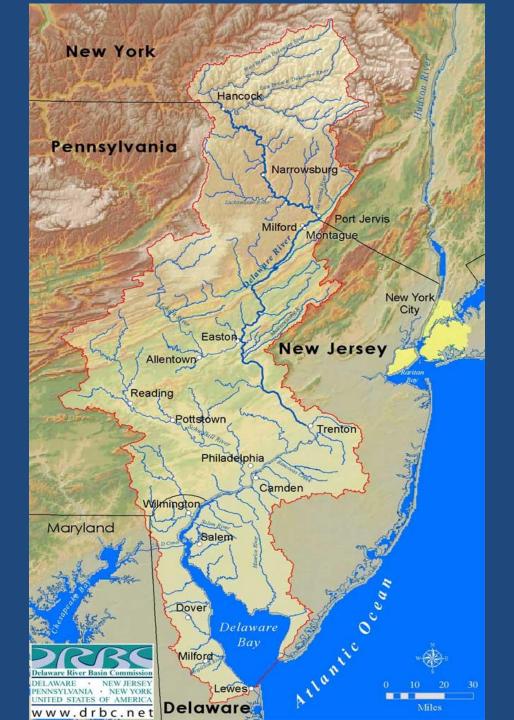
Natural Gas Development in the Delaware River Basin

Carol R. Collier, P.P., AICP

Executive Director

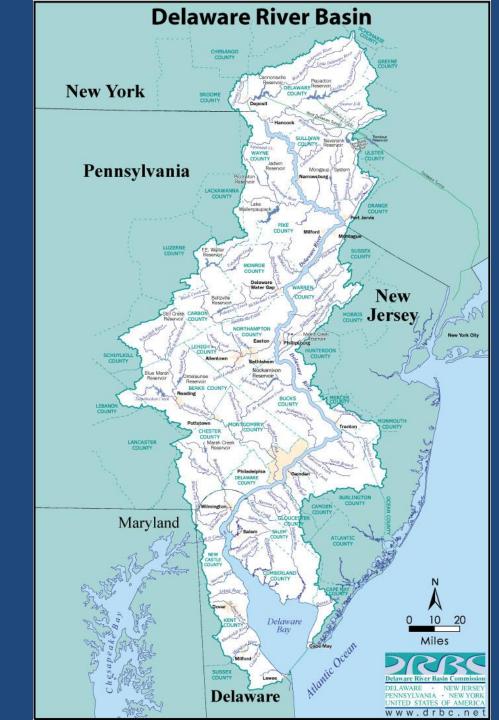
Delaware River Basin Commission

Delaware River Basin



Delaware River Basin Facts

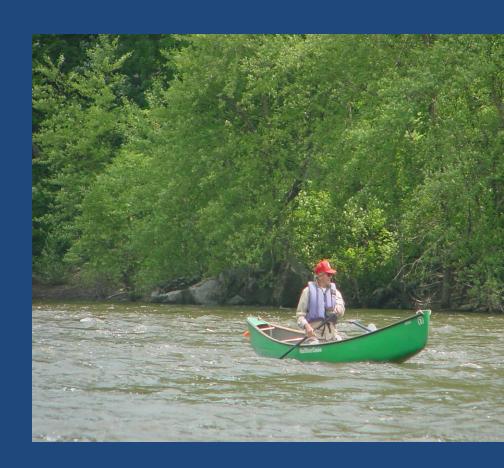
- □ Over 15 million people (about 5% of the U.S. population) rely on the waters of the basin for water supply
- □ Drains 13,539 mi²
- □ Daily water withdrawal in the DRB = 8.7 BGD

