



Meet Alaska



Craig Wilson
Partner
K & L Gates

K&L GATES

**Shale Oil & Gas
The Lower 48 Experience – Will It Translate to
Alaska ?**

Presented at *Meet Alaska*, January 2013

**Craig Wilson
craig.wilson@klgates.com**

www.klgates.com



Louisiana W. Cutler

Partner

Anchorage

T 907.777.7630

F 907.865.2475

louisiana.cutler@klgates.com

OVERVIEW

Louisiana (“Louann”) Cutler advises clients in Alaska on a variety of legal matters, including oil and gas issues; taxation; legislation and ordinance drafting; elections; administrative proceedings; constitutional law questions; contracts and other legal document drafting. She has more than 20 years of experience with complex litigation with an emphasis on environmental issues and oil and gas taxation and royalties. She has litigated such matters in Alaska trial and appellate courts, as well as administrative hearings and arbitrations. Louann became a partner in January 1997.



Craig P. Wilson

Partner

Harrisburg

T 717.231.4509

F 717.231.4501

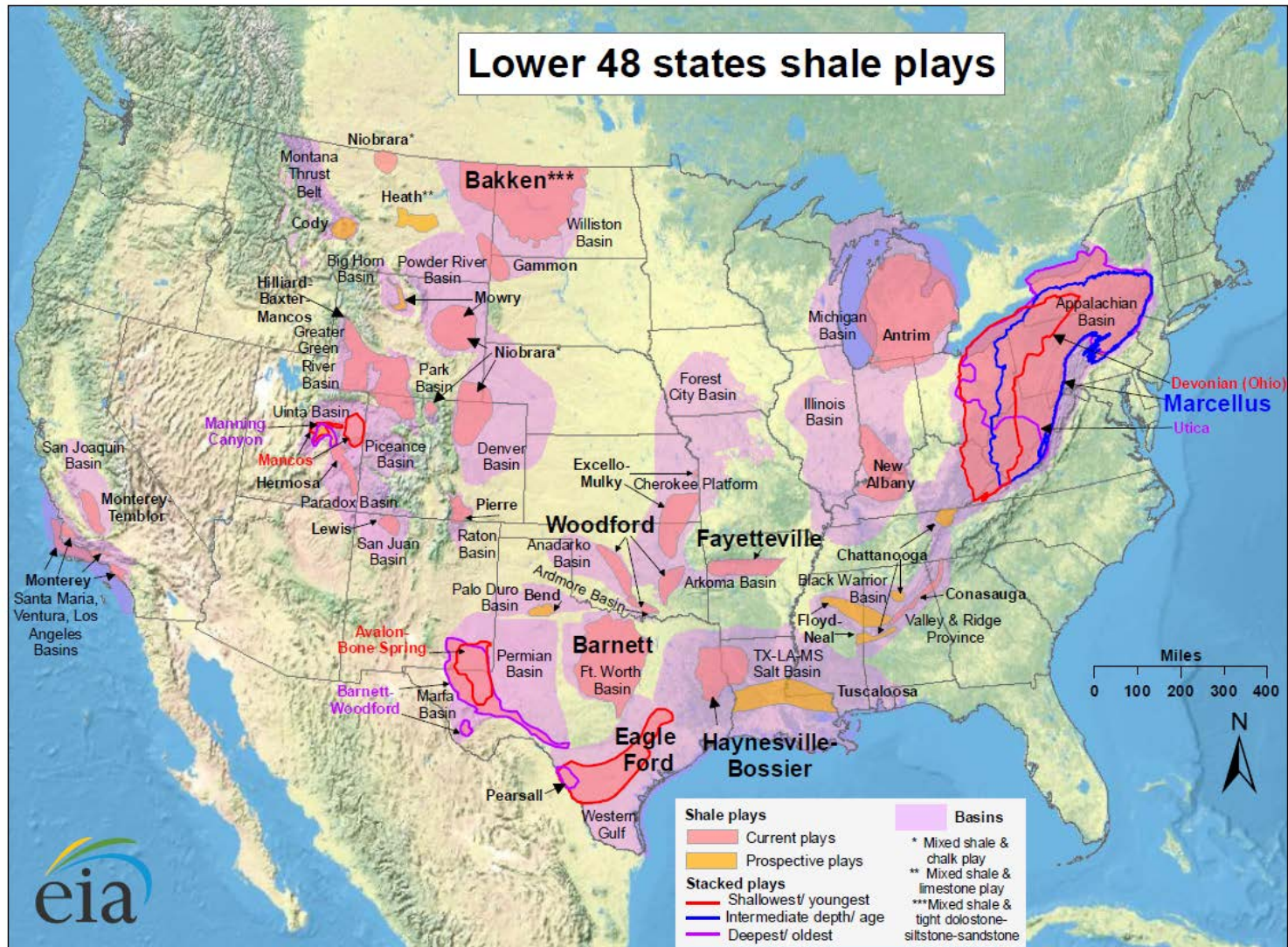
craig.wilson@klgates.com

OVERVIEW

