

THE STATE REVIEW PROCESS

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

Secretary of Energy Advisory Board
Natural Gas Subcommittee
Wednesday, July 13, 2011



STRONGER, Inc.

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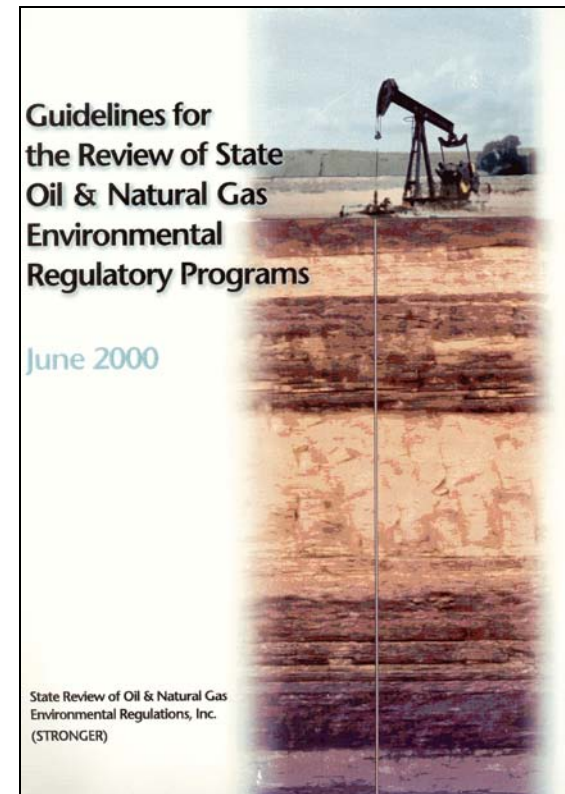
- State Review of Oil and Natural Gas Environmental Regulations, Inc.
- A multi-stakeholder collaborative effort to
 - Benchmark state regulatory programs
 - Develop recommended state program guidelines
 - Establish a review process to evaluate state regulatory programs against those guidelines



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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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- 21 states reviewed – 94% onshore production
- North Carolina soon to be scheduled for 2011
- 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



State Reviews



Hydraulic Fracturing

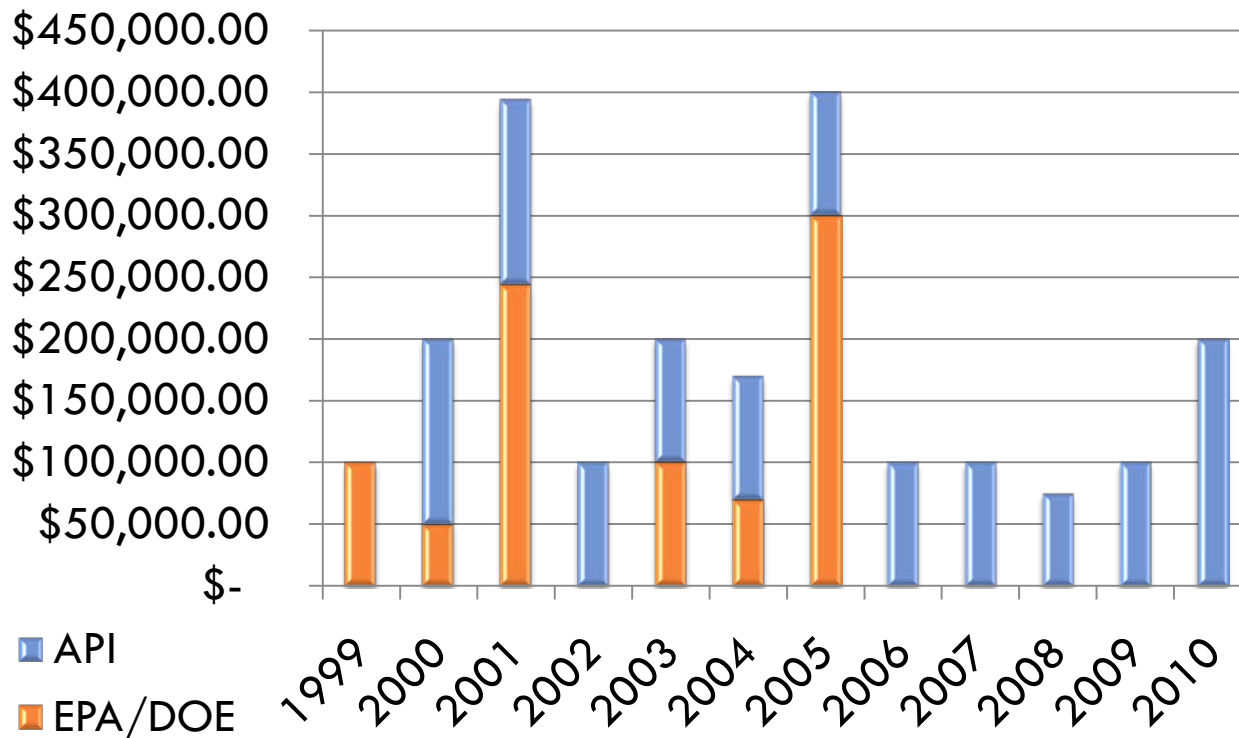
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- Workgroup convened (Aug. 2009)
- Guidelines submitted to STRONGER (Jan. 2010)
- Reviews completed:
 - ▣ Pennsylvania
 - ▣ Ohio
 - ▣ Oklahoma
 - ▣ Louisiana
- Review underway:
 - ▣ Colorado