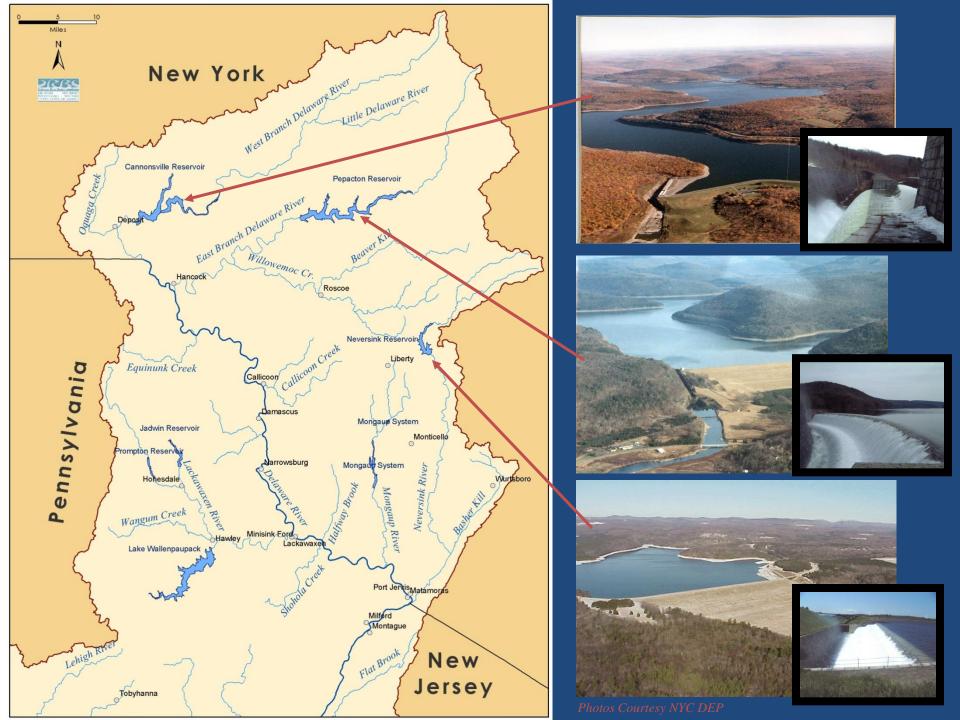


Delaware River

Longest Undammed River East of the Mississippi

330 miles





Delaware River Port Complex – Largest Fresh Water Port



Delaware River Basin Commission





DRBC's Charge

- Manage water resources w/out regard for political boundaries
- Regulate water quantity (equitably allocate, maintain streamflow) and water quality
- Plan and Develop (e.g., Basin Plan 2004; State of the Basin Report 2008; stored water)
- <u>Coordinate</u> between federal, state & local governments and private entities w/ role in managing water resources
- Educate the Basin community about water resources
- Forum for adaptive management

DRBC Value Added

- Manages the watershed <u>holistically</u>
- Provides a voice for individual states and federal agencies on use of the shared resources
- Evaluates <u>benefits and costs</u> of any proposals to all parts of the basin
- Fills in gaps where states do not have authority (water withdrawal)
- Creates a <u>uniform baseline</u> of regulations for the shared waters
- Cost effective allocation of funds

Outstanding Regional Resource

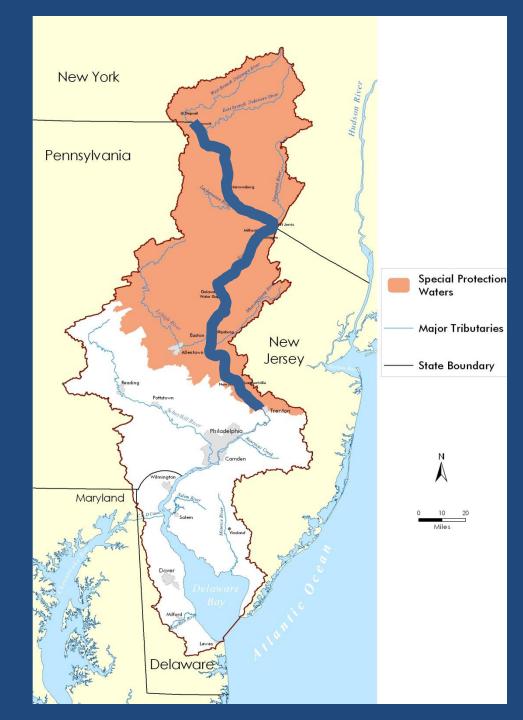
- Undammed River
- Exceptional water quality
- High ecological diversity
- ~75% of the non-tidal river is part of the National Wild and Scenic Rivers System