Craig Wilson is a partner in the firm's Harrisburg office. Mr. Wilson concentrates his practice in the areas of energy, environment and natural resources, and has counseled clients who are exploring for, producing and transporting natural gas, clients who are developing and operating energy projects and other commercial and industrial projects, clients who are seeking environmental permits and zoning and land development approvals from government agencies, and clients who are parties to business transactions or litigation involving potential environmental liabilities.

General Background

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Source: Energy Information Administration based on data from various published studies.
 Updated: May 9, 2011

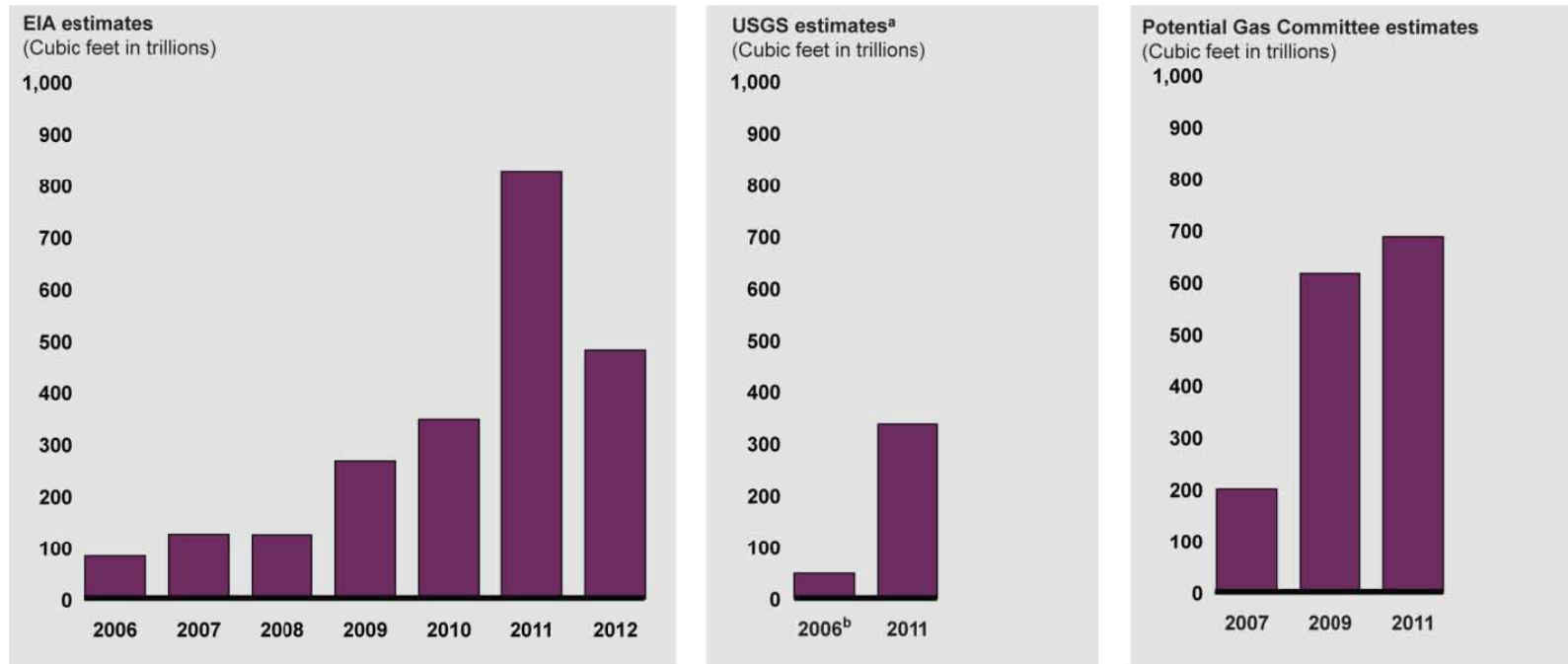
September 2012



OIL AND GAS

Information on Shale Resources, Development, and Environmental and Public Health Risks

Figure 6: Estimates of Technically Recoverable Shale Gas from EIA, USGS, and the Potential Gas Committee (2006 through 2012)



Sources: GAO analysis of EIA, Potential Gas Committee, and USGS estimates.



