

Marcellus Shale Public Meeting

June 27, 2016

MDE Headquarters, Baltimore, MD



- Oil and gas regulations proposed January 9, 2015. The proposal has expired.
- Legislation enacted during 2015 Session.
 - Hydraulic fracturing regulations must be adopted by October 1, 2016.
 - Regulations may not become effective, nor may a permit be issued, until October 1, 2017.
- Department has published issue papers addressing key aspects of the regulations (www.mde.maryland.gov/marcellus)



- Public meetings in Allegany, Garrett, and Baltimore.
- Comments on the issue papers due by July 18, 2016 to:
 - <u>Marcellus.mde@maryland.gov</u>; or
 - Attn: LMA Director's Office
 Maryland Department of the Environment
 1800 Washington Blvd, Suite 610
 Baltimore, MD 21230
- After regulations are proposed, a formal public comment period will be provided on the entire regulatory proposal.



- Striving for reasonable and balanced regulations with protective and achievable requirements
- Prevention: greater emphasis on standards for well construction and testing to prevent potential problems
- Many provisions of the January 2015 proposal remain unchanged
- Changes considered to ensure continued protection of public health, safety and natural resources and allow for responsible development of the State's natural gas resources



Standards Maintained from 2015 Proposal

- The Department recommends retaining the majority of the requirements in the 2015 proposal, including in the areas of:
 - Stormwater, chemical storage, and design of the well pad;
 - Chemical disclosure;
 - Control and reporting of air emissions;
 - Management of wastes and wastewater; and
 - Plugging, abandonment, and bonding.



Other Requirements Applicable to Marcellus Shale Development

- Sediment control and stormwater management at State and federal levels
- Non-tidal wetlands requirements
- Water appropriation and use
- New federal requirements related to methane emissions and pipeline safety



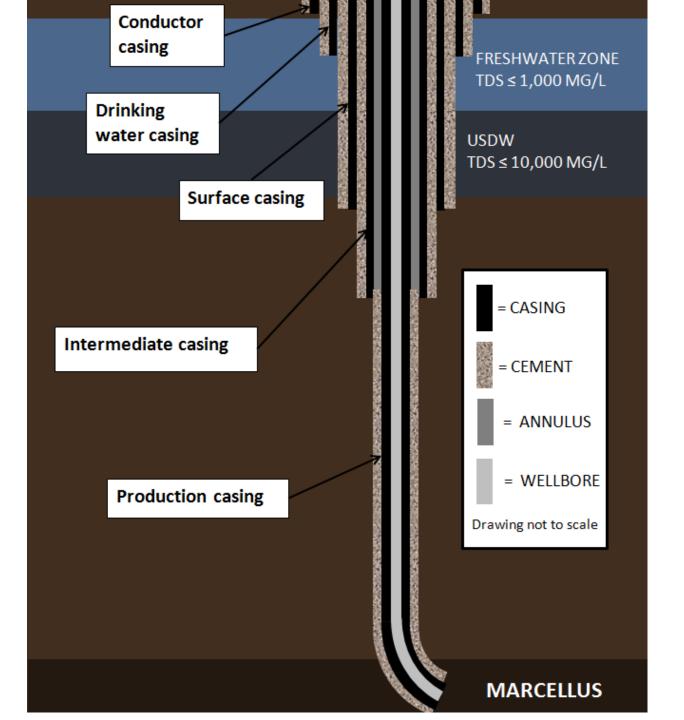
- Well construction and testing
- Comprehensive development plan
- Baseline air and water monitoring
- Setbacks and location restrictions



Well Construction and Testing

Casing and Cementing Changes

2015 Proposed	2016 Recommended
 Three layers of protective casing Surface casing (below lowest water having ≤ 1,000 mg/L TDS) Intermediate casing Production casing 	 Four layers of protective casing Drinking water casing (depth based on nearby drinking water wells) Surface casing (below lowest water having TDS ≤ 10,000 mg/L TDS) Intermediate casing Production casing
Not clear whether all casing strings must be run to the surface	Require all casing strings to be run to the surface
Allowed the cement for the intermediate casing to stop at the bottom of the surface casing	Require the cement for the intermediate casing to be run to the surface





