

# THE STATE REVIEW PROCESS

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- *Meeting the Challenges of U.S. Oil & Gas Development*
- *Collaboration to Improve the Regulatory Environment*

WVONGA

Wednesday, May 15, 2013



STRONGER, Inc.

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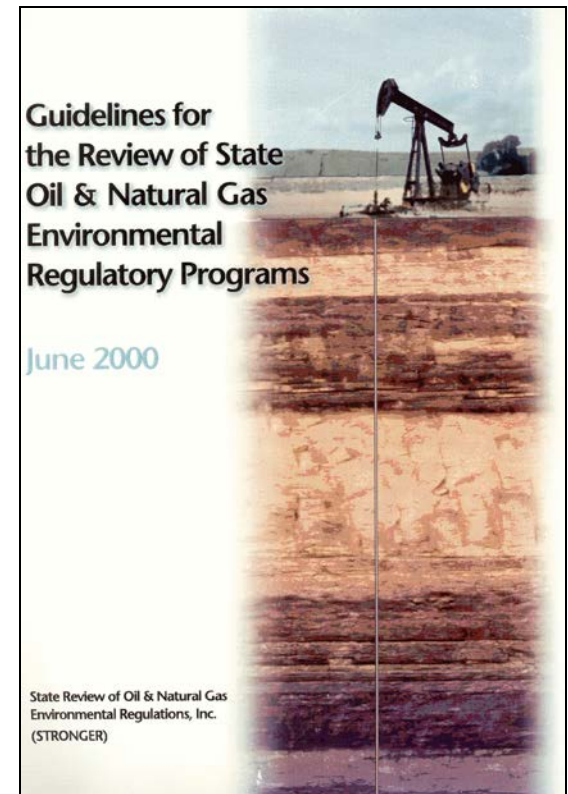
- State Review of Oil and Natural Gas Environmental Regulations, Inc.
- A multi-stakeholder collaborative effort to
  - Benchmark state regulatory programs
  - Develop recommended state program guidelines
  - Establish a review process to evaluate state regulatory programs against those guidelines



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- Stakeholders
  - ▣ States
  - ▣ Industry
  - ▣ Environmental Organizations
- Supporters
  - ▣ IOGCC
  - ▣ GWPC
  - ▣ Federal agencies (EPA, DOE)



# Background

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- RCRA definition of solid waste
- Hazardous waste regulated under Subtitle C
- Exemption until EPA study
- Report to Congress – December 1987
- EPA regulatory determination – July 1988
- 3-prong approach

# State Review Process

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- Established by IOGCC with support from EPA
- Stakeholder involvement
- Guidelines developed
- State reviews against Guidelines
- Guidelines updates and revisions
- Follow-up reviews



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- Formed June 1999
- Functions:
  - ▣ Manage state review process
  - ▣ Sponsor new/revised guidelines
  - ▣ Develop procedures for reviews, training
  - ▣ Assemble review teams
  - ▣ Contract administrative/clerical support
  - ▣ Settle disputes



# State Reviews

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- State volunteers, completes questionnaire
- Review team assembled & trained
- In-state interview
- Team drafts report w/findings & recommendations
- Draft distributed for comments
- Final approved by Board, published & posted



# Reports

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- Executive summary
  - ▣ Highlights program strengths
  - ▣ Summarizes key recommendations for improvement
- Discussion of program elements
- Findings and recommendations
- Appendix
  - ▣ Response to questionnaire (state's description of its program)



# Results

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- 22 states reviewed – 94% onshore production
- 10 states with follow-up reviews – 76% of recommendations satisfied
- 2009 survey – all states implemented some recommendations
  - ▣ 33% fully implemented
  - ▣ 27% partially implemented
  - ▣ 26% outstanding
  - ▣ 14% unknown



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# Hydraulic Fracturing

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- Workgroup convened (Aug. 2009)
- Guidelines submitted to STRONGER (Jan. 2010)
- Reviews completed:
  - ▣ Pennsylvania
  - ▣ Ohio
  - ▣ Oklahoma
  - ▣ Louisiana
  - ▣ Colorado
  - ▣ Arkansas



