

Support the Review of State Oil and Natural Gas Environmental Regulations

DE-IA26-01BC15320

Program

This project was awarded as an interagency agreement to provide assistance with oil and gas regulatory management decisions.

Project Goal

The goal is to assist oil and gas producing states in identifying innovative regulatory approaches to reducing environmental and administrative problems associated with the management of oil and gas industry wastes and to comprehensively assess and improve implementation and enforcement of state regulatory programs.

Performers

*U.S. Environmental Protection Agency
Washington, DC*

*State Review of Oil and Natural Gas
Environmental Regulations, Inc.
(STRONGER)
Salt Lake City, UT*

*Interstate Oil and Gas Compact
Commission (IOGCC)
Oklahoma City, OK*

*American Petroleum Institute (API)
Washington, DC*

Project Results

From 1990 through 1997, IOGCC conducted, through a multi-stakeholder process, voluntary reviews of 17 state regulatory programs for oil and gas exploration and production (E&P) wastes. The states reviewed were Alaska, Arkansas, California, Colorado, Illinois, Kansas, Kentucky, Louisiana, New York, North Dakota, New Mexico, Ohio, Oklahoma, Pennsylvania, Texas, West Virginia, and Wyoming.

Since 2001, STRONGER has conducted, also through a multi-stakeholder process, voluntary reviews of three state E&P waste regulatory programs: Indiana, Michigan, and Virginia.

States' programs are evaluated against a set of guidelines that also were developed



through a multi-stakeholder process. The guidelines are reviewed periodically and revised to reflect the emergence of additional regulatory issues.

The initial review reports contain recommendations for action to the reviewed states. The reports also highlight strengths in a state's program. The recommendations, together with changes in the guidelines and changes in states' programs, provide the primary basis for follow-up reviews and follow-up recommendations to states. To date, nine states (California, Louisiana, New Mexico, Ohio, Oklahoma, Pennsylvania, Texas, West Virginia, and Wyoming) have had follow-up reviews to assess their progress in addressing the recommendations from their initial program reviews. STRONGER also has conducted a second follow-up review of the Pennsylvania program.

Benefits

The states reviewed to date account for about 85% of the total U.S. onshore oil and gas wells and 95% of all onshore U.S. production of oil and natural gas. Many of the follow-up reviews show significant progress on making many changes recommended by the initial reviews. After reviewing the recommendations posed in other states' reviews, many states have taken the initiative to make program changes without the "formality" of an external review. Reviews of state oil and gas environmental regulatory programs offer an opportunity for all interested stakeholder groups to provide input and recommendations on a state's regulatory program. They also provide value to the reviewed programs. In some cases, recommendations have served as a catalyst for state legislative changes that have resulted in increased resources and technology improvements for the regulatory program. Highlighting a program's strengths in program review reports provides a means for sharing successful ideas among state programs. Improvements in state regulatory programs enhance protection of human

health and the environment. Voluntary improvements in state regulatory programs negates the need for federal regulations for E&P waste management.

Background

Through 1980 amendments to the Resource Conservation and Recovery Act (RCRA), Congress temporarily exempted from hazardous waste regulations under RCRA Subtitle C drilling fluids, produced water, and wastes associated with oil and gas E&P pending further study and a regulatory determination. EPA completed its study and published the results in December 1987 in a report to Congress entitled Management of Wastes from the Exploration, Development, and Production of Crude Oil, Natural Gas, and Geothermal Energy. Among other findings, EPA found that existing State and Federal regulations generally were adequate to manage oil and gas wastes but that certain regulatory gaps did exist and that enforcement of existing regulations in some States was inadequate.

In July 1988, EPA issued its regulatory determination 53 FR 25446, stating that Federal regulation of oil and gas wastes as hazardous wastes was not warranted. At that time, EPA said it would implement a three-pronged strategy to address the diverse environmental and programmatic issues posed by these wastes. This strategy involved: 1) improving Federal programs under existing authorities in Subtitle D of RCRA, the Clean Water Act, and Safe Drinking Water Act; 2) working with States to encourage changes in their regulations and enforcement to improve some programs; and 3) working with Congress to develop any additional statutory authorities that may be required. The State Review Process was established to address the second prong of EPA's strategy, to work with the states to improve their regulatory programs.

The State Review Process is a multi-stakeholder process administered by STRONGER, Inc. and is a continuation of work initiated by IOGCC in 1989.

Participation of citizens' groups and environmental organizations in the process is encouraged, and environmental training seminars are provided to citizens' groups and others concerned about oil and gas waste management practices.

Project Summary

The project milestones include:

- Development of recommended state E&P waste regulatory program guidelines through a multi-stakeholder process.
- Reviews of 20 state E&P waste regulatory programs representing 95% of all U.S. onshore production of oil and natural gas.
- Follow-up reviews of nine state E&P waste regulatory programs.
- Development and implementation of a training program for review team participants.
- Improvements in states' E&P waste regulatory programs.

Current Status (August 2005)

The project is ongoing. The current grant project period expired September 30, 2005. STRONGER has applied for a new grant to continue the project through September 2007.

Publications

Reports of the reviews are available through IOGCC at <http://www.iogcc.state.ok.us/> or STRONGER at <http://www.strongerinc.org/>.

Project Start: April 4, 2001

Project End: September 30, 2005

Anticipated DOE Contribution: \$600,000

Performer Contribution: \$175,000 (22% of total)

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