

Increased Transparency of the Natural Gas Industry

This column is presented weekly by the Public Education sub-committee of the Clinton County Natural Gas Task Force in an effort to provide accurate, up-to-date information on activities surrounding the Marcellus Shale formation and the natural gas exploration industry.

The Pennsylvania Department of Environmental Protection (DEP) recently launched two new databases to assist the public and policymakers in accessing information related to the oil and gas industry. These databases provide production data as well as inspection, violation and enforcement actions taken by inspectors from 2008 through the present. Accessing the databases can be done through the DEP website at www.depweb.state.pa.us. Clicking on the buttons “Gas Well Violations” or “Gas Production Reports” will direct you to these new tools.

The first database, the oil and gas public reporting website, provides access to production statistics for oil and gas wells throughout the Commonwealth. Production reports can be selected by County and by Operator. Historical annual data is available for 2008 and 2009 for all wells, and Marcellus data is available from July 2009-June 2010. Act 15 of 2010 requires operators to submit subsequent Marcellus production reports to DEP every 6 months. All other gas and oil production is still submitted annually to the Department.

The second database provides some limited information on inspections performed by DEP from 2008 through the end of the previous month. This information is all available to download in an excel spreadsheet. Data for 2008 and 2009 includes figures only on inspections that resulted in some sort of violation. The figures also include all oil and gas well violations that have been resolved – not just Marcellus well violations. Current data for 2010 provides much more detail about the operators, Marcellus wells, and all oil and gas well inspections throughout the state. Each excel spreadsheet is complete with operator information, location of the well by municipality and county, inspection date, violation type and any inspector comments. Violations are either classified as “Administrative” or “Environmental, Health & Safety”. Administrative violations can be anything from failure to submit a well log in a timely fashion, not posting an approved frac pit number, not having a copy of permit on site to diesel fuel spills or defective casing or cementing. Environmental, health and safety violations are categorized as those that can endanger the environment and health and welfare of the surrounding area. Not all violations result in an enforcement action, as a number of factors will determine how a violation is treated.

Production Data

Looking at the statewide production data of the 850 Marcellus wells from July 1, 2009 through June 20, 2010 provides the following data:

- 194.6 billion cubic feet (BCF) of natural gas produced
- 453,119 barrels of oil produced

Clinton County had 1.3 BCF of natural gas production and produced 32 barrels of oil during the same time period – all by Anadarko Petroleum. In Lycoming County, Chief Oil and Gas reported natural gas production of just under 4.0 BCF while XTO Energy reported 0.65BCF for a county total of 4.64 BCF for the same time period. Clinton and Lycoming County had 5 and 19 reporting wells respectively from the July 1, 2009 through June 30, 2010 period. According to the DEP website,

since 2008 through October 2010 there have been 48 wells drilled in Clinton County and 119 wells drilled in Lycoming County.

Inspections

The oil and gas inspections reporting website provides some useful information. The 2008 and 2009 data specifically only includes information on inspections that resulted in some level of a violation.

Calendar year 2008 resulted in 179 violations and 122 enforcements for Marcellus related well inspections across the state. There were 195 wells drilled during this same time period. Clinton County had 3 violations and 3 enforcements attributed to Anadarko Petroleum. Chief Oil & Gas had 9 violations and 9 enforcements in Lycoming County and Range Resources had 14 violations and 7 enforcement actions in Lycoming County during 2008.

Drilling activity during 2009 saw an increase in wells drilled to 768 and an increase to 639 violations and 190 enforcements specific to Marcellus shale wells. Anadarko had 7 violations that resulted in 1 enforcement action throughout the year for their Clinton County operations. Stone Energy had 1 violation during 2009 in Clinton County.

Reviewing the spreadsheet shows that Lycoming County had 44 violations and 16 enforcements during 2009. Chief Oil & Gas accounted for 22 violations and 8 enforcements. XTO Energy had 15 violations and 2 enforcements during 2009.

Inspection data for 2010 is much more comprehensive and includes information on the total number of inspections, summary of inspections by operator and Marcellus and non-Marcellus inspection information. There have been a total of 3,713 Marcellus inspections this year through October 31 resulting in 970 violations leading to 254 enforcement actions. Through October 31 of this year, 1,177 wells have been drilled across the Commonwealth.

The inspection information provides more insight into which operators are performing at the higher standards the industry is trying to achieve. The specific violations and enforcements are now easily obtainable by the average citizen when trying to make an informed decision if deciding to lease their land. The industry has continually stated they are incorporating best practices into their operations, and if the reduction in enforcements per well is an indicator, it appears they are headed in the right direction.

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