

# American Geosciences Institute Critical Issues Forum

**Forth Worth, Texas**  
**November 19-20, 2014**

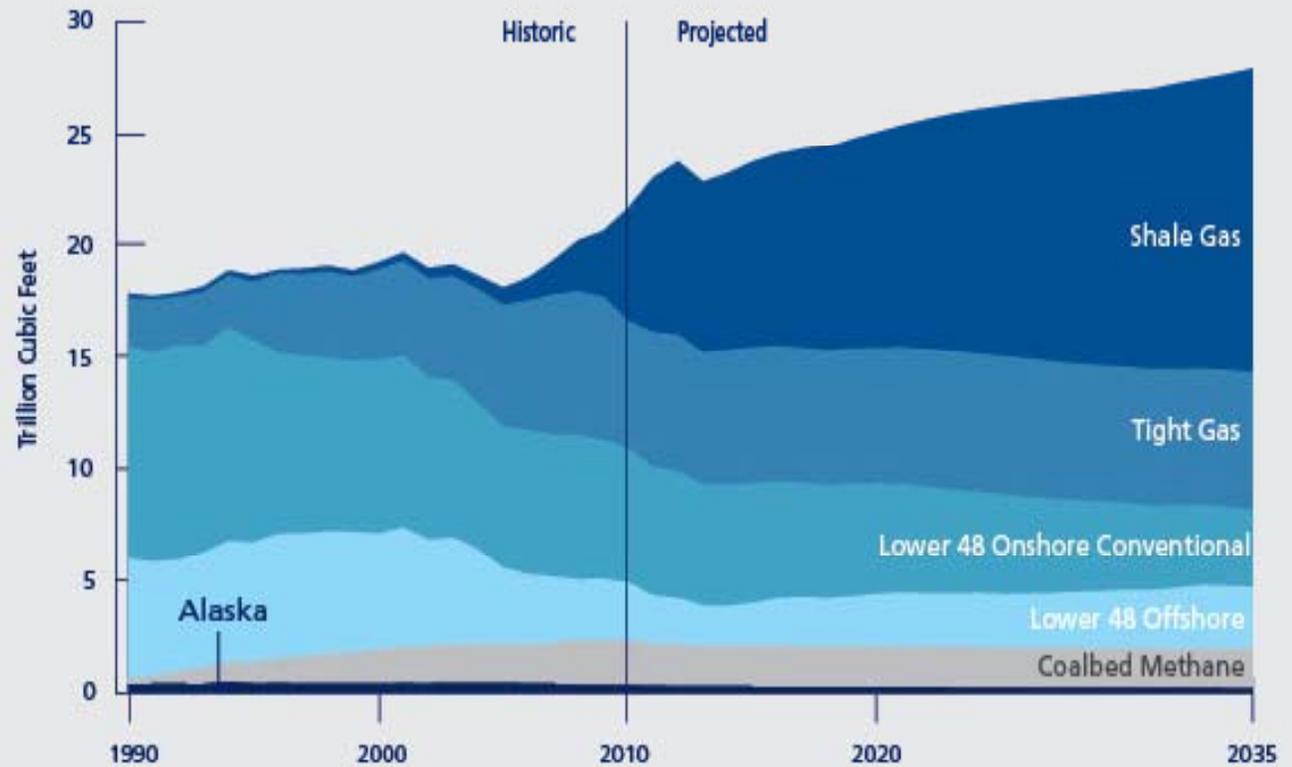
**America's Increasing Reliance on Natural Gas:  
Benefits and Risks of a Methane Economy**