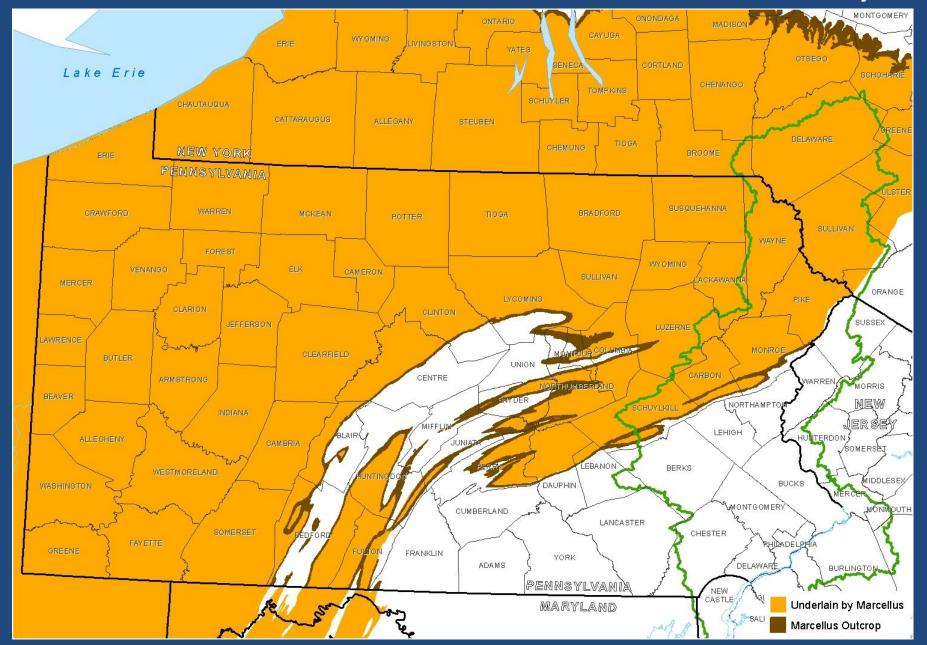
Water Quality

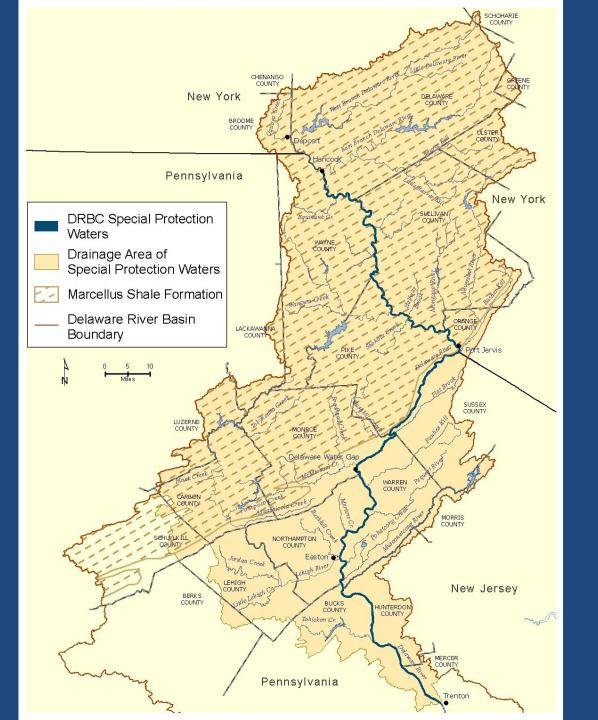
- ☐ Federal Wild and Scenic River Designation — ¾ of non-tidal river
- Total non-tidal river and its watershed designatedDRBC Special ProtectionWaters
- Mainstem = longest stretch of anti-degradation waters in U.S.
- No measurable change in water quality





Marcellus Shale, Delaware Basin Boundary





Marcellus Shale and Special Protection Waters

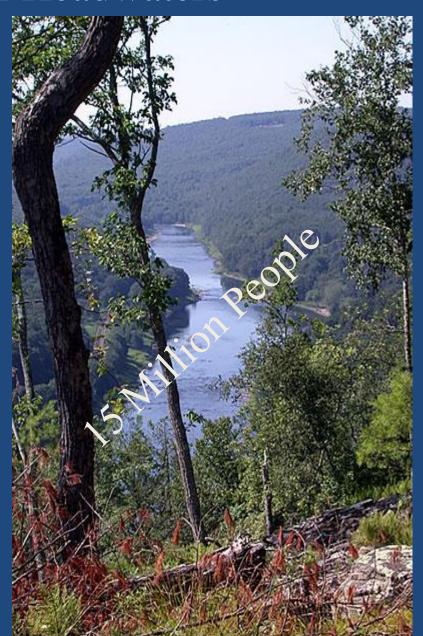
36% (4,937 mi²) of the Delaware Basin is underlain by the Marcellus Shale

