STATE OIL AND GAS REGULATORY EXCHANGE

MISSION STATEMENT

The STATE OIL AND GAS REGULATORY EXCHANGE (EXCHANGE) is an outreach program created under the Ground Water Protection Council (GWPC) and Interstate Oil and Gas Compact Commission (IOGCC) States First Initiative. The mission of the EXCHANGE is to assist states continuously improve state oil and gas regulatory programs by providing to member states a broad spectrum of services targeted to their specific needs.

PROVIDED SERVICES

A. Information and Education Services

1. Information Services. Coordinate and facilitate collection of information, from member states or other stakeholders, regarding oil and gas regulatory programs. Examples of such efforts include multi-state survey of regulatory methodologies, field inspection practices, and inspector qualifications and salaries. An example of this service is the State Induced Seismicity Work Group formed to assist States share information concerning induced seismicity.

2. Education Services. Coordinate and facilitate educational services such as seminars and short courses for agency personnel in addition to the Field Inspector Education and Certification Program currently offered through the States First Initiative.

B. Regulatory Review and Development Services

1. Regulatory Reviews. Assist States to develop rule revisions to address a particular issue by providing peer reviews of an individual regulation, specific regulatory initiative or an overall program. Reviews may vary in scope from specific regulatory elements, such as wellbore integrity, to comprehensive reviews of a State’s entire regulatory program. The State may elect to publish the results of the review.
The review will be based on regulatory elements/standards the Exchange determines to be relevant to the specific review. The Exchange will develop new and/or compile lists of existing regulatory elements/standards for particular subjects over time. The lists of regulatory elements/standards would be available for public view and subject to periodic revision by the Exchange.

2. **Informal Regulatory Consultations.** Facilitate consultations between member states, drawing on the expertise of regulatory peers in other states, to assist a State develop regulatory approaches to address a specific issue. These consultation services will utilize other State’s experiences and not specific regulatory elements/standards in providing assistance and consultation.

3. **Multi-Stakeholder Review.** Facilitate multi-stakeholder reviews based on accepted or model regulatory elements/standards, model technical guidelines, or other accepted guidance documents.

C. **Convening Services**

1. **State-to-State Forums and Workgroups.** Convene forums and workgroups, of state policy and technical staff, to share business practices, technical expertise and findings, internal operations, and other matters of common interest to facilitate communication and integration of effective practices from one state to another.

2. **Stakeholder Forums.** Convene forums state policy and technical staff to meet with interested stakeholders to discuss issues of mutual interest.

D. **Other Services**

Such other services as may from time to time be authorized by both IOGCC and GWPC in accordance with their respective bylaws.

Revised 6-25-2014
STATE OIL AND GAS REGULATORY EXCHANGE

ORGANIZATION AND BYLAWS

AUTHORIZATION
The STATE OIL AND GAS REGULATORY EXCHANGE (EXCHANGE) is a component of the Ground Water Protection Council (GWPC) and Interstate Oil and Gas Compact Commission (IOGCC) States First Initiative. The States First Initiative has been authorized by the GWPC Board of Directors and the IOGCC Steering Committee and through Resolutions passed by both organizations.

OVERSIGHT
Except as otherwise modified or directed in advance by both IOGCC and GWPC, the Exchange Oversight Committee is responsible for all decisions concerning the services and activities undertaken by the Exchange. The Oversight Committee is not authorized to commit funds or contract for services except as such authority and funds may be made available to it by the GWPC or IOGCC Executive Directors.

MEMBERSHIP
The Oversight Committee will consist of up to eight (8) voting members (including a Chair selected among those members) and two non-voting ex officio members. The GWPC and IOGCC Executive Directors will jointly appoint no more than eight (8) state regulators as Committee members. The Committee members may name a designee to represent that member, should the member be unable to attend a scheduled meeting of the Committee. The Committee members will choose a Chair by consensus, from the voting members, to serve a one (1) year term, which may be extended by the Oversight Committee to consecutive terms. The Executive Directors of GWPC and IOGCC or their designees shall serve as the non-voting ex officio members.

TERMS OF MEMBERSHIP
Each Oversight Committee member, other than an ex-officio member, may serve a 3 year term provided that they remain a state regulator. Oversight Committee members may be reappointed to consecutive terms.

CHAIR DUTIES
The Oversight Committee Chair will be the primary point of contact between GWPC, IOGCC, the broader States First Initiative, and will attend States First meetings. The Oversight Committee Chair will report back to the Oversight Committee on discussions
from the States First Initiative meetings. The Chair with assistance from GWPC and IOGCC staff, will guide the work of volunteers, and in consultation with staff, provide guidance to the consultants made available to a specific project.

**MEETINGS AND VOTING**
The Oversight Committee will strive to achieve consensus; otherwise decisions may be made by a majority of the Committee. Meetings and voting may take place in person, by phone or electronically.

**STAFFING**
The Oversight Committee Chair may guide the work of IOGCC and GWPC staff assigned to a specific project. The Oversight Committee Chair may, with consultation from the Committee, retain unpaid advisors and other volunteers and may request funding from the IOGCC and GWPC for paid advisors and consultants as needed.

**FUNDING**
Except as otherwise agreed to from time to time by the GWPC and IOGCC Executive Directors, funding for SOGRE projects will be provided in a 50/50 split from GWPC and IOGCC. The Executive Directors of GWPC and IOGCC must agree to jointly fund SOGRE projects prior to their final approval by the Oversight Committee.

Revised 6-25-2014
# Phase I: State Oil and Gas Regulatory Exchange

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<th>Underground Injection Control</th>
<th>Hydraulic Fracturing</th>
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<th>Science and Technology Transfer</th>
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<td>- Establish UIC program guidelines</td>
<td>FracFocus 2.0</td>
<td>- State oil &amp; gas inspector certification course</td>
<td>- Continuous improvement of field practices</td>
<td>- Review emerging technology and applied research</td>
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<td>- Class II UIC well peer reviews (States &amp; US EPA)</td>
<td>- Expand search capabilities</td>
<td>- Affiliated with major universities</td>
<td>- Water management</td>
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<td>- Class VI Carbon Capture and Storage and Enhanced Oil Recovery (EOR)</td>
<td>- Enhance public value</td>
<td>- Technology-based webinar training</td>
<td>- Well construction</td>
<td>- Universities and NGOs</td>
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<td>- Adopted by 12 states, 7 states in rule making to adopt</td>
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<td>- Enhance state capabilities</td>
<td>- Others</td>
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<td></td>
<td>- 525 participating companies</td>
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<td>- Magnitude of field staff, inspections</td>
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<td>- RBDMS interface</td>
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<td>- Risk Based Data Management System (RBDMS) expansion</td>
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<td>- Hydraulic fracturing</td>
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