**Session 4 – Drivers of and Barriers to Natural  
Gas Development in North America**





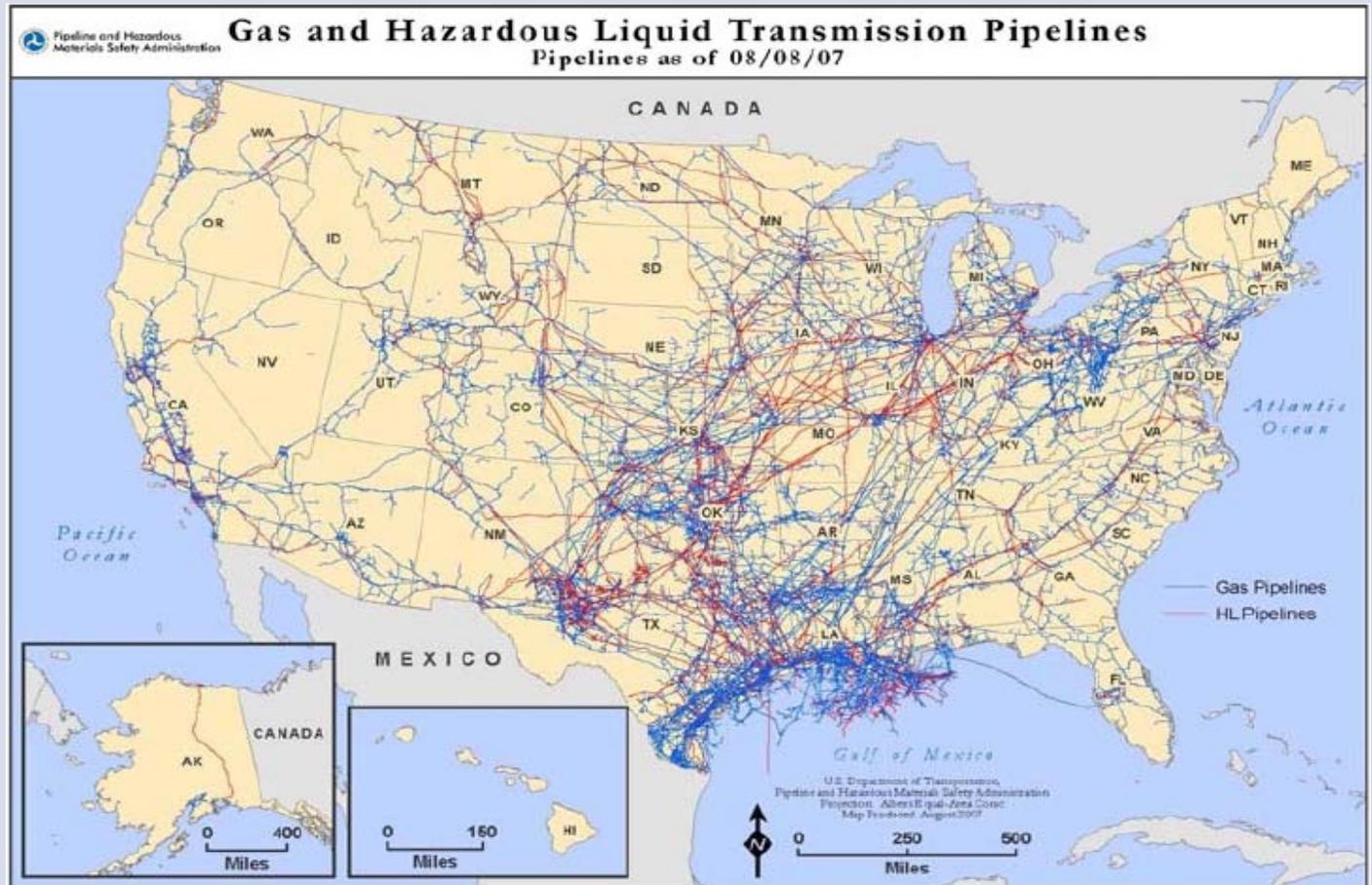
Figure 1. U.S. Natural Gas Production by Source (Historic and Projected)



Source: U.S. Energy Information Administration, 2012 Annual Energy Outlook, [http://www.eia.gov/forecasts/aeo/pdf/0383\(2012\).pdf](http://www.eia.gov/forecasts/aeo/pdf/0383(2012).pdf)