Two Value Sets

- NG national, state, local value
 - security, economy
- Environment and Community
 - Sensitive Environments
 - Major Water Supply
 - Tourism Economic Base
 - Very different environment for TX, OK, etc.

Vulnerability of Headwaters

- Headwaters are the most sensitive <u>areas of a watershed</u>
- Existing contiguous forest is critical to water quantity and quality
- Philadelphia Source Water Protection Analysis
 - #1 Change in Delaware River Headwaters



Regulation Development

- May, 2010 Commissioners requested staff to develop draft regulations
- December, 2010 Draft Regulations Posted
 - Started Public Review process with hearings
- April, 2011 Comment period Closed
 - 69,000 comments
- Latest Version of Regulations
 - posted November, 2011

Concerns

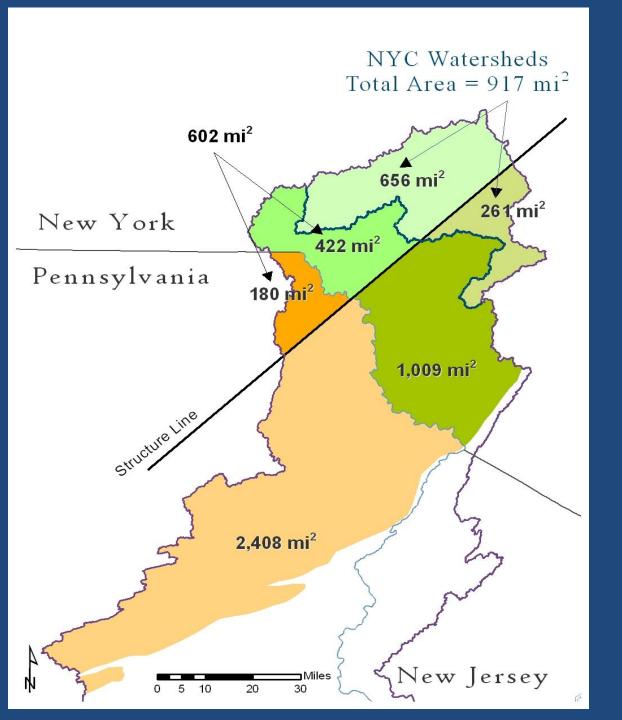
1. Water Withdrawals, Use, and Tracking

2. Well Pads and Ancillary Infrastructure

3. Wastewater Tracking and Disposal







AREA ESTIMATES

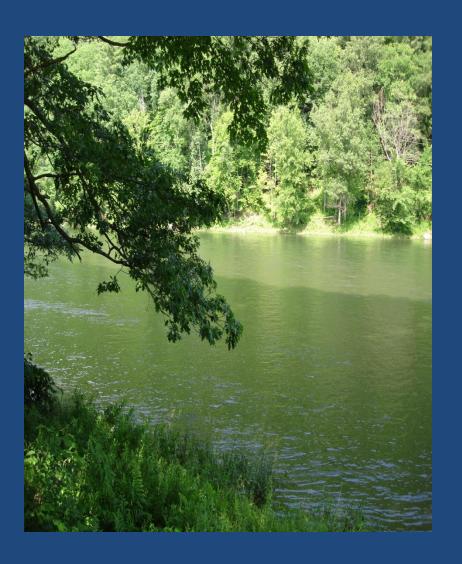
PA 2588 miles ²

NY 2348 miles ²

NYC Watershed 917 miles ²

Structure Line

Water Withdrawals and Use

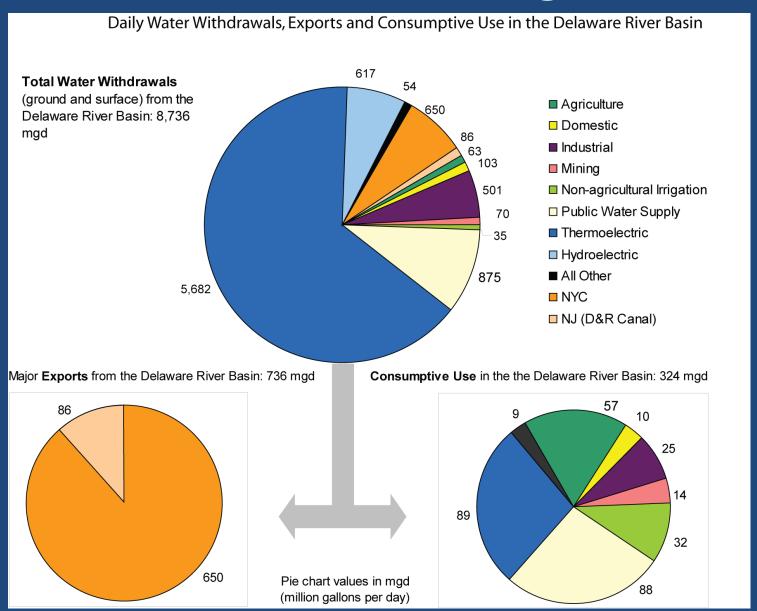


Projected Needs Over 10-20 Years:

- 5 million gallons per horizontal well stimulated
- 24-90 BG w/ no recycling
- 21-77 BG assuming 95% reuse of initial flowback water
- Limerick Generating Station56 MGD; 1.74 BG/month



Basin water usage

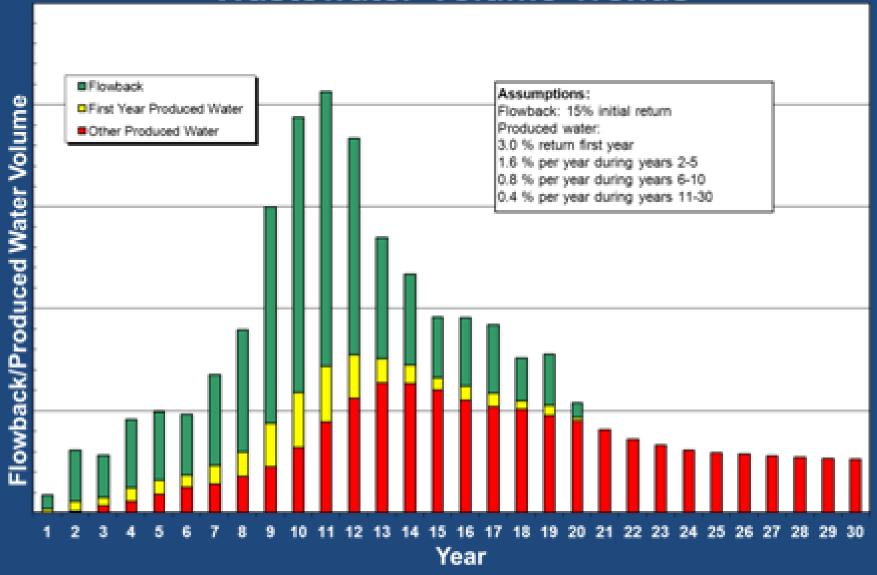


Wastewater Disposal Wastewater "Treatment" & Disposal

- Initial Flowback –15% of frac volume= 0.75 MG per well
- 3.6 14 BG over 10-20 years
- Treatment capacity and capability currently lacking

