

MEC Unfinished Business for OGC Consideration

1. **Pit Standards.** Our existing rules lack detail on the extent and limitations for use of pits to support oil and gas operations. The OGC would be well served to continue our survey and analysis of the other states' use of pits and to continue our survey of industry best practices to improve upon our existing regulatory language.
2. **Tank Standards.** We used API and industry recommended best practices for tank standards where we could find them. 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 our 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.** Our rules lack much of the detail needed for the OGC to deliberate and issue drilling units. Believe the commission can develop and vote on internal operating procedures that govern how these matters will be conducted. If Counsel believes some of those procedures merit inclusion in the state's regulatory code, then the OGC will need to perform rulemaking for that purpose.
5. **Internal OGC Procedures for Managing Pooling Orders.** Our rules lack much of the detail needed for the OGC to deliberate and issue pooling orders. Believe the commission can develop and vote on internal operating procedures that govern how these matters will be conducted. If Counsel believes some of those procedures merit inclusion in the state's regulatory code, then the OGC will need to perform rulemaking for that purpose.
6. **Forms and Submission Requirements for Drilling Units.** I do not believe the MEC has adequately developed our rules to effectively document the content needed to successfully request and receive a drilling unit. Believe the OGC would be well served to develop a form and possibly a checklist for that purpose.
7. **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 to complete a before and after analysis of induced seismic activity.
8. **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.
9. **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 DENR for applicable rulemaking. EPA rulemaking should be actively followed by a committee of the OGC.
10. **Emergency Services Requirements for Local and State level agencies.** The MEC, NC DENR 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 DENR 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 DENR should have a fallback company to call in if necessary.