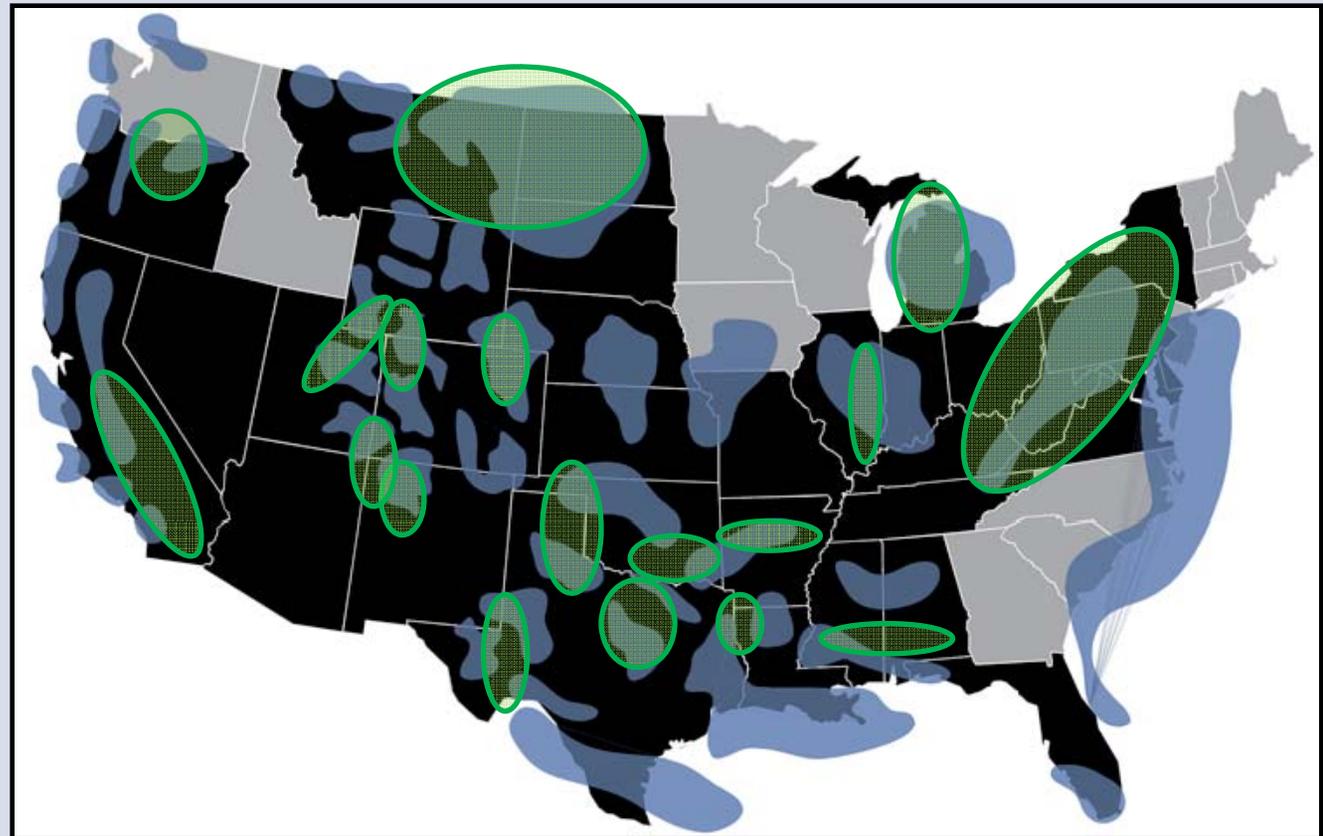


## 480,000 Miles of Existing Natural Gas and HL Pipelines In-Place Facilitating Shale Production





## Most U.S. Unconventional Shale Resources Occured in States With Existing Conventional Oil and Gas Regulatory Frameworks In-Place





