

**Stakeholder Group on Oil and Gas Management  
Recommendations from the May 30, 2013 Meeting**

At the May 30, 2013 meeting of the Stakeholder Group on Oil and Gas Management, the following members of the stakeholder group were present:

- Tom Alexander, ANGA/Southwestern Energy
- Victor Czar, City of Sanford
- Terrell Jones, Lee County Health Director
- Benny Lee, Chatham County Landowner
- Starlette Hodge, State Energy Office
- John Monaghan, Piedmont Natural Gas
- Ryke Longest, Duke University School of Law
- Trina Ozer, DENR
- Michael Reid, Division of Air Quality
- James Robinson, RAFI-USA
- Paul Sherman, N.C. Farm Bureau
- Vann Stancil, Wildlife Resources Commission
- Hope Taylor, Clean Water for North Carolina
- Steve Townsend, retired oil and gas industry engineer

The following staff of the Division of Energy, Mineral and Land Resources was available to answer questions about the proposal for rule components and the considerations that had gone into developing the rule components:

- Walt Haven, Energy Program Supervisor
- Ryan Channell, Hydrogeologist
- Katherine Marciniak, Senior Specialist

At the meeting, the stakeholder group discussed components of a proposed rule on wellhead standards. As part of this discussion, the group made the following recommendations for the Administration of Oil and Gas Committee of the N.C. Mining and Energy Commission to consider in the course of its deliberations.

1. Require wellhead equipment to have a pressure rating which provides a safety factor of at least 25% above the maximum anticipated bottom hole pressure.
2. Require the use of a pressure relief valve on intermediate casing (if run) and production casing annuli from the beginning of operations. The valve should release when the pressure reaches no more than 50% of the maximum surface pressure recorded during the formation integrity test (FIT) at the previous casing shoe. (Further research by staff into similar regulations in other jurisdictions is necessary to determine at what pressure the valve should release).
3. Specify the type of connection that should be used for checking the pressure on tubing, casing and annuli.

4. Include the field name on signs.
5. Require signs to be in place for as long as the wellhead is there.
6. Require additional signage at the end of the lease road.
7. Require a sign at the access gate that says "No smoking beyond this point" (in addition to the sign required on the wellhead fence).
8. The stakeholder group recommended that allowing the fence surrounding the wellhead to be 10 feet from the wellhead was too close. The group recommended that the fence be no closer than 50 feet from the wellhead, with a variance procedure to allow it to be closer in certain circumstances.
9. The group recommended that the Committee consider whether local government emergency response officials might need a copy of the key or combination to the gate lock. The stakeholder group discussed the fact that emergency response officials may just carry bolt cutters.
10. The group recommended that when establishing setbacks, the Mining and Energy Commission should consider not only what setbacks may be needed for public safety (i.e., distances from schools), but also whether setbacks are sufficient to allow for the safe operation of equipment and for allowing appropriate maintenance of equipment.
11. The group recommended that when requirements for dikes are developed, freeboard requirements are also established. The group noted that dikes should be inspected and should be impermeable. In addition to requiring freeboard, the volume inside berms should be 1.5 times the volume of the tanks.