

Regulatory Adaptation to Emerging Technology and Practices in Oil and Gas Production

A Project of the Interstate Oil and Gas Compact Commission

Energy Resources, Research and Technology Committee

Tom Williams, Chair

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Study Findings

- Responsiveness and Appropriate Reaction
- Regulatory Flexibility
- Communication and Education
- Science-based Regulation
- Risk Analysis and Risk Communication
- Data Development and Integration
- Regulatory and Policy Exchange: Toward Continuous Regulatory Improvement

Draft Recommendations

1. Identifying Issues and Compiling Responsive Technical Information

- Recommendation: The IOGCC should coordinate with American Petroleum Institute (API), International Association of Drilling Contractors (IADC), American Geological Institute (AGI), Society of Petroleum Engineers (SPE) and others as appropriate, to develop a structured process to aid in identifying and tracking high level changes in technology or operational practices that have the potential to lead to significant regulatory changes.

Draft Recommendations

2. Chief Technology Officers

- Recommendation: State oil and gas regulatory agencies should develop a centralized process for tracking new and emerging technologies and operational practices. In some states, the regulatory agency should establish a position for a Chief Technology Officer, whose main function is to track and analyze emerging technologies and practices.

3. Regulatory Excellence Academy

- Recommendation: The IOGCC in coordination with its state agency members should develop processes or venues that allow higher-level regulatory officials professional development opportunities to share lessons learned from regulatory adaptation efforts associated with new technologies or operational practices.

Draft Recommendations

4. State Oil and Gas Regulatory Exchange

- Recommendation: IOGCC should find sources of funding and support to conduct additional consultations, peer review programmatic assessments and support activities for state oil and gas regulatory programs. We recommend that IOGCC explore ways to involve representatives from industry, the public, and government agencies other than “oil and gas” agencies to advise regulators in the peer review assessment processes.

5. Inspector Professional Interaction and Training

- Recommendation: We recommend IOGCC continue and expand its support of training programs like the IOGCC Inspector Forum and TOPCORP, seeking funding and support from a diversity of sources.

Draft Recommendations

6. Non-rulemaking Policies

- Recommendation: We recommend that IOGCC develop a list of informal and semi-formal policy tools (other than rulemakings and decisions in contested cases) that are available to administrative agencies, gathering and analyzing examples under differing regulatory regimes.

7. Data Development and Evaluation

- Recommendation: We recommend that IOGCC support continued development of robust data management systems like RBDMS that include capabilities that enable assessment and evaluation of emerging technologies and practices.

Draft Recommendations

8. Risk Communication and Science Education

- Recommendation: We recommend that IOGCC support more comprehensive and integrated efforts to improve public understanding of basic sciences and technology and oil and gas exploration and production operations, and to integrate those educational efforts with improved risk communication skills at the state regulatory agency level.

9. Technology Transfer

- Recommendation: We recommend that IOGCC, perhaps through the ERRT Committee, consult with RPSEA and PTTC regarding the most effective ways to facilitate technology transfer for the regulatory audience, and help convene and sponsor opportunities as appropriate. We further recommend a specific focus on technology transfer of federally funded research to state agencies.