaking – Fall 2015
- Purpose: To update the Department's regulations relating to well construction and operation, including new casing and cementing standards, new inactive status requirements, as well as new plugging standards.

Future Projects

- Policy Initiatives
 - Data Management
 - Health and Environment Studies
 - Staff and Industry Training
 - Public Engagement



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Questions?

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These materials do not necessarily reflect the views of the Commonwealth, the Office of General Counsel or the PA Department of Environmental Protection.