September 2012

OIL AND GAS

Information on Shale Resources, Development, and Environmental and Public Health Risks

Table 1: USGS and EIA Estimates of Total Remaining Technically Recoverable U.S. Oil Resources

Barrels of oil in billions	USGS		EIA	
	2006	2011	2011	2012
	Estimated technically recoverable shale oil and tight sandstone resources	2	7	32
Estimated technically recoverable oil resources other than shale ^a	142	133	187	201

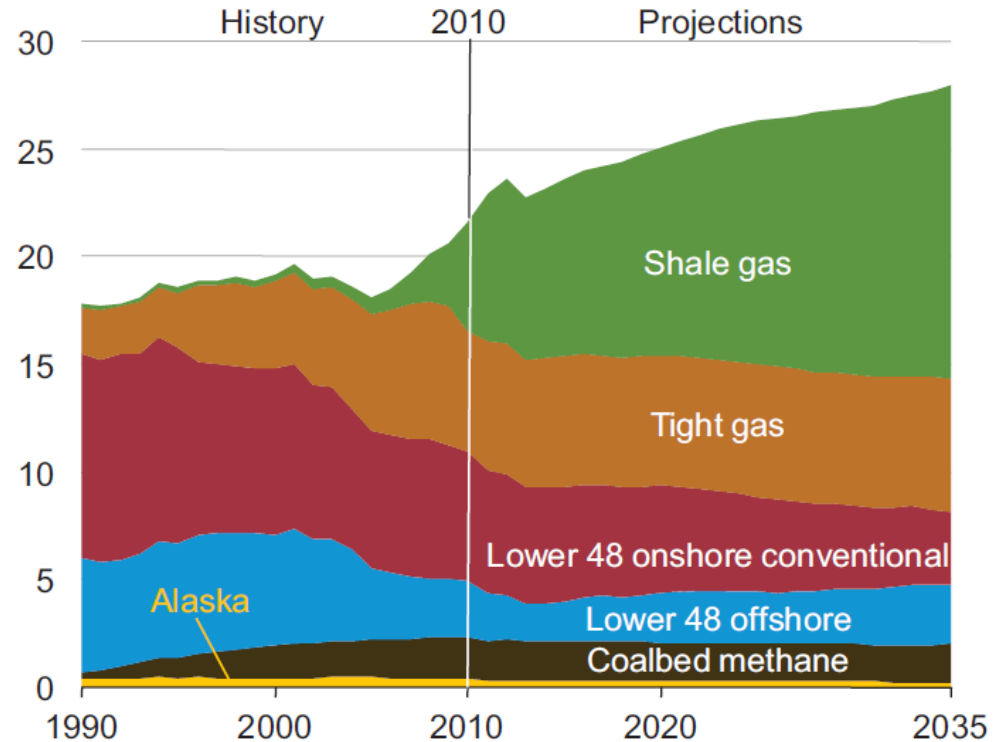
Source: GAO analysis of EIA and USGS data.

Annual Energy Outlook 2012

with Projections to 2035

Shale gas provides largest source of growth in U.S. natural gas supply

Figure 107. Natural gas production by source, 1990-2035 (trillion cubic feet)

