



Marcellus Shale Gas Permitting Activities

U.S. ARMY CORPS OF ENGINEERS
FACT SHEET as of February 2015

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Authorization: The authority to regulate activities in jurisdictional waters is found under Section 404, Clean Water Act, Section 10, Rivers and Harbors Act, and regulations pursuant to these acts.

Type of Project: Regulatory

Project Phase: Many Permit Application Reviews

Congressional Interest: All Pennsylvania Delegation

Non-Federal Sponsor: None

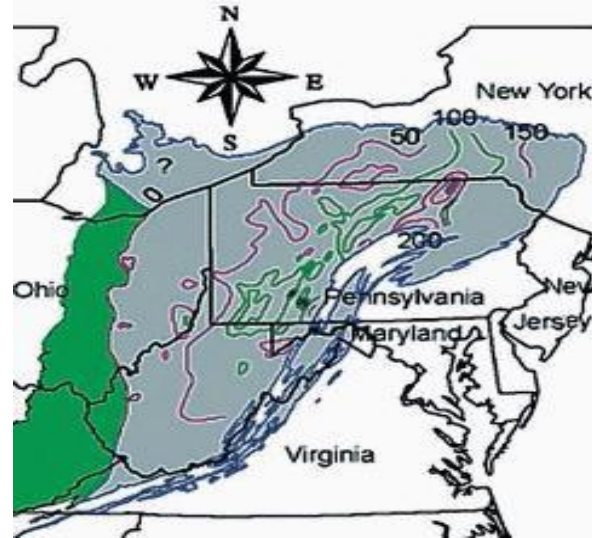
Background:

Project Locations/Scope of Activity: Throughout central and north-central Pennsylvania with majority of new drilling & pipeline construction in Bradford, Susquehanna, Tioga, Potter, Lycoming, Centre, and Clinton counties

- 72% of the Susquehanna River Basin holds Marcellus Shale deposits
- Highest gas pressures and volumes in the formation thought to be in north-central Pennsylvania and south-central NY.
- At approximately 95,000 square miles, Marcellus Shale is the second largest natural gas field in the world. It is estimated to contain upwards of 410 trillion cubic feet of gas.
- From 2008 to 2014, the Pennsylvania Department of Environment Protection, Office of Oil and Gas Management, has issued approximately 40,000 well permits in Pennsylvania (includes Pittsburgh District). Over 7100 of these wells are currently producing natural gas.

Current Status of Project Permitting in Pennsylvania:

- Baltimore District has verified the construction of over 650 gathering pipelines under the Pennsylvania State Programmatic General Permits (PASPGP-4) since July 2011. The average processing time from federally complete is 28 days. The overall timeframe from receipt to issue is averaging 143 days. Agency/Tribal coordination and inadequate applications account for the majority of delays.



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- 36 gathering pipeline and/or waterline permits now pending.
- The Corps' Regulatory Program scope of analysis under National Environmental Policy Act (NEPA), for linear type projects, in most cases, does not include the entire project area. It is limited to the locations of the proposed crossings and a portion of the uplands immediately adjacent to the crossing location.
- None of the regulated activities and projects reviewed to this point have resulted in a determination to "Federalize" the entire project under NEPA, which would require a NEPA review that includes the entire project area.
- Absent the PASPGP-4, permitting would typically occur through use of a Nationwide Permit No. 12 (NWP-12), which requires a Pre-construction Notification (PCN) to the Corps, by way of a Regional Condition, for all activities.
 - Industry provided no comments when the Regional Condition was proposed and offered for public comment.
 - Even without the PCN Regional Condition, many of the pipelines impact forested wetlands, which requires a PCN to the Corps. Through this PCN, the applicant would still need to provide information on all other crossings associated with the project and Section 106 clearance would be needed for project.

Outreach/Education/Coordination Efforts:

- Ongoing and frequent coordination on project-specific issues continue with Pennsylvania Department of Environmental Protection (PADEP) staff.
- Approximately 50 meetings in State College Field Office held with industry representatives and their consultants since July 2011.
- On 23 July 2014, representatives from the Baltimore District met with PADEP Secretary Abruzzo and the Marcellus Shale Coalition (MSC) to discuss improvements to the Corps' review process for natural gas applications. The Corps message was that processing times are decreasing, in part, due to outreach activities and better information package from the applicants.
- On 13 November 2014, a workshop was held with the MSC to discuss compliance with issued permits. Over 200 individuals were in attendance. The Corps summarized inspections that occurred in 2014. The Baltimore District Regulatory Branch inspected 251 stream and wetland crossings associated with Department of the Army permits for natural gas activities in north-central Pennsylvania. Approximately 60% of the crossings were fully restored, with another 20% expected to restore over time. Additional monitoring is required to verify whether the authorized impacts are temporary.

