Horizontal Well Permitting & ePermitting Update

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What’s New?
- 35 CSR 8 update by Legislature has eased MSDS requirements
- NEW Site Safety Plan Structure
- HOW we want to receive water well predrill data
- NEW H6A Permit Condition regarding Spud Date notification
- ESS (ePermitting) Status

What’s Old?
- Lease requirements
- Plat requirements
- Need for attention to detail in permit applications
- Need to protect safety of school kids
MSDS requirement change in 35 CSR 8

Changes were made to 35 CSR 8 in the 2014 Legislative Session!

35 CSR 8 used to say Site Safety Plan shall:

“encompass all aspects of the operation, including the actual well work for which the permit is sought, the anticipated MSDS Sheets, and completion, production, and work-over activities.”

35 CSR 8 now says Site Safety Plan shall:

“encompass all aspects of the operation, including the actual well work for which the permit is sought, the anticipated MSDS for the chemical components added to the hydraulic fracturing fluid, and completion, production, and work-over activities.”
MSDS requirement change in 35 CSR 8

35 CSR 8 used to say Operator shall:

“also provide the Well Site Safety Plan to the surface owner and any water purveyor or surface owner subject to notice and water testing as provided in section 15 of this rule.”

35 CSR 8 now says the above, PLUS:

“Provided, That in the event the Well Site Safety Plan previously provided to a surface owner, water purveyor or surface owner, is later amended, in whole or in part, the operator shall provide a copy of the amendments to the surface owner, water purveyor or surface owner.”

These changes effective on June 1st, 2014
Site Safety Plan “shall be made available…”

FYI, 35 CSR 8 STILL says:

It shall be made available on the well site during all phases of the operation and provide an emergency point of contact and twenty-four (24) -hour contact information for the well operator. At least seven (7) days before commencement of well work or site preparation work that involves any disturbance of the land, the well operator shall provide a copy of the well site safety plan to the local emergency planning committee (LEPC) for the emergency planning district in which the well work will occur or to the county office of emergency services.

What this means:

- Have SSP on site at all times
- Week before construction begins, give a copy to Emergency folks (LEPC)
New Site Safety Plan Organization

Operators should already be using this new structure for Site Safety Plans.
Good Example of SSP with New Structure

Good adherence to new SSP structure got this Deep Well SSP approved by Cindy super quick!
Water Well Predrill Analytical Data

What to test for?
all parameters stated in 35 CSR 8 15.3.b

Where to sample?
wells within 1500’ or 2000’ if none are found within 1500’

Why is it important?
to provide rebuttable presumption that drilling was not the cause of contamination

Next: How we want to receive them...
How we have been receiving the data:

All are currently received on paper...

Sometimes with well numbers or API numbers...

Sometimes without.
Water Well Predrill Analytical Data

How we would like to receive the data:

<table>
<thead>
<tr>
<th>Parameter</th>
<th>Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>TPH - ORO</td>
<td>mg/L</td>
</tr>
<tr>
<td>TPH - DRO</td>
<td>mg/L</td>
</tr>
<tr>
<td>TPH - GRO</td>
<td>mg/L</td>
</tr>
<tr>
<td>BTEX</td>
<td>mg/L</td>
</tr>
<tr>
<td>Chloride</td>
<td>mg/L</td>
</tr>
<tr>
<td>Sodium</td>
<td>mg/L</td>
</tr>
<tr>
<td>Total Dissolved Solids (TDS)</td>
<td>mg/L</td>
</tr>
<tr>
<td>Aluminum</td>
<td>mg/L</td>
</tr>
<tr>
<td>Arsenic</td>
<td>mg/L</td>
</tr>
<tr>
<td>Barium</td>
<td>mg/L</td>
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<tr>
<td>Iron</td>
<td>mg/L</td>
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<tr>
<td>Manganese</td>
<td>mg/L</td>
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<tr>
<td>pH</td>
<td>SU</td>
</tr>
<tr>
<td>Calcium</td>
<td>mg/L</td>
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<tr>
<td>Sulfate</td>
<td>mg/L</td>
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<tr>
<td>MBAS</td>
<td>mg/L</td>
</tr>
<tr>
<td>Dissolved Methane</td>
<td>mg/L</td>
</tr>
<tr>
<td>Dissolved Ethane</td>
<td>mg/L</td>
</tr>
<tr>
<td>Dissolved Butane</td>
<td>mg/L</td>
</tr>
<tr>
<td>Dissolved Propane</td>
<td>mg/L</td>
</tr>
<tr>
<td>Total Coliform Bacteria</td>
<td>cfu/100mL</td>
</tr>
</tbody>
</table>

This form is still being ironed out, and will be available on our website soon.