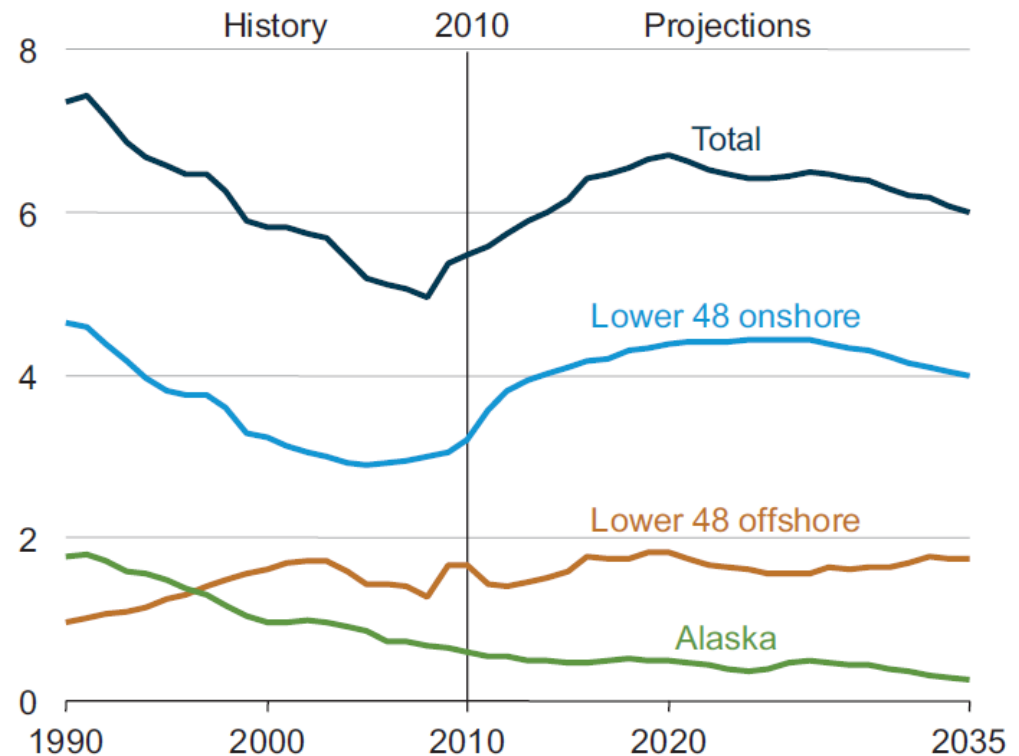


Annual Energy Outlook 2012

with Projections to 2035

U.S. crude oil production increases, led by lower 48 onshore production

Figure 112. Domestic crude oil production by source, 1990-2035 (million barrels per day)



North Slope Compared to Other Basins

▪ Shale Oil – *Estimates of undiscovered, technically recoverable oil*

- Bakken 3,645 MMBO
- North Slope 940 MMBO
- Utica 940 MMBO
- Eagle Ford 853 MMBO
- Woodford 393 MMBO
- Niobrara 227 MMBO

▪ Shale Gas – *Estimates of undiscovered, technically recoverable gas*

- Marcellus 81,374 BCFG
- Haynesville 60,734 BCFG
- Eagle Ford 50,219 BCFG
- North Slope 42,006 BCFG
- Utica 37,273 BCFG
- Woodford 15,105 BCFG

