

PROJECT FACT SHEET

CONTRACT TITLE: A Guidance Document for Kentucky's Oil and Gas Operators

ID NUMBER: DE-FG22-94MT94006

B & R CODE: AC1015000

DOE PROGRAM MANAGER:

NAME: William H. Hochheiser

PHONE: (202) 586-5614

DOE PROJECT MANAGER:

NAME: Rhonda P. Lindsey

LOCATION: BPO

PHONE: (918) 337-4407

CONTRACTOR: State of Kentucky

Division of Oil & Gas

ADDR: P.O. Box 14090

Lexington, KY 40512

CONTRACT PROJECT MANAGER:

NAME: Rick Bender

PHONE: (606) 254-0367

FAX: (606) 246-2038

INTERNET ADDRESS: bender@fido.mm.uky.edu

PROJECT SITE

CITY: Lexington

STATE: KY

CITY:

STATE:

CITY:

STATE:

CONTRACT PERFORMANCE PERIOD:

08/01/1994 to 07/31/1997

PROGRAM: Environmental - Oil

RESEARCH AREA: Environmental Outreach

FUNDING (1000'S)	DOE	CONTRACTOR	TOTAL
PRIOR FISCAL YRS	95	0	95
FISCAL YR 1996	0	0	0
FUTURE FUNDS	0	0	0
TOTAL EST'D FUNDS	95	0	95

OBJECTIVE: Significantly reduce the compliance cost of environmental regulations and to enable operators to improve regulatory compliance cost effectively by providing an operator-language guidance manual to oil and gas organizations operating under the Kentucky Division of Oil and Gas regulatory authority.

METRICS/PERFORMANCE:

Products developed: The guidance manual written in operator language will be of use for the small oil and gas operators. It will reduce compliance costs for operators and help them avoid regulations or forfeiture problems. The regulatory agency will find it useful for training employees regarding the various requirements of the other agencies.

PROJECT DESCRIPTION:

Background: Over the past several years the Department of Energy, Fossil Energy program staff have been studying the status of the oil and gas operators in the Appalachian Basin. This area is an extremely mature production region with many marginal wells and many small operators struggling to cope with the costs of environmental compliance.

The program has identified several opportunities to help operators in this region. One problem identified was the relatively complex regulation system in the State of Kentucky. Given the political climate in the State it has been recommended that the best practical help for the operators of this State is to produce a simple guidance document to explain the regulatory requirements.

The State of Kentucky, Division of Oil and Gas has agreed to assist in the production of such a guidance Document.

Work to be performed: Task 1--Organize a drafting task force with membership to assure regulatory expertise for enforcement of all relevant regulations, legal expertise from industry perspective, representation of the smaller operators and authors who can organize the summarized information in the language of, and from the perspective of, the smaller operators. Task 2--Prepare an expanded outline of the guidance document. Task 3--Conduct external review (public comment) of the outline draft. Success, for this task, should require substantive written input from 20 percent of the principal intended beneficiaries of the resulting guidance document. Task 4--Using an outline modified by the external review, prepare a draft guidance document. Task 5--Complete internal (task force) review of the complete guidance document. Task 6--Edit draft and obtain task force concurrence. Task 7--Prepare a camera-ready copy of the guidance document for submission to DOE.

PROJECT STATUS:

Current Work: A technical report on this project is in progress.

Scheduled Milestones:

Complete expanded outline of guidance document

Complete draft guidance document

Complete camera-ready copy of guidance document

Accomplishments: The subcommittee, appointed to write and review the manual, provided a detailed outline and chart for their respective agencies. The manual format was discussed and the subcommittee made a recommendation to develop the manual around a detailed chart. This chart describes in a time sensitive manner issues and permitting requirements for small operators including pre-site construction, drilling, pit construction and the final plugging and reclamation of the well site. Each topic listed on the chart leads the operator to a narrative section of the guidance manual providing more detailed information. Industry representatives serving on the subcommittee are supportive of the format and feel it will be useful for the small operators.

To date, Task 1 through 4 were completed and work continues on Task 5. A draft copy of manual was prepared and is being reviewed by the subcommittee.