







Oil and Gas Management

Chapter 78 Oil & Gas Regulations Update

Sept. 25, 2014

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Roadmap

- Goals for this discussion
- Electronic submissions requirements
- Review of concepts for changes to the proposed rulemaking
- Next steps



Electronic Submissions

- 78.15 electronic well permit application requirement
- 78.51(h) notice of water supply complaint
- 78.52(d) electronic submission of pre-drill data
- 78.56(a)(2) notice prior to installation of a modular storage structure
- 78.56(a)(16) notice prior to installation of a pit liner

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Electronic Submissions

- 78.58(e) notice of use of previously approved processing method
- 78.59c(e)(3)(x) notice that CI flow rate of leakage through primary lined exceed specified values
- 78.61(f) notice prior to disposal of drill cuttings
- 78.62(a)(5) notice prior to disposal of RW in onsite pit

Electronic Submissions

- 78.63(a)(5) notice prior to land application
- 78.68a(c) notice prior to HDD activities
- 78.68a(j) notice of water supply complaints during HDD
- 78.70(k) notice prior to road-spreading
- 78.70a(q) notice prior to pre-wetting, antiicing and de-icing activities
- Individual sections discussed below



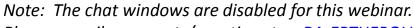
Conventional Wells

- Changes (not an exhaustive final list):
 - Temporary pipeline regulations only apply to unconventional (§ 78.68b)
 - Gathering line regulations only apply to unconventional (§ 78.68)
 - Security requirements only apply to unconventional (§§ 78.56(a)(6), 78.57(g))
 - Remove the 2:1 inside pit slope requirement for small volume pits (§ 78.56)
 - Buried tank requirements (§ 78.57(e))



Definitions

- Clarify or modify the definitions for:
 - Centralized Impoundment
 - Conventional Formation
 - Conventional Well
 - Gathering Pipeline
 - Mine Influenced Water
 - Oil and Gas Operations
 - Regulated Substance



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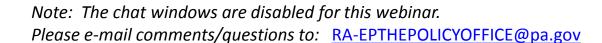
Definitions

- Include definitions for:
 - Abandoned water well
 - Approximate Original Conditions
 - Certified mail
 - Freshwater
 - Occupied Dwelling
 - Residual waste (SWMA cross-reference)



Application Requirements

- Proof of notification for plats
- 78.15(e) limit as long as PNDI is still good
- Archaeological site identification process
- Clarification on what information must be provided regarding parent and subsidiary business entities





Permit Renewal

- Extended renewal timeframe
- Renewals, notice and updated plat where new water wells or buildings are constructed between time of permitting and time of renewal



Predrilling or Prealteration Survey

- Establishing a consistent and comprehensive list of parameters for pre-drill water testing.
- Define survey to mean all the pre-drill samples associated with one well.
- Timing: Wait until API number is assigned before submission to the Department.
- Electronic submission



Abandoned and Orphan Well Identification

- 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.



Abandoned and Orphan Well Identification

- Operator designate on the plat which wells are not already in DEP database
- Electronic submission
- Timeframe to submit the report
- Historical data sources



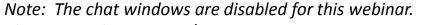
Control and Disposal of Production Fluids

- Clarify subsection (a) as it relates to centralized impoundments/modular aboveground structures
- Conventional changes



Onsite Processing

- Mine-influenced water added
- Clarify subsection (b) as to whether or not these activities should be done on secondary containment



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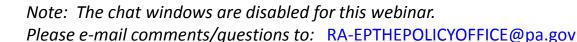
Centralized Impoundments

- Add requirement parallel to § 78.59b(d) for fencing at centralized impoundments
- Add quarterly reporting indicating when new well sites use the centralized impoundment
- Consider public notice for centralized impoundment permit application
- Consider submission of centralized impoundment closure/restoration plan and additional contents



Disposal and Discharge

- Concentration limits should be consistent between §§ 78.62 and 78.63
- Analysis submission requirements
- Unconventional well disposal prohibition



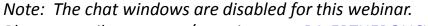


Containment Requirements

- Subsurface containment equivalent to a well pad liner and does not constitute secondary containment
- Clarify when secondary containment must be used

Site Restoration

- 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



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Site Restoration

- Electronic submission of restoration extension requests and site restoration plans
- (d)(3) match language in section 3216
- Address § 102.8(m) (long-term operation and maintenance)
- Clarify when well site restoration reports must be submitted
- Inconsistency in § 78.65(d)(4)



Reporting and Remediating Releases

- Statewide standards for chloride
- Definition of "regulated substances"
- Water supply (both public and private) sampling and owner notice similar to section 245.306(a)(4)
- "Short list" of contaminants of concern



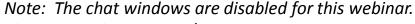
Borrow Pits

- Retroactive application of borrow pit standards
 - Safeguards for highwalls
 - Notification when going below groundwater or entering coal seams or acid rock



Temporary Pipelines

- Stream crossing length and joints
- Clarify how often inspections must occur and how often they need to be documented



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Water Management Plans

- Accounting for water source locations outside of Pennsylvania
- Process for amending and renewing WMPs
- Pass-by flow rates (Ohio River Basin)



Roadspreading

- Consistency between analysis required in each section (78.70(c) and 78.70a(e))
- Notice/interaction with PADOT for use on state highways
- Unconventional brine prohibition



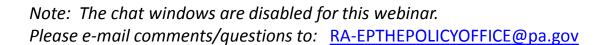
General Provision for Well Construction and Operation

- (d) Clarify that action is required whenever an operator communicates with, affects or impacts an abandoned or orphan well when stimulating a new well
- (d) Provide operators the opportunity to put an orphaned or abandoned well that has been impacted into production.
- Communication with active wells; reporting



Next Steps

- Continued consideration of comments/development of responses
- Draft final-form rule to TAB in late 2014/early 2015
- Continued drafting with TAB through 2014/Spring 2015





Next Steps

- Advanced Notice of Final Rulemaking in March 2015 (30-day comment period)
- Draft final rulemaking to TAB in Fall 2015
- Final-form to EQB in late 2015
- Effective in late Spring 2016









Oil and Gas Management

Questions?

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