A “Model Regulatory Framework”

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Purpose

• Blueprint for state oil and gas regulatory agencies
• Based upon “best-in-kind” state regulations and effective industry practices
• Measure for self-assessment
• Tool to assist enhancement of state regulations
History

- Joint-project: EDF and SWN Energy
- Conceived as a BMP project
- Initial review:
  1. STRONGER guidelines
  2. API HF-1
  3. GWPC State Regulations for the Protection of Water Resources
- Comparative state rule review
Participation Principles

• Recognizes the significant role of natural gas
• Goal: consensus on key issues regarding the framework for effective state regulations
• Goal: reduce impacts to extent reasonably possible
• Recognizes legitimate variation
• Values significant interim progress
Scope: the Borehole

• Well planning
• Drilling
• Well construction
• Completion including hydraulic fracturing stimulation
• Mechanical integrity monitoring/verification
• Eventual plugging and reclamation
Goal

• Improve scope, consistency, and overall strength
• Assist states in identifying and addressing substantive gaps in regulatory standards
• Advocates chemical disclosure
• Enhance public confidence
One Size Can’t Fit All!

• We agree
• **NOT** an exhaustive regulatory scheme
• Working structure
• Standards address substantive components of effective regulations
• Respects legitimate regional and state variation
Who are you to propose a “model” regulatory scheme?

- Sponsors prefer that regulation of hydraulic fracturing be maintained under rigorous state authority
- Based upon existing state standards
- Seeks balance: environmentally responsible/business practical
- Work in progress: Needs state input
Rulemakings:
The Gauntlet
Well Construction

- Structure
- Texas flavor
- Performance objectives
- Material standards
- M.I. testing/verification
- Special standards for wells with limited intervening strata between stimulated reservoir and base of protected water
Ohio Experience

Tight deadlines
High expectations
Next Steps

• Comments welcome
• State input desired
• Avoid this