

Unfinished Business for Oil & Gas Commission Consideration

1. **Pit Standards.** Existing rules lack detail on the extent and limitations for use of pits to support oil and gas operations. The Oil and Gas Commission (OGC) would be well served to continue its survey and analysis of the other states' use of pits and to continue its survey of industry best practices to improve upon existing regulatory language.
2. **Tank Standards.** The Mining & Energy Commission (MEC) used API and industry recommended best practices for tank standards where standards could be found. More study is necessary to extend the use of tanks for managing flowback and wastewater in lieu of pits.
3. **Set-back Standards.** The OGC should continue refining setback standards as additional scientific and engineering studies emerge, and as the state can perform reasonable worst-case analysis of the safety precautions needed for oil and gas operations.
4. **Internal OGC Procedures for Managing Drilling Units.** Current forms from the OGC and the Department do not include sufficient format and content for operators to submit requests for drilling units. Current rules lack many of the details about how the OGC will deliberate and issue drilling units. The commission should develop and vote on internal forms and operating procedures to clarify how drilling units will be awarded, documented and managed by the OGC and the Department. The OGC may determine some of the procedures merit inclusion in the state's regulatory code. If so, the OGC will need to perform formal rulemaking for that purpose.
5. **Internal OGC Procedures for Managing Pooling Orders.** OGC rules lack details about how the OGC will deliberate, document and issue pooling orders. The commission should develop and vote on internal operating procedures that govern how pooling orders will be developed, disseminated and published. Some of those procedures may merit inclusion in the state's state's regulatory code. If so, the OGC will need to perform formal rulemaking for that purpose.
6. **Seismic Monitoring during Active Drilling.** The OGC should examine the merits of performing seismic monitoring during the first year of drilling in the Sanford Sub-basin. The data captured during this study could be coupled with the already gathered baseline seismic data in the same basin to complete a before and after analysis of induced seismic activity. This would constitute the nation's first before-and-after drilling seismic study.
7. **Public Health Baseline Study.** The OGC should consider sanctioning the nation's first-ever pre-drilling baseline study of public health in the area of the Triassic basins. Much of the needed information is already regularly tracked by local health departments and by the state DPH. The OGC might wish to refine the scope of the study to document endocrine health, pre- and post-natal health, cancer incidence rates, and relevant cardio-respiratory health stats. This information can be coupled with similar studies during and after drilling operations to capture before-and-after health impacts from oil and gas development.
8. **Air Quality Monitoring during Active Drilling.** As the EPA refines and releases its emerging rules for Air Quality in areas of oil and gas development, the OGC should be collaborating with the EMC and NC DEQ for applicable rulemaking. EPA rulemaking should be actively followed by a committee of the OGC.
9. **Emergency Services Requirements for Local and State level agencies.** The MEC, NC DEQ and NC DOL have yet to articulate minimum acceptable standards or recommendations for local emergency management offices to use during oil and gas development. County fire marshals and emergency management directors need to have the requisite personnel and equipment, and they need to know the training necessary to be prepared for effective first response to accidents in the drilling areas. The OGC should take lead in developing those recommendations and standards for dissemination to NC DEQ and NC DOL field staff and the affected counties. The OGC also needs to pre-identify an in-state or out-of-state contractor that can immediately respond to wild well problems that might exceed the capacity of local emergency management and drilling companies to resolve. Even though companies are required to contract for this kind of response, the OGC and NC DEQ should have a fallback company to call in if necessary.