

Regulatory Sticking Points Panel

An Industry Perspective

Chesapeake Bay Commission Meeting

November 6, 2014



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Regulatory Sticking Points

- API member companies strive to comply with or exceed regulatory requirements in Pennsylvania and in other states in which they operate. They have brand names to protect. But at times they need clarity in determining what some specific requirements are. Clarity is needed for some specific issues and for some implementation procedures.



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Specific Issues

- 1. Erosion and Sedimentation
 - Inconsistencies between regions regarding application completeness
 - Permit delays impacting drilling projects
 - DEP needs to address staff expectations for consistency



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Specific Issues

- 2. Forest Fragmentation
 - Minimized infrastructure disturbance when multiple wells are drilled from one pad
 - Sensitive areas and critical habitats are identified through PNDI
 - Work with surface owner (DCNR, ANF) when planning drilling program



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Specific Issues

- 3. Water Use and Disposal
 - Many operators recycling/reusing flowback and produced water



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Specific Issues

- 4. Community Impacts
 - Impact fees
 - API Community Engagement Guidelines (ANSI/API Bulletin 100-3, July 2014)



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Specific Issues

- 5. Definition of fresh groundwater - no numerical standard
 - Affects depth of surface casing
 - 2012 deepest fresh groundwater meetings
 - No resolution of numerical criteria
 - Different companies use their own derived numbers



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Specific Issues

- 6. Definition of “Waters of the US” – states versus EPA/COE issue
 - Impacts NPDES permits, wetlands, stream crossings and encroachments
 - Confusion when federal agencies interpret differently
 - Confusion when state and federal definitions differ



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Specific Issues

- 7. Exemption 38 – BAQGP-5
 - Guidance distributed on compliance demonstration twice (5/8 and 8/20)
 - Confusion over trigger date if multiple wells are being drilled on one pad
 - Result is low compliance as determined by DEP
 - Demonstrates need for operator outreach/training



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Implementation Issues

- 1. Forms necessary for compliance
 - Forms should be available before requirements in place
 - Forms should be simple and require only necessary information
 - Guidance/instructions are necessary before requirements in place
 - Operator outreach/training critical for immediate compliance



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Implementation Issues

- 2. Consistency between Regions (Example - Erosion and Sediment Control Permits)
 - Inconsistencies between regions regarding application completeness
 - Permit delays impacting drilling projects
 - DEP needs to address staff expectations for consistency



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Implementation Issues

- 3. Common expectations
 - Lack of adequate communication results in differing interpretation
 - Example – lack of completeness and on-time submittals of various reports
 - Demonstrates need for operator outreach/training



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Implementation Issues

- 4. Operator outreach/training
 - Needs can be identified by DEP and/or industry trade associations
 - DEP needs to respond promptly if immediate compliance is expected
 - Webinars are a poor tool for this purpose



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Regulatory Sticking Points

- STRONGER Review & Report
 - September 2013
 - Concluded that the Pennsylvania program is, over all, well-managed, professional and meeting its program objectives
 - Contained 31 recommendations, including a number of the issues listed above



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For More Information

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