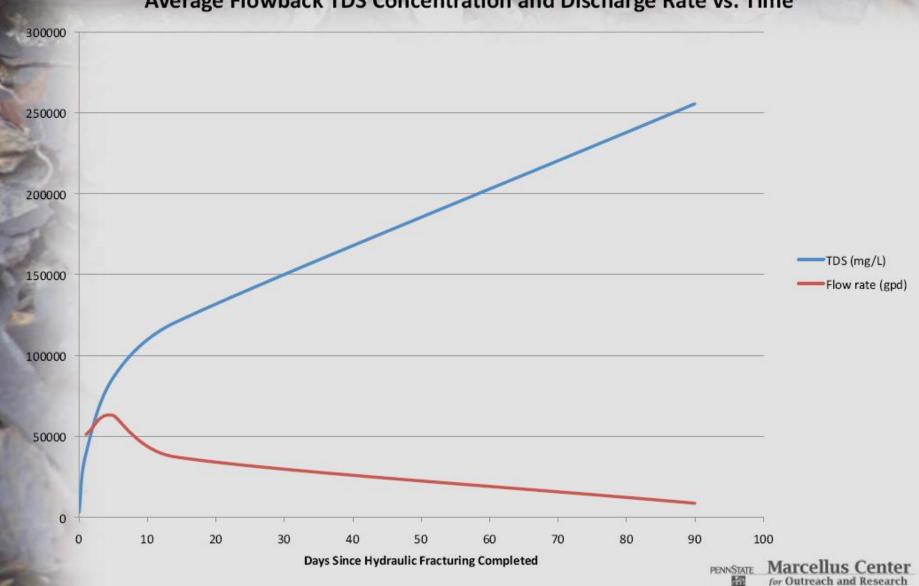


Wastewater Volume Trends



Flowback Water Quality Trends

Average Flowback TDS Concentration and Discharge Rate vs. Time



Article 7 Natural Gas Rule Strategy

1. WATER WITHDRAWAL & USE

- Protect surface and groundwater supplies
- Preserve ecological flows
- Ensure assimilative capacity for discharges
- Monitoring, Tracking & Reporting Source & Usage
- Manage Wastewater
 Storage & Discharge



2. NATURAL GAS DEVELOPMENT PLANS

- Evaluates alternatives to minimize Impacts
- Siting/setback Limits
- Mitigation of unavoidable impacts
- Financial assurance requirements

3. WASTEWATER TREATMENT & DISCHARGE

- Protect receiving water bodies
- Track wastewater production, reuse, and disposal
- Ensure adequate treatment is available for expected waste stream



ARTICLE 7 NATURAL GAS RULE FOCUS OF RULE

- CONSOLIDATES REQUIREMENTS INTO ONE ARTICLE
- COMPLEMENTS NY/PA NATURAL GAS PROGRAMS
- RELIES ON NY/PA PROGRAMS AND EXPERTISE TO REGULATE WELL CONSTRUCTION AND OPERATIONS
- APPLIES TO ALL NATURAL GAS WELLS & FORMATIONS
- INCLUDES FINANCIAL ASSURANCE REQUIREMENTS