Source: USGS

Marcellus Shale / Utica Shale

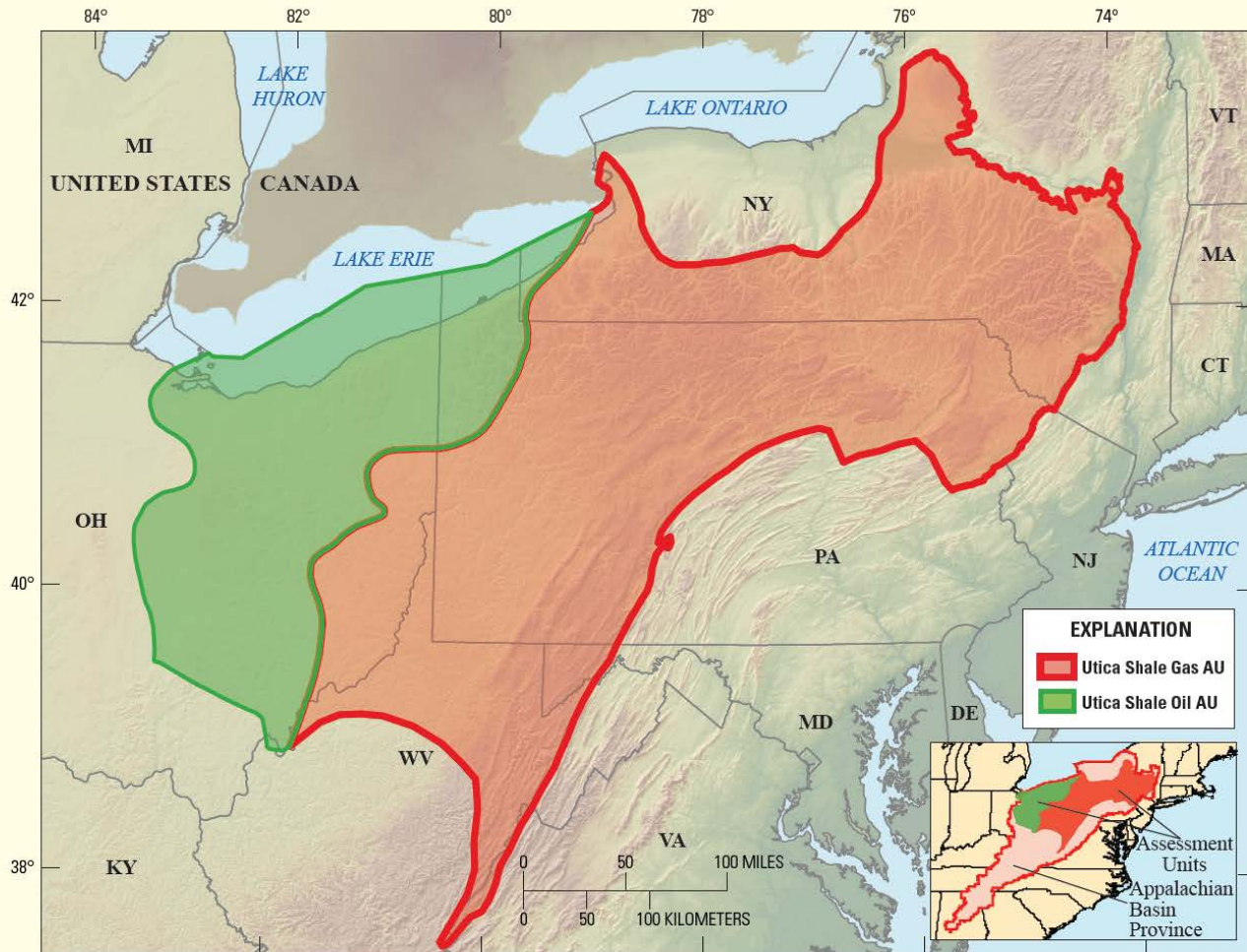
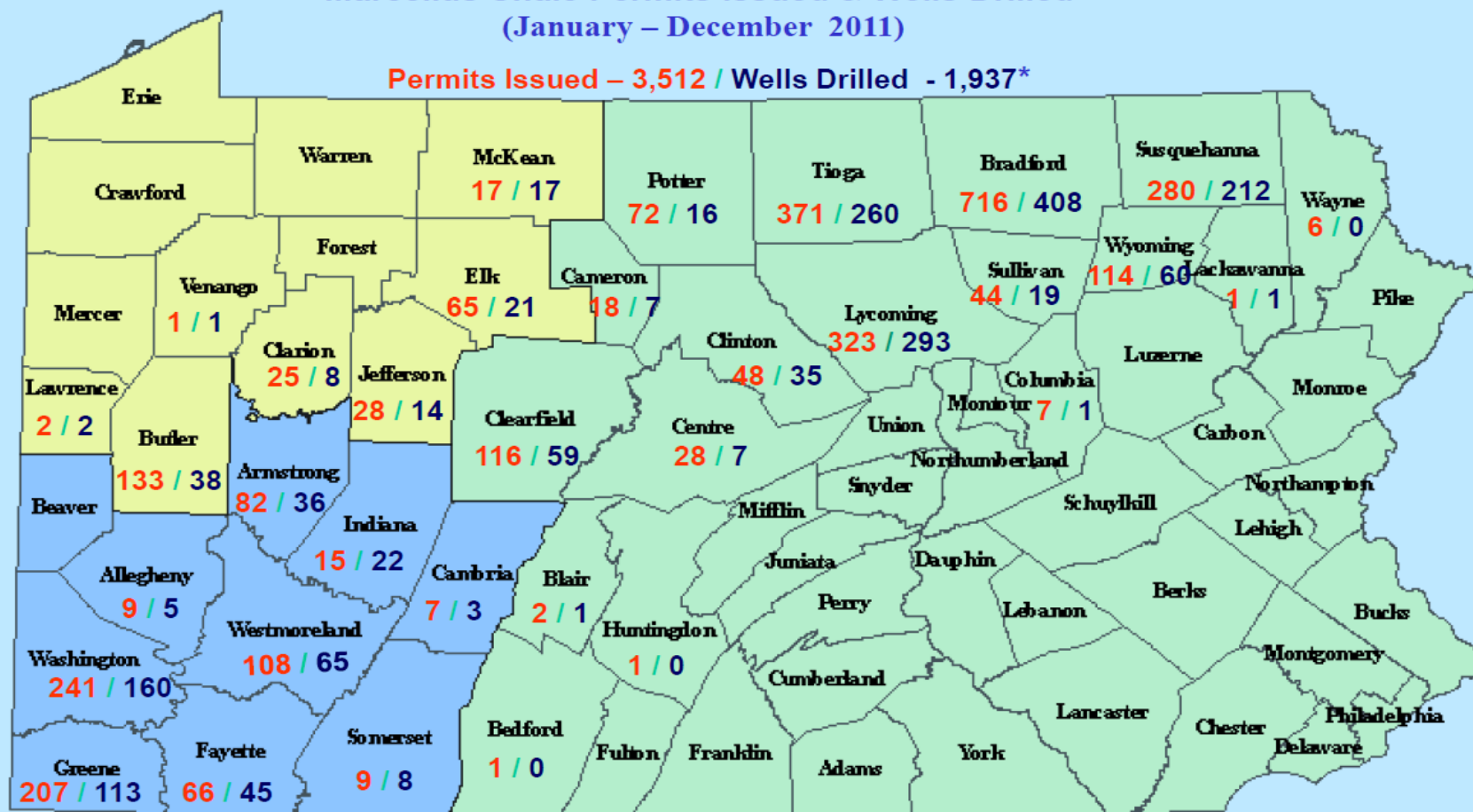


Figure 1. Location of the oil and gas assessment units (AU) for the Utica Shale in the Appalachian Basin Province.