## Key Points : State Oil and Gas Regulation

- Diversity of geology, topography, work force, culture make states logical oil and gas regulators
- States have historically been the primary regulators of oil and gas development
- States are innovative, flexible, can rapidly respond to changes in technology
- States work collaboratively as oil and gas resources cross state boundaries



## Primary Barriers to and Drivers of Natural Gas Development Challenge States

*Public Policy*

*Regulatory*

*Technology*

*Environment*

*Economic*

**States are rising to  
these challenges as  
laboratories for  
creative solutions  
and regulatory  
innovation .....**





# STATES FIRST INITIATIVE

## Governors' letter of support

Robert Bentley  
Governor of Alabama  
2013 IOGCC Chairman

Gary R. Herbert  
Governor of Utah

Sean Parnell  
Governor of Alaska

Mary Fallin  
Governor of Oklahoma

Tom Corbett  
Governor of Pennsylvania

Phil Bryant  
Governor of Mississippi

John Hickenlooper  
Governor of Colorado

Steve Bullock  
Governor of Montana

*Partnership between IOGCC and GWPC*

# States First Initiative

Shaping the STATE of our energy  
future together.

*Collaboration, Solutions,  
Regulatory Leadership*

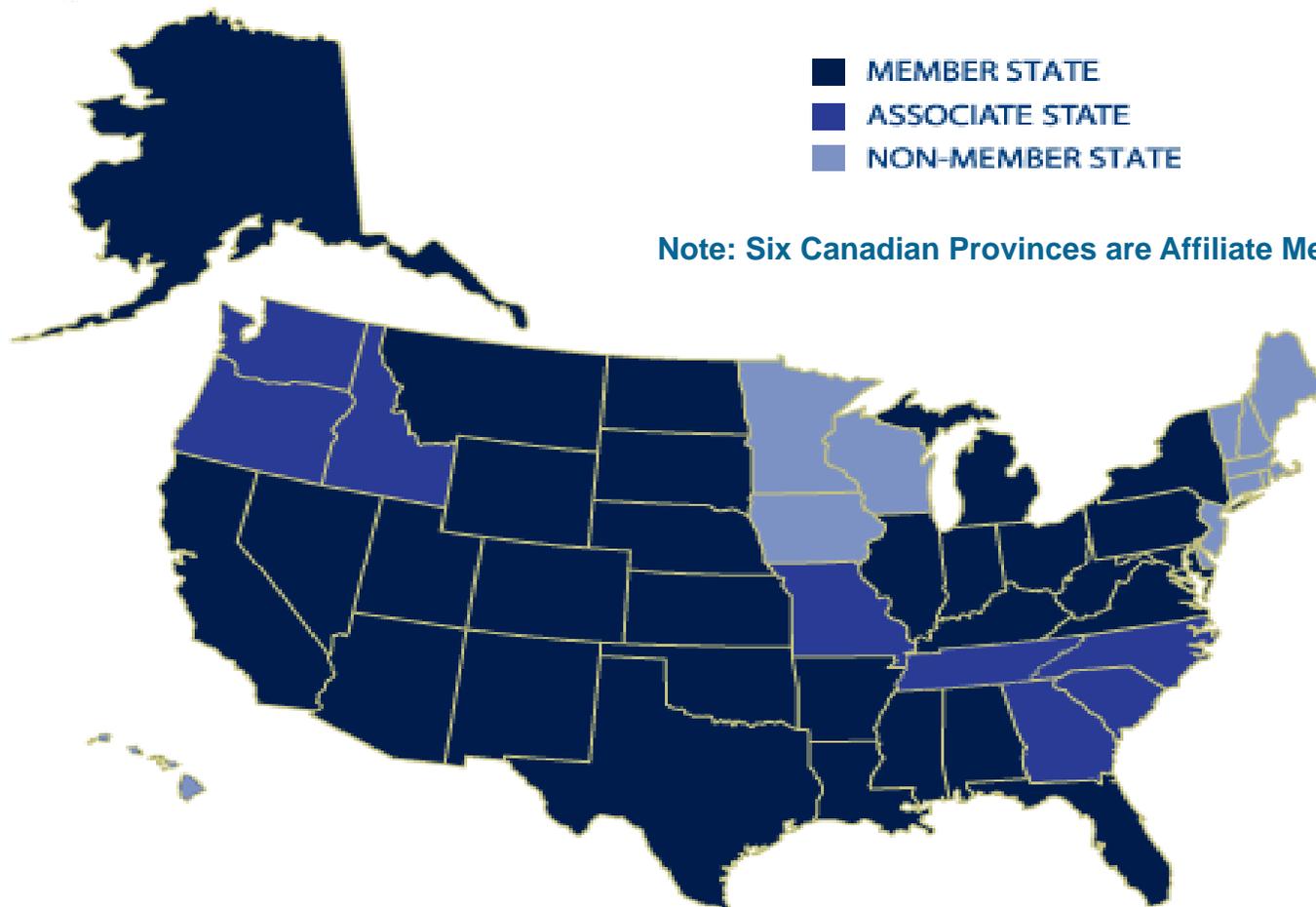


# Interstate Oil and Gas Compact

- Established by Congress in 1935
- Governors of oil and gas producing states
- Collectively representing the States
- State led, Chaired by governors
  - Governor Robert Bentley (Alabama) 2013
  - Governor Phil Bryant (Mississippi) 2014
  - Governor Gary Herbert (Utah) 2015
- Promote conservation and efficient

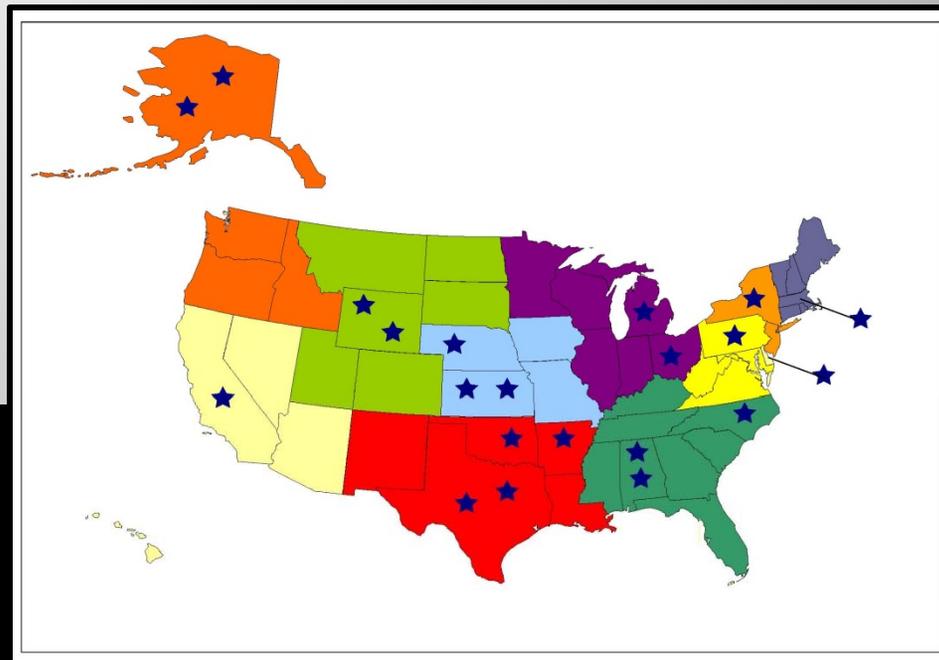


# IOGCC 38 Member States





*The national association of state groundwater protection programs*





## ***What is States First?***

- ***Partnership between IOGCC and GWPC***
- ***Platform demonstrating states continuing regulatory improvements***
- ***Initiated by 14 IOGCC member Governors***
- ***Announced by 2013 IOGCC Chairman  
Alabama Governor Bentley***