STRONGER Funding Summary

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1999 to 2010



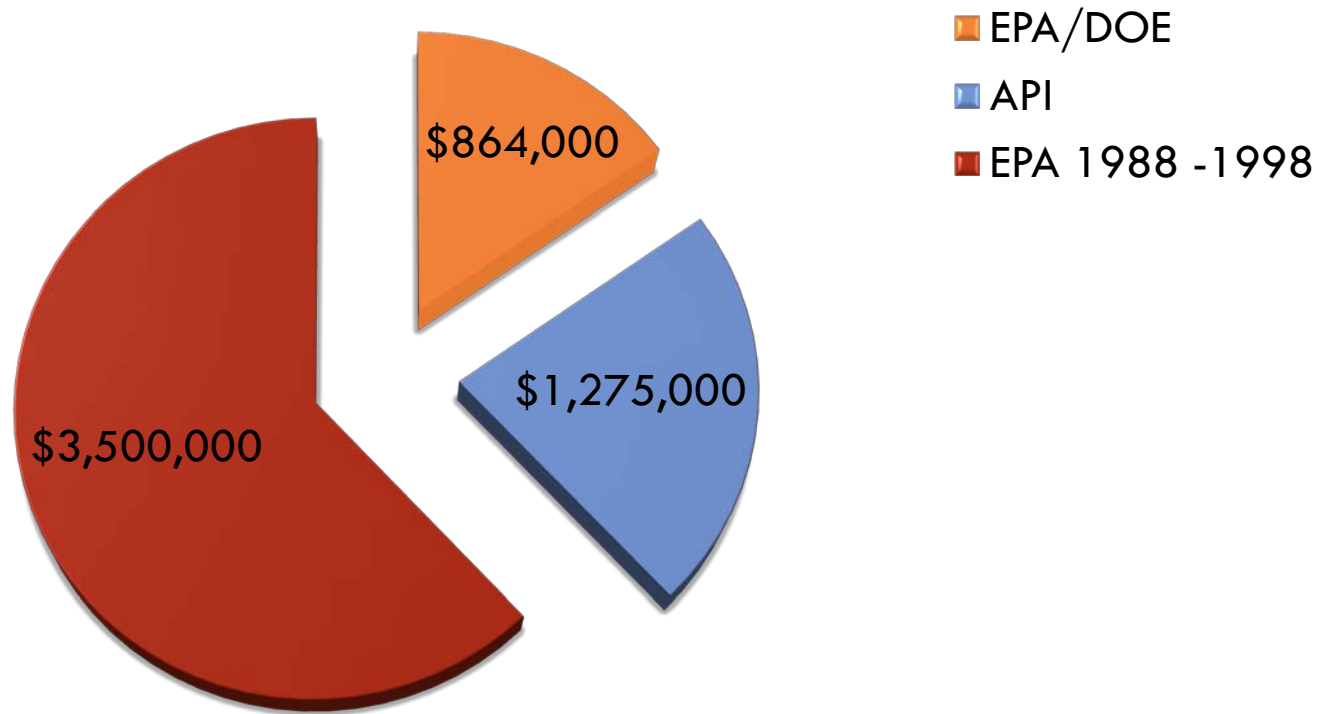
Notes:

- 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



Presenters

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