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Department of Environmental Protection Bureau of Oil and Gas Management Marcellus Shale Permits Issued & Wells Drilled (January – December 2011)

Permits Issued – 3,512 / Wells Drilled - 1,937*

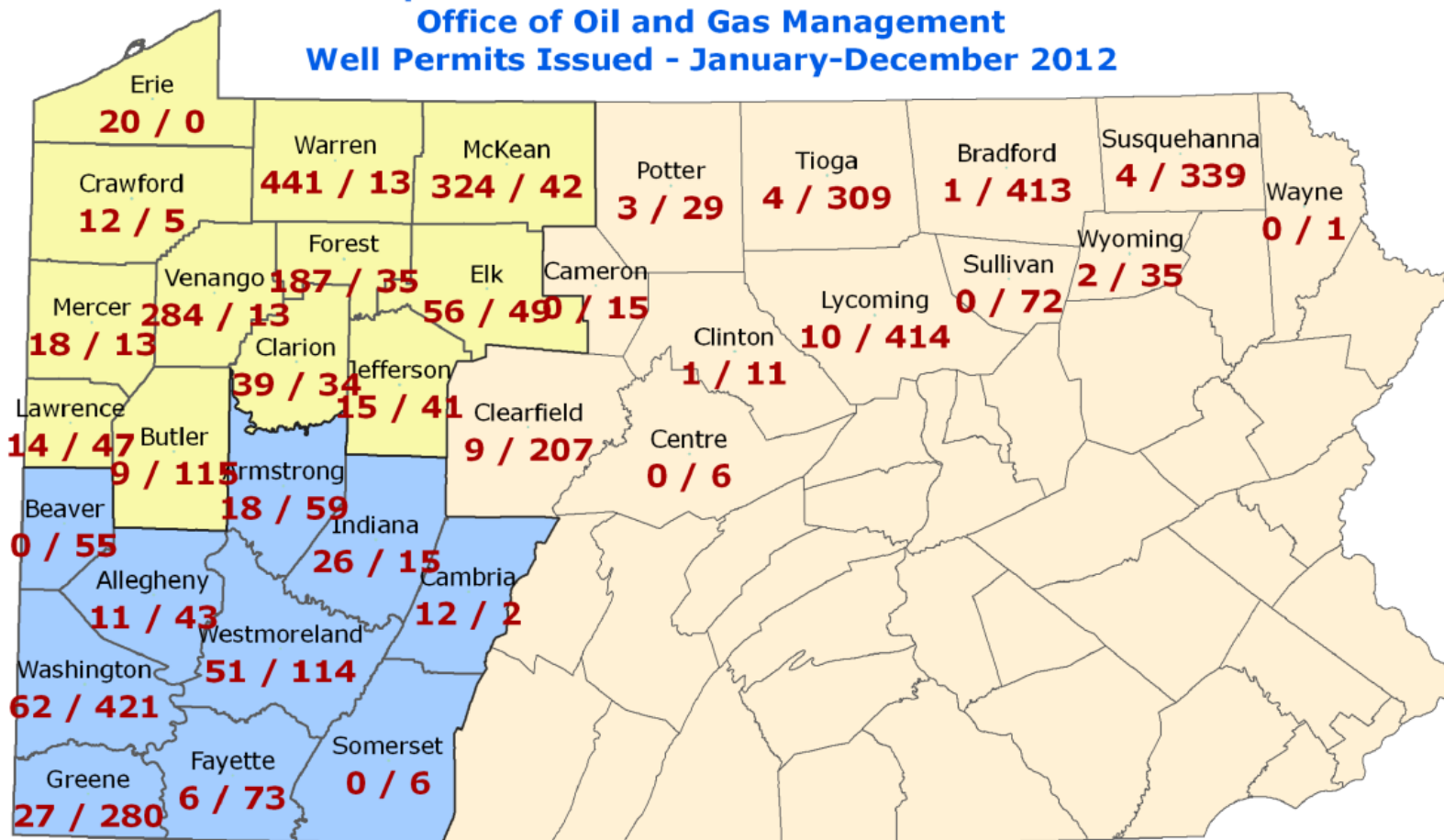


Updated 1/12/2012

* As reported by Operators

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Department of Environmental Protection Office of Oil and Gas Management Well Permits Issued - January-December 2012



Conventional - 1666 + Unconventional - 3326 = Total - 4992

Updated 01/04/2013

*Public Engagement & Opposition
At the Local Level*



TAKE BACK YOUR
GOVERNMENT!!