## STATES FIRST INITIATIVE

### **PURPOSES OF THE INITIATIVE**

- 1. Recognition of the state's continuing regulatory improvements.***
- 2. Provide a platform for open communication and sharing between state's.***
- 3. Develop best practices.***
- 4. Assist states efficiently develop and implement regulatory solutions.***



## STATES FIRST INITIATIVE

# Promoting and Documenting Continuous Regulatory Improvement

Underground  
Injection  
Control

Hydraulic  
Fracturing

Inspector  
Training &  
Certification

Effective  
Regulation  
through SOGRE

Science,  
Technology  
and Information  
Transfer



## STATES FIRST INITIATIVE

### **UNDERGROUND INJECTION CONTROL**

- *Peer Reviews of State Class II Regulatory Programs*
- *Consultation with States on Regulatory Improvements*

### **EFFECTIVE REGULATION THROUGH SOGRE**

- *Peer Reviews and Consultations of Oil and Gas Regulatory Programs*
- *State to State Issue Focused Workshops and  
**Utah Horizontal Well Spacing Workshop***



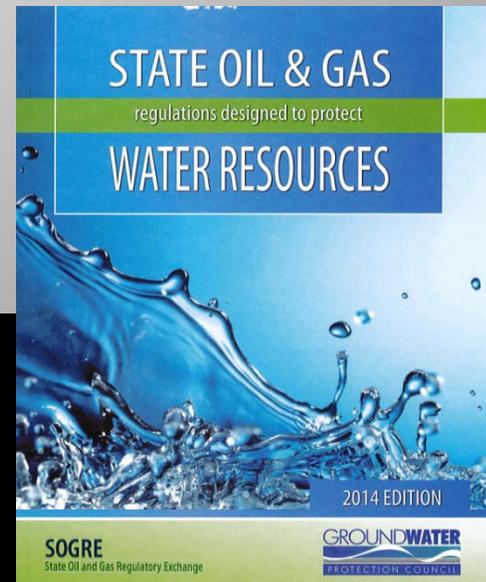
## STATES FIRST INITIATIVE

### INSPECTOR TRAINING AND CERTIFICATION

- *State Oil and Gas Inspector Training Program (Affiliated With Universities')*
- *State Oil and Gas Inspector Certification Program*

### INFORMATION, TECHNOLOGY AND SCIENCE TRANSFER

- *Recently created Seismicity Task Force*
- *New report on state regulations to protect groundwater.*





# STATES FIRST INITIATIVE

## HYDRAULIC FRACTURING

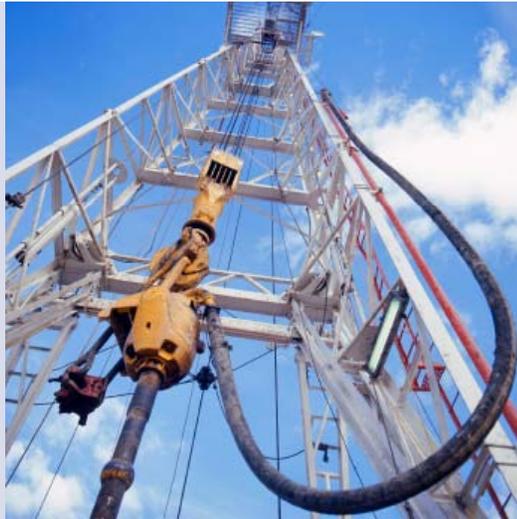
- *Chemical Disclosure through Frac Focus*



## STATES FIRST INITIATIVE

# GOALS

- Continuous Improvement
- Build Public Confidence
- Open Communications  
For States and Federal  
Agencies
- Empower states
- Educate Congress
- Inform Industry



# Questions ?