- Additional recommendations:
 - Allow an applicant to propose an alternative to using a pilot hole for each well pad, subject to Department approval.
 - More specific requirements for the integrity and pressure testing plan:
 - Casing shoe testing
 - Production casing and tubing integrity test
 - Periodic testing during life of well, at least every 5 years
 - Integrity testing following shut-in
 - Downhole safety valve
 - Fill production casing annulus with fluid







3. Applicant considers public comments.

4. Applicant submits the final CDP to the Department with the permit application.

5. Permittee maintains and updates the CDP as needed.



- Use existing monitoring efforts to characterize air quality before gas development in western Maryland.
- Future monitoring during active gas development is planned, through NETL and the Department's Piney Run monitoring station.
- Remove requirement to perform baseline and ongoing air quality monitoring at each well pad.
- Pursue amending air toxics regulations to require an evaluation of whether air emissions from a proposed gas well would have an adverse impact on public health.



2015 Proposed	2016 Recommended
2 years of baseline surface and ground water monitoring required	1 year of baseline surface and ground water monitoring required
	Allow preliminary permit application review during collection of monitoring data
	Monitoring protocol must include testing of private drinking water wells within the presumptive impact area, if authorized by the owners of those wells



Applicability of setbacks

2015 Proposed	2016 Recommended
Most setbacks applied to the limit of disturbance of the well pad, and other gas development activities resulting in permanent surface alteration, including: -Permanent roads -Compressor stations -Separator facilities	Apply setbacks only to the limit of disturbance of the well pad, <u>except</u> for setbacks between access roads and aquatic habitat



Property line

2015 Proposed	2016 Recommended
1,000 foot setback	1,000 foot setback
No waiver	Add waiver with written consent of adjacent surface and mineral owners; subject to final Department approval.



Setbacks and Location Restrictions

Public surface water sources

2015 Proposed	2016 Recommended
Prohibited within the watersheds of Broadford Lake, Piney, and Savage Reservoirs	Prohibited within the watersheds of Broadford Lake, Piney, and Savage Reservoirs Add setback of 2,000 feet parallel to and above a surface water intake



Public drinking water wells

2015 Proposed	2016 Recommended
1,000 foot setback from the boundary of a wellhead protection area	Prohibit within the boundary of a wellhead protection area, where defined
	Where no wellhead protection area is defined, setback of 1,000 feet



Private drinking water wells

2015 Proposed	2016 Recommended
2,000 foot setback	1,000 foot setback



Aquatic habitat (setbacks from the <u>well pad</u>)

2015 Proposed	2016 Recommended
450 foot setback	300 foot setback from Use I-P, III, III-P, IV, IV-P, and Tier II water segments
	100 foot setback for Use I streams
	100 foot setback from Wetlands of Special State Concern (existing buffer requirement in nontidal wetlands statute)
	25 foot setback from other wetlands (existing buffer requirement in nontidal wetlands statute)



Aquatic habitat (setbacks from <u>access roads</u>)

2015 Proposed	2016 Recommended
450 foot setback	25 foot setback for wetlands and floodplains
	100 foot setback for streams
	Where there is no feasible design to maintain the above setbacks in the opinion of the Department, roads must be designed and constructed to
	minimize impact to the stream and adjacent aquatic habitat.



Enhanced Flexibility for Several Setbacks

2015 Proposed	2016 Recommended
Development prohibited on land sloped more than 15 percent	Instead of requiring blanket setbacks or prohibitions, recommend allowing for case-by-case review, with
Setback of 300 feet from cultural or historical sites	opportunity for additional permit conditions where necessary
Setback of 600 feet from Special Conservation Areas identified by DNR	



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