TOM 'CORPORATE'
IS OWNED + OPERATED BY
GAS DRILLERS FOR 12 MILLION



MOTHER EARTH IS NOT JUST A METAPHOR

ONE WAY

DON'T FRACK OUR MOTHER

STAND TALL AGAINST FRACKING

FRACK
www.preservethefingerlakes.com

FRACK

FRACKING = NEW YORKER'S DANGER

Before

After

Po



KILL THE BILL
PROTECT LOCAL RIGHTS

THE BILL
PROTECT LOCAL RIGHTS

KEEP THE FRACK
OUT OF MY WATER

COMMUNITIES
SELF-GOVERNMENT
IS BELIEVABLE
RIGHT!

Gas Wells-
24/7 Drilling

WE CAME TO SEE
THE GOVERNOR
THE GAS INDUSTRY
HAS BOUGHT

HB 1950,
legal THEFT of
Rights
Liberty
Property
By big government under
corporate control

WATER
REGULATE
FRACKING

KEEP THE
FRACK

Process
Faciliti

"Christians must
become vigorous
environmentalists
because God's Word
demands it."
Rev. Billie, Professor, Eastern Baptist
Theological Seminary and
President, The Fellowship for the Reformation

Local



KI
BI

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Fa



**GAS DRILLING IS SCREWING
PENNSYLVANIA'S
ENVIRONMENT !!!**

State Action

Key Issues

- Water Sources & Use
 - Alternative sources
- Water Disposal & Reuse
- E&S Control – Wetlands – Water Quality
- Roadway Maintenance
- Groundwater Protection
- Well Control – Spill Protection
- Chemical Use & Storage
- Noise, Lighting, Traffic
- Taxes & Fees

Statutory & Regulatory Modernization

- Major recent legislative enactments
 - Ohio
 - Pennsylvania
 - West Virginia
 - Enactments address severance taxes and impact fees, uniformity-preemption, and modernization of standards for unconventional development and horizontal drilling, surface owner and groundwater protection, chemical disclosure, waste handling, etc.
- Regulatory updates on wide ranges of topics – active state agencies, particularly in eastern plays
- Ongoing studies by New York State and Delaware River Basin Commission
 - Development on hold pending regulatory action

*NGO Engagement:
Federal Focus*



NATURAL RESOURCES DEFENSE COUNCIL

September 8, 2010

By FedEx and e-mail

The Honorable Lisa Jackson
Administrator
United States Environmental Protection Agency
Ariel Rios Building
1200 Pennsylvania Avenue, N.W.
Washington, D.C. 20460

Re: Petition for Rulemaking Pursuant to Section 6974(a) of the Resource Conservation and Recovery Act Concerning the Regulation of Wastes Associated with the Exploration, Development, or Production of Crude Oil or Natural Gas or Geothermal Energy.

Dear Administrator Jackson:



CHESAPEAKE BAY FOUNDATION
Saving a National Treasure

April 4, 2011

The President
The White House
1600 Pennsylvania Ave, NW
Washington, DC 20500

RE: Natural Gas Extraction from Marcellus Shale and the Chesapeake Bay

Dear Mr. President:

**CITIZEN PETITION REQUESTING THE COMPLETION OF A
PROGRAMMATIC ENVIRONMENTAL IMPACT STATEMENT
AND REGULATIONS
ADDRESSING THE CUMULATIVE IMPACTS OF DRILLING
IN THE MARCELLUS SHALE FORMATION
IN THE CHESAPEAKE BAY STATES**

CHESAPEAKE BAY FOUNDATION, INC.,)
NATIONAL PARKS CONSERVATION)
ASSOCIATION, APPALACHICAN CENTER)
FOR THE ECONOMY AND THE ENVIRONMENT,)
CHESAPEAKE CLIMATE ACTION NETWORK,)
SHENANDOAH VALLEY NETWORK,)
THE FOUNDATION FOR PENNSYLVANIA)
WATERSHEDS, DAMASCUS CITIZENS FOR)
SUSTAINABILITY, and FRIENDS OF THE UPPER)
DELAWARE RIVER,)

Petitioners,



EARTHJUSTICE

Because the earth needs a good lawyer

ALASKA CALIFORNIA FLORIDA MID-PACIFIC NORTHEAST NORTHERN ROCKIES
NORTHWEST ROCKY MOUNTAIN WASHINGTON, DC INTERNATIONAL

August 4, 2011

BY HAND DELIVERY

RECEIVED
8-4-2011
12:15 pm

Lisa P. Jackson, Administrator
Environmental Protection Agency
Ariel Rios Building
1200 Pennsylvania Avenue, NW
Washington, D.C. 20460