# Hydraulic Fracturing

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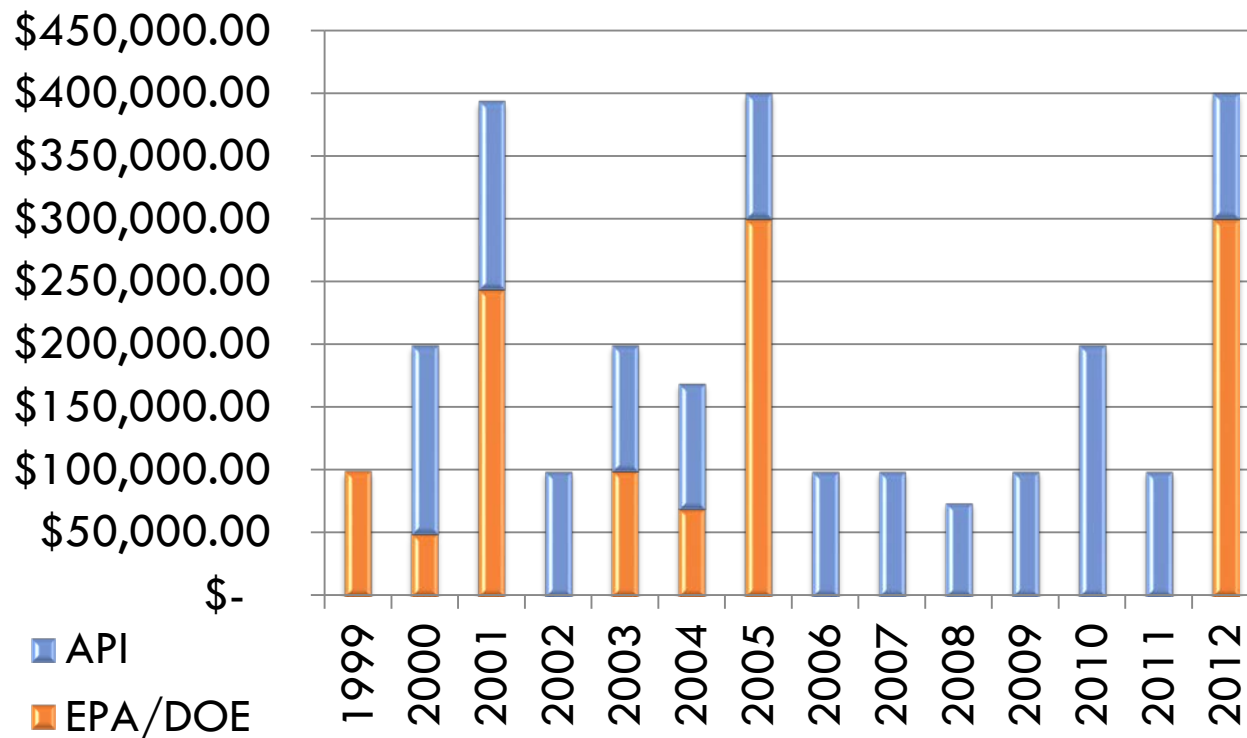
- Reviews resulted in identification of shortcomings
- HF Guidelines Revisions Workgroup formed in 2012
- Draft Guidelines revisions submitted to EPA, DOE, BLM, state directors, industry associations & environmental organizations for comment
- Comments considered and revised HF Guidelines sent STRONGER (May, 2013)
- Currently under Board consideration



# STRONGER Funding Summary

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## 1999 to 2010



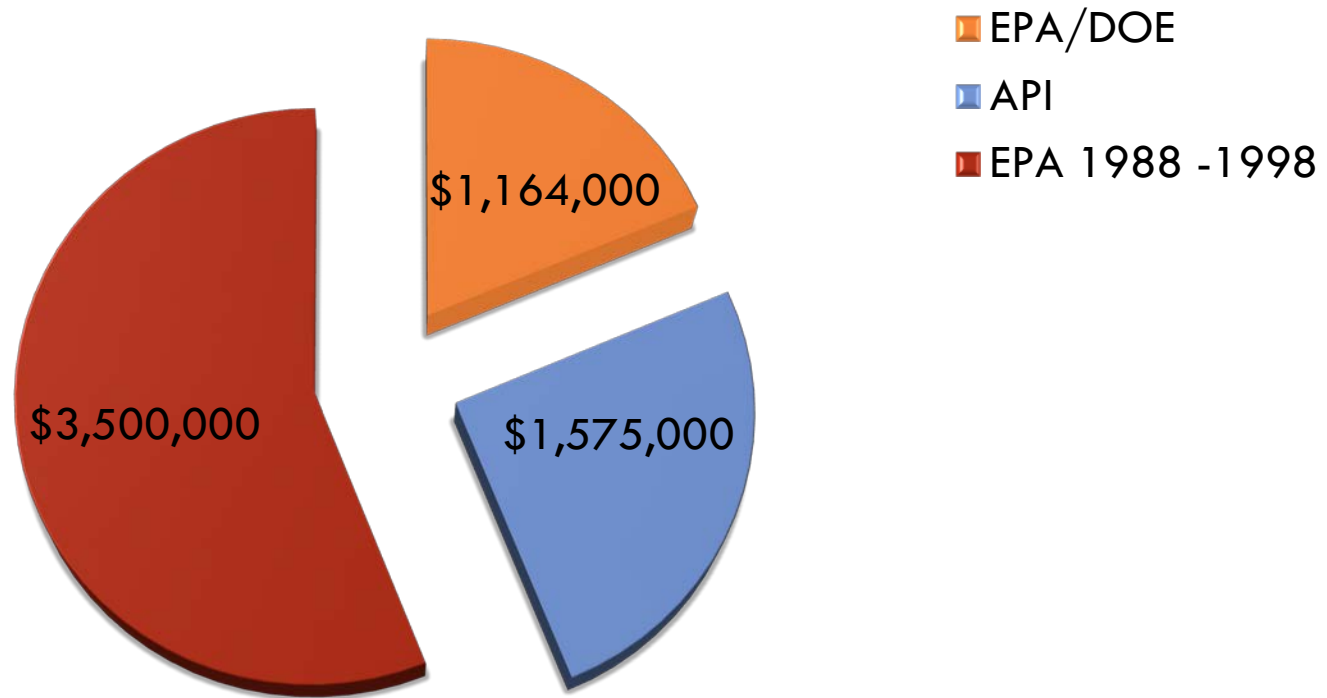
### Notes:

- Prior to 1999 and STRONGER, EPA contributed \$3.5 million to IOGCC to manage the state review process.
- This summary does not reflect in-kind contributions from states and other stakeholders.



# STRONGER Funding Summary

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# Strengths of Review Process

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- All work performed by stakeholder teams
- Guidelines recognize regional differences
- Reviews document program strengths and opportunities for improvement
- Follow-up reviews are conducted
- The process is transparent and timely



# Benefits of Review Process

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- State control of E&P waste programs
- Improved state oil and gas environmental regulatory programs
- Process for continuing program improvement
- Opportunity to share and promote new or unique concepts and ideas
- Flexible reviews to meet state needs
- Great educational process for all participants





# Presenter

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