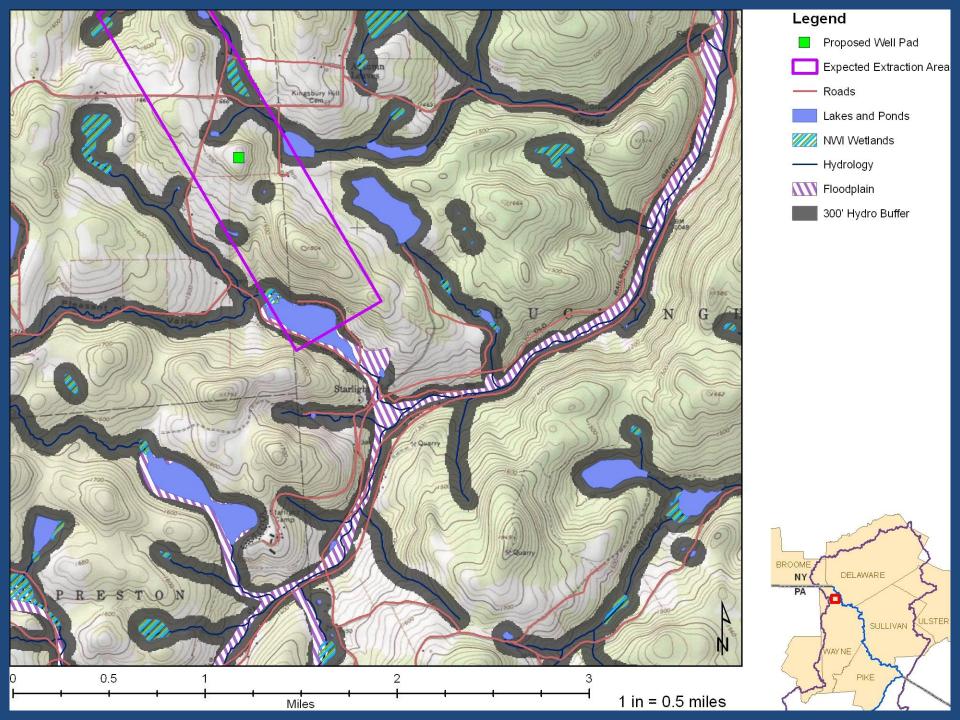
ARTICLE 7 NATURAL GAS RULE

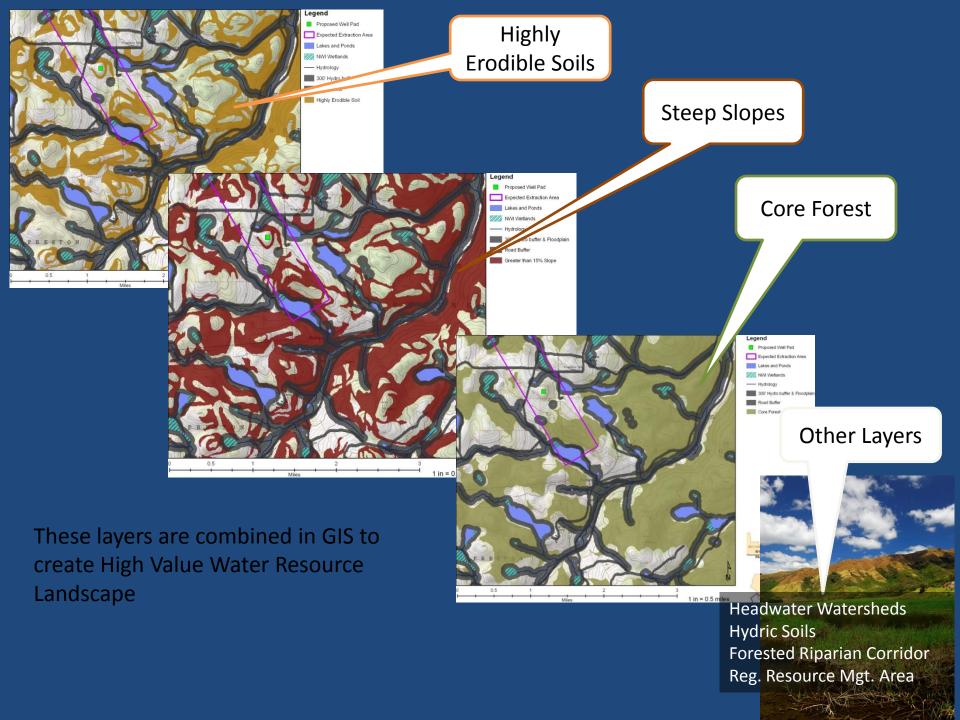
RULE INCLUDES:

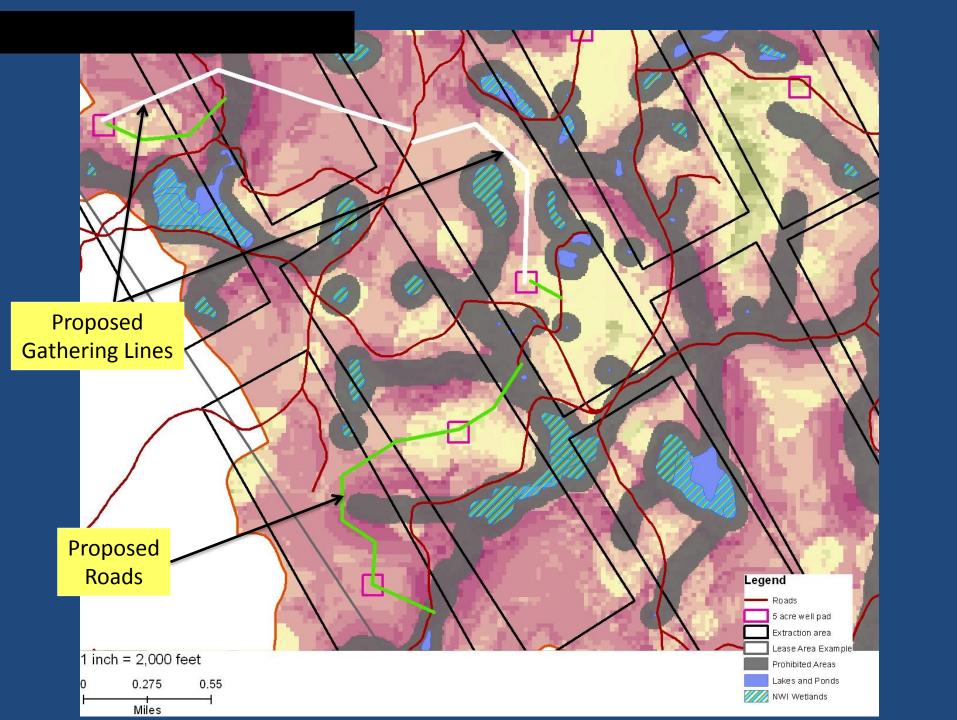
- 18 MONTH ADM. AND OPER. ASSESSMENT
 - Commissioners' Recommendations (6 MONTHS)
 - Bulk Water Use and Management Approvals (BWA) up to 300 wells until Commission approval to resume BWA
- DELEGATES SPECIFIC APPROVALS TO EXECUTIVE DIRECTOR (Approval by Delegated Authority (ADA))