Re: Citizen Petition under Toxic Substances Control Act Regarding the Chemical Substances
and Mixtures Used in Oil and Gas Exploration or Production

Dear Administrator Jackson:



1 Thomas Circle NW, Suite 900
Washington, DC 20005
main: 202-296-8800
fax: 202-296-8822
www.environmentalintegrity.org

October 24, 2012

Hon. Lisa Jackson, Administrator
U.S. Environmental Protection Agency Headquarters
Ariel Rios Building
1200 Pennsylvania Avenue, N.W.
Mail Code: 1101A
Washington, D.C. 20460

Via Certified Mail, Return Receipt Requested, and electronic mail (jackson.lisa@epa.gov)

Re: Petition to Add the Oil and Gas Extraction Industry, Standard Industrial Classification Code 13, to the List of Facilities Required to Report under the Toxics Release Inventory

Dear Administrator Jackson:

Federal Agency Involvement



Chronology

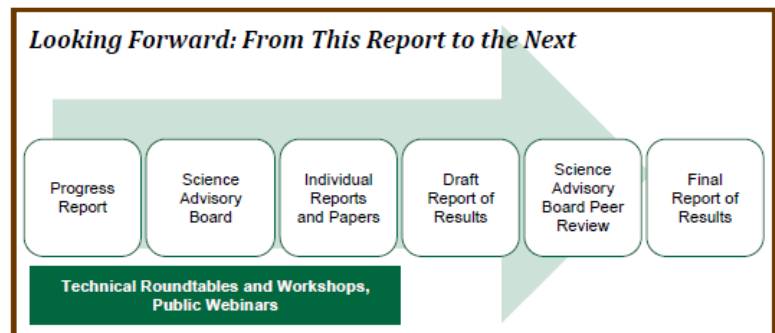
2010 Appropriations Committee Conference Report directed EPA to undertake study

November 2011 EPA issues final study plan

December 2012 EPA issues progress report

Research projects underway

Final report expected 2014



FEDERAL REGISTER

Vol. 77 Thursday,
No. 159 August 16, 2012

Environmental Protection Agency

40 CFR Parts 60 and 63
Oil and Natural Gas Sector: New Source Performance Standards and
National Emission Standards for Hazardous Air Pollutants Reviews; Final
Rule



Office of Water
4303T

EPA-820-F-11-005
October 2011

Final 2010 Effluent Guidelines Program Plan

EPA Initiates Rulemaking to Set Discharge Standards for Wastewater from Shale Gas Extraction

EPA plans to propose new standards for public comment in 2014.



Permitting Guidance for Oil and Gas Hydraulic Fracturing Activities Using Diesel Fuels – Draft: Underground Injection Control Program Guidance #84

Office of Water (4606M)
EPA 816-R-12-004
May 2012
<http://water.epa.gov/drink>

Draft issued May 2012

Comment period extended
through August 2012



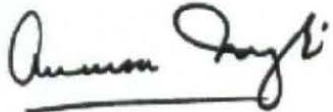
MEMORANDUM


APR 13 2012


TO: Assistant Secretaries, National Laboratories
Department of Energy

Assistant Secretaries, Bureau Directors
Department of the Interior

Assistant Administrators, Regional Administrators
Environmental Protection Agency

FROM: Arun Majumdar, Acting Under Secretary of Energy
Department of Energy 

David J. Hayes, Deputy Secretary
Department of the Interior 

Bob Perciasepe, Deputy Administrator
Environmental Protection Agency 

SUBJECT: Multi-Agency Collaboration on Unconventional Oil and Gas Research

Federal Register / Vol. 77, No. 92 / Friday, May 11, 2012 / Proposed Rules

DEPARTMENT OF THE INTERIOR

Bureau of Land Management

43 CFR Part 3160

[WO-300-L13100000.FJ0000]

RIN 1004-AE26

**Oil and Gas; Well Stimulation,
Including Hydraulic Fracturing, on
Federal and Indian Lands**

AGENCY: Bureau of Land Management,
Interior.

ACTION: Proposed rule.

SUMMARY: The Bureau of Land Management (BLM) is proposing a rule to regulate hydraulic fracturing on public land and Indian land. The rule would provide disclosure to the public of chemicals used in hydraulic fracturing on public land and Indian land, strengthen regulations related to well-bore integrity, and address issues related to flowback water. This rule is necessary to provide useful information to the public and to assure that hydraulic fracturing is conducted in a way that adequately protects the environment.

*Closing Thoughts:
Observations for Alaska*

Closing thoughts

The debate is national –

BUT most regulation is at the state level

Modernization of certain standards may be appropriate

Stakeholder engagement is valuable

Hysteria does not breed good science or policy

Questions

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