

DRBC's Regulatory Implications of Natural Gas Exploration/Production in the Marcellus Shale Formation in the Delaware River Basin

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Extent of Marcellus Shale Formation within the Delaware River Basin



36% (4,937 mi²) of the Delaware Basin is underlain by the Marcellus Shale

DRBC Regulatory Requirements/Concerns

- Section 3.8 of the DRBC Compact
 - “No project having a substantial effect on the water resources Unless it shall have been first submitted to and approved by the Commission...”
- Section 2.3.5 B Rules of Practice and Procedure (RPP)
 - All projects not excluded by Section 2.3.5 A that may have a substantial effect on the water resources of the Basin shall be submitted to the Commission

Natural Gas Development Project in the Marcellus Shale Formation

- May have a substantial impact on the water resources of the Basin due to:
 - Water withdrawals
 - Chemical addition to drilling “mud” and “frac” water
 - Storage, reuse, and disposal activities
 - Inter-basin transfer of water or waste

DRBC Actions to Date

- Coordination with states of PA/NY
 - Familiarization with state oil and gas permitting requirements
 - Coordinating reviews/meetings
 - Streamline permitting requirements
- Negotiating Compliance Issue with Stone Energy
 - Required to file an application and did not
 - Project sponsor may not:
 - Commence any withdrawal
 - Drill any well
 - Construct any impoundments
 - Discharge to ground/surface water

DRBC Actions to Date (cont)

- Recommending pre-application meeting
- Attended PA Summit, NYC City Council Meeting, Appalachian Shale Water Conservation and Management Committee Meeting, Natural Gas Discussion Meetings with PADEP.
- Met with a number of natural gas company representatives
- Advice to applicants:
 - Requirements for applications
 - Commission procedures
 - Timing of review and docket decision
 - Potential docket conditions
 - Coordination with state permitting agencies

Current Activity

- Surface water withdrawal application for use in well drilling and stimulation filed October 2008.
- Determining necessity to regulate “exploratory wells” in PA and NY.
- Expecting to evaluate multiple gas wells on a single docket covering one lease area.
- Expecting increased application activity in Pennsylvania (Wayne Co.)