Natural Gas Development Plan

- Purpose Reduce cumulative impacts; reduce NG development on landscapes important to water resources
- Review "multiple" pads/wells instead of individually
- Evaluate lease holdings (~ 10,000 50,000 acres), or smaller units based on location or timing
- Applicant to develop plan using mapping of constraints and developable areas provided by DRBC
- Optimize locations of proposed well pads and infrastructure and establish mitigation requirements.
- Not saying No, but trying to minimize development of lands most valuable to water resources.







Working with Our Members

- PA has regulations, NY in the process
- Our regulations required to address concerns of all 4 states and federal gov't.
- Will work though AAs with PA and NY states to avoid duplication in implementation.



DRBC Ambient Monitoring Framework for Natural Gas Development

- DRBC Monitoring Activities
 - Biological Monitoring
 - HOBO Loggers
 - Reanalysis of archived samples
 - Toxicity Testing
- Partnerships

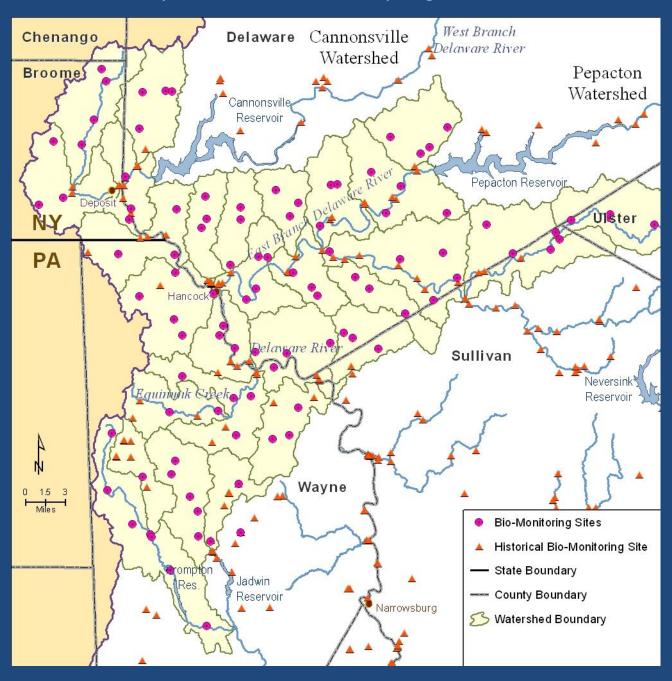
Partnerships

- DRBC
- U.S. Geological Survey
- National Park Service
- PADEP
- NYSDEC
- Stroud University
- Dickinson University
- Delaware Riverkeeper Network
- Academy of Natural Sciences





Wayne and Delaware County Sub-Watersheds for Spring / Summer 2011 Biomonitoring



In Summary

- Natural gas play is significant and valuable
- Still many unknowns environmental, community, infrastructure impacts.
- DRBC's interest is protection of water resources.
- Need to be cautious to protect the existing outstanding resources and economic future of the area.
- DRBC Regulatory Action Draft Regulations November 2011 Meeting Postponed
- Commissioners deciding on path forward.