

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