Issues:

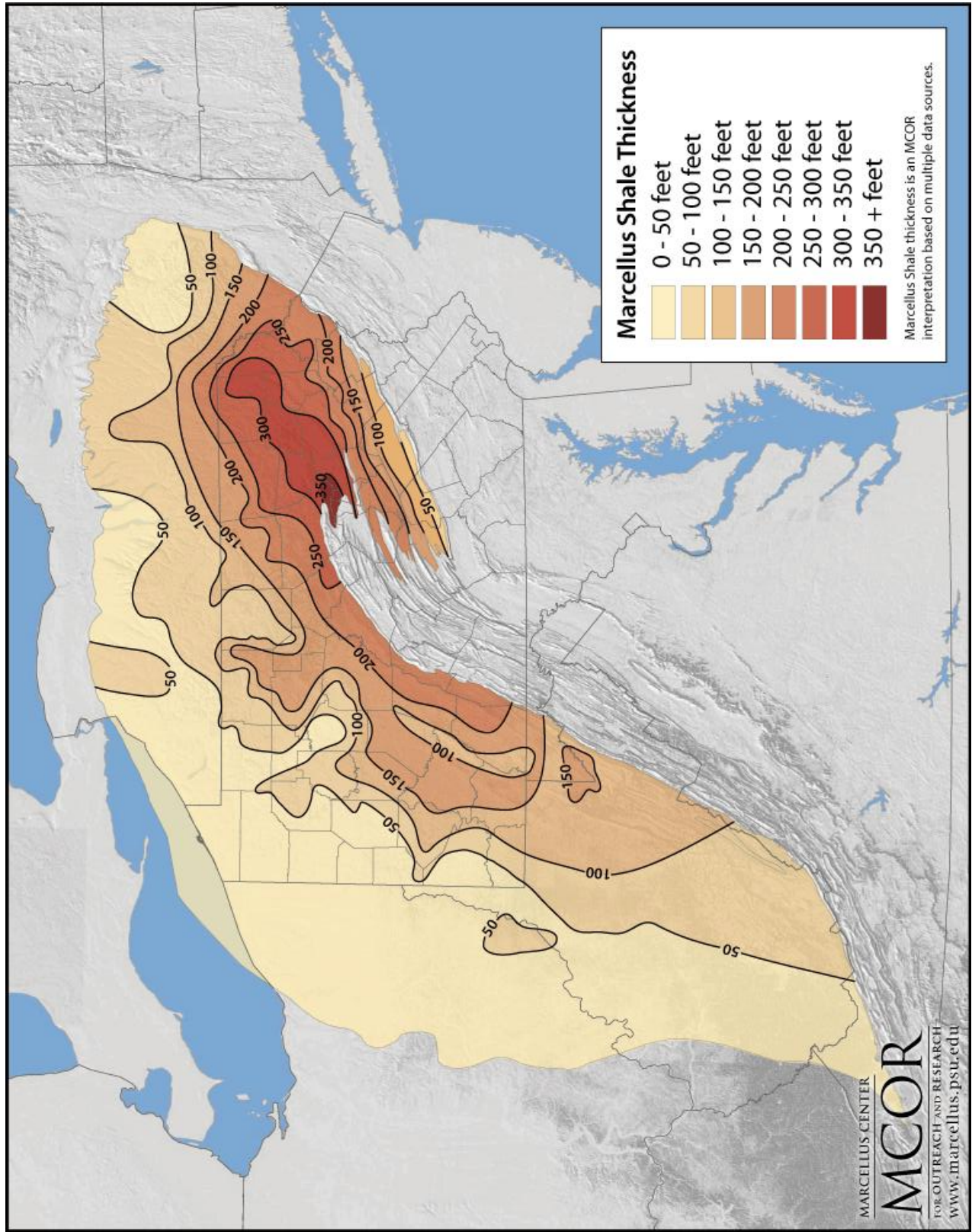
- MSC has and continues to challenge perceived changes to the review process concerning the definition of a "single and complete project". MSC also questions consistency of reviews nationally, especially when comparing the Corps' NWP program and the PASPGP-4.

- On 14 November 2013, we met with Senator Casey's Office, Representatives from the MSC, Chip Smith from ASA's Office to discuss the review process for pipelines associated with natural gas. HQUSACE and ASA's office support our approval and determined that it was consistent with the regulations.
- Results from 2014 compliance inspections suggest that remedial measures are required on 20% of the impacts associated with natural gas activities.

Status:

- Regulatory Branches from the three Corps districts working in Pennsylvania have begun dialogue with PADEP on proposed changes to the next version of the PASPGP. The current version expires on June 30, 2016.

For more information regarding Marcellus Shale Gas Permitting Activities, contact William Seib, CENAB-OP-R, (410) 962-3670, or e-mail william.seib@usace.army.mil



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