Ultimately, the goal is to receive the data digitally, either as a spreadsheet or fillable form.
New Permit Condition on H6A Permits

“Operator shall provide the Office of Oil & Gas notification of the date that drilling commenced on this well.

Such notice shall be provided by sending an email to DEPOOOGNotify@wv.gov within 30 days of commencement of drilling.”
Electronic Submission System (ESS/ePermitting)

Big thanks to our Beta Testers for helping us develop ESS for OOG!

- H6A and Plugging Apps have been tested & tweaked
- Duplication of permits has been developed
- A few H6A permits have actually been issued with ESS
ESS Further Development

- DEP is currently re-assessing the Department-wide Electronic Submission System
- Feedback is being gathered from DEP users as well as current and future Permittees
- DEP Ombudsman Terry Polen is putting this information together
- You may be hearing from Terry soon for your input
Lease Requirements

§22-6A-5 states:

“To the extent that horizontal wells governed by this article are similar to conventional oil and gas wells regulated under article six of this chapter, the following sections of article six of this chapter are hereby incorporated by reference in this article: “

What this means:

This is nothin’ new. These are the same old rules that have always applied to all the well permits we’ve ever issued.

Question begged:

Which “following section,” and what does it say?
“Following Section”
(otherwise known as §22-6A-5 (5))

§22-6A-5 (5)

“The provisions of section eight, article six of this chapter relating to the prohibition of permits for wells on flat well royalty leases and requirements for permits”

What this means:

Harken back to 22-6 on this one, and it’ll tell you what has always been required to get a permit, lease-wise

Question begged:

Alrighty, so what does 22-6-8 say?
§22-6-8(c)

“no such permit shall be hereafter issued unless the lease or leases or other continuing contract or contracts by which the right to extract, produce or market the oil or gas is filed with the application for such permit”

**Question begged:**

Is there anything we can provide instead of—or in lieu of—a lease or other continuing contract? Anything at all...?
In Lieu of Lease or Other Continuing Contract

§22-6-8(c) (continued)

“In lieu of filing the lease or leases or other continuing contract or contracts, the applicant for a permit described herein may file the following:

(1) A brief description of the tract of land including the district and county wherein the tract is located;

(2) The identification of all parties to all leases or other continuing contractual agreements by which the right to extract, produce or market the oil or gas is claimed;

(3) The book and page number wherein each such lease or contract by which the right to extract, produce or market the oil or gas is recorded, and

(4) A brief description of the royalty provisions of each such lease or contract.”

What this means:

Either show us the lease or contract, or give us a WW6A1, complete with recordation info.
Plat Requirements

Read 35 CSR 8 section 6.2 Forms and Contents of Plats

Example of a Good Plat →

• Has 500’ buffer around lateral
• Clearly shows UTM Nad 83 coords
• Has correct Well Number & other info
• Shows Total Vertical Depth (not just TMD)
• Spots correctly on Quad map
• Has references for lease info (labeled 1-7)

A good plat saves Operators Time & Money
Application Paperwork: Please Do It Right

We get a lot of paperwork. This picture represents what we sometimes receive in one day.

What you can do to help:

- Double check *everything*:
  - well & pad names
  - mail receipts
  - UTM coordinates
  - newspaper ad
  - Plat info
- If you’re not sure, ASK before sending
- Be NEAT and CONSISTENT
- Be responsive and courteous when we contact you

Accurate application paperwork saves Operators Time & Money
We can all agree:

Protecting school children from truck traffic and other potential hazards is extremely important

Whenever a well site or well road entrance is near a school, do the following:

1. Consider re-routing truck traffic to avoid the school
2. Provide protective measures for the school in Site Safety Plan
3. Show the school on Construction E&S Plan
4. Show the school on all topographic and other maps
Questions?

What questions do you have?
Laura K. Cooper

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