



Plans for all Pennsylvanians

A PLAN TO ENACT WORLD-CLASS DRILLING STANDARDS

The world-class drilling plan that I unveil today will fairly tax the extraction of natural gas, protect state parks and forests from drilling, cut air emissions from drilling by 90 percent, prevent drilling wastewater from polluting rivers and streams, increase enforcement and compliance with our rules and ensure that drilling companies fully compensate citizens for any damage done by drilling.

The public has rightly lost confidence in the willingness of the Corbett administration to adequately regulate gas drilling. The governor has created this crisis in public confidence by opposing a drilling tax, by combatively reacting to legitimate public questions and concerns about drilling, and by reducing enforcement of Pennsylvania's gas regulations. Violations issued to the gas industry have declined by 50% since 2010, when DEP cited the gas industry 1,200 times.

When I was secretary of the Department of Environmental Protection (DEP), I was America's toughest gas drilling regulator. I became the secretary of the DEP in September 2008 just as the gas drilling boom was getting underway. I realized that drilling for the Marcellus shale gas deposit was fundamentally different from the gas drilling that had been done in the Commonwealth for decades. And I also immediately knew that DEP's drilling rules needed to be modernized and strengthened and its regulatory staff needed to be more than doubled in order to oversee the gas industry.

Between 2009 and 2011, I started and pushed through five tough, new regulations to protect our water and public safety. These new rules: regulate how much water gas drillers can take from rivers and streams; require gas drillers to treat their wastewater to drinking water standards if they want to dispose of it in rivers and streams; require drillers to keep their wells at least 150 feet away from our best rivers and streams; impose strict new gas well construction standards; require drillers to disclose the contents of their frack fluid; and, raised the fees to apply for gas drilling permits from \$100 to on average \$3000.

With the money raised from the new fees, I more than doubled (from 88 inspectors to 210) the number gas drilling oversight staff, opened 2 new gas drilling offices, and provided new equipment to the regulatory staff. I made sure these drilling cops sent the message to the gas drilling industry that we would not tolerate breaking our environmental laws.

But some drillers didn't get it – during 2010 DEP issued 1200 notices of violations to drillers, required drillers to pay for cleaning up their accidents and imposed hefty fines. In the worst cases, I shut down drillers. When Cabot Oil and Gas and EOG would not follow our rules, I shut

down all their operations. And when Cabot contaminated the well-water supplies in Dimock, I won a \$4.1 million settlement for the 18 affected families. The average payment was \$201,000 per family.

I also worked with DCNR Secretary John Quigley to write a moratorium on further leasing of state forestland for gas drilling that Governor Rendell issued as an executive order in 2010. We also worked together to develop and implement substantial additional protections for state park and state forest lands where the Commonwealth does not own mineral rights where gas drilling could occur. Those strong protections were repealed by Corbett as one of his first acts after taking office.

This record made me the toughest regulator of gas drilling in America, and I learned a lot about how the drillers operate and understand industry best practices. We are now five years into the shale gas boom, and we have learned a lot about the industry and its best practices and about the primary hazards that drilling brings to our communities and landscapes.

By 2015, about 5 years will have passed since the last comprehensive review of gas drilling rules was performed under my leadership, and it will be past time to modernize and strengthen our rules. We need to turn our experience into the development of world-class drilling regulations and insist that drillers that operate here meet the highest performance standards.

To protect the environment and public health as the multi-national oil and gas companies develop our Marcellus shale resource I will:

- Enact a reasonable severance tax on natural gas extraction similar to West Virginia's;
- Increase gas drilling oversight staff by 50 percent;
- Raise the permit application fee and enact an annual fee for companies that operate wells in the Marcellus shale;
- Ensure inspectors issue notices of violation without prior approval from Harrisburg;
- Ensure local governments may responsibly use zoning powers to site gas drilling within their communities;
- Ban the dumping of any gas well wastewater that is not fully treated into open wastewater pits;
- Ban the dumping of any gas well wastewater that is not treated to Safe Drinking Water Standards into rivers and streams – from both Marcellus shale and conventional wells;
- Continue the moratorium on leasing more state forestland for gas drilling;
- Enact a separate \$3 million impact fee for gas wells drilled on state forestland or state parks to discourage drilling on our public lands and impose strict environmental restrictions to prevent gas drilling in state parks;
- Ban drilling in the Loyalsock State Forest where the Commonwealth controls the rights to access mineral rights from the surface;
- Enact requirements for green completions during well completions;
- Insure that the best available technology is deployed on compressor engines to cut air emissions by 90% or more;

- Require world class maintenance and inspection of gas drilling equipment to prevent and identify methane leakage and gas leaks;
- Sharply limit flaring of natural gas at wells;
- Modernize and strengthen rules designed to prevent methane migration;
- Create a transparent, easy-to-use DEP website that discloses the chemicals used at gas well operations;
- Repeal the gag rule that prohibits physicians from sharing medical information about patients who are exposed to gas drilling chemicals;
- Require gas drillers to pay twice the property value if they contaminate a landowner's private water well.

I will also create an ombudsman office that will be charged with investigating every complaint from landowners and other community members about problems with drilling operations. I will ensure that the complaints are taken seriously and are respectfully reviewed.

I know gas drillers can do better, and I know most want to do better. Pennsylvania deserves world-class regulations that demand world-class performance from the gas drillers.