

September 1, 1992

Findings Statement

Pursuant to the State Environmental Quality Review Act (SEQR) of the Environmental Conservation Law (ECL) and the SEQR Regulations 6NYCRR Part 617, the New York State Department of Environmental Conservation makes the following findings.

Name of Action

Adoption of the Final Generic Environmental Impact Statement (GEIS) on the Oil, Gas and Solution Mining Regulatory Program.

Description and Background

In early 1988, the Department of Environmental Conservation released the Draft GEIS on the Oil, Gas and Solution Mining Regulatory Program. The Draft GEIS comprehensively reviewed the environmental impacts of the Department's program for regulating the siting, drilling, production and plugging and abandonment of oil, gas, underground gas storage, solution mining, brine disposal, geothermal and stratigraphic test wells. Six public hearings were held on the Draft GEIS in June 1988.

The Final GEIS was released in July 1992. It contains individual responses to the hundreds of comments received on the Draft GEIS. The Final GEIS also includes more detailed topical responses addressing several controversial issues that frequently appeared in the comments on the draft document.

Together, the Draft and Final GEIS and this Findings Statement will provide the groundwork for revisions to the Oil, Gas and Solution Mining Regulations (6NYCRR Parts 550-559). These regulations are being updated to more accurately reflect and effectively implement the current Oil, Gas and Solution Mining Law (ECL Article 23).

The Draft GEIS included suggested changes to the regulations in bold print throughout the document. In the interests of environmental protection and public safety, a significant

number of the suggested regulatory changes are already put in effect as standard conditions routinely applied to permits. All formal regulation changes, however, must be promulgated in accordance with the State Administrative Procedure Act (SAPA) requiring separate review, public hearings and approval. Further public input during the rulemaking process may cause some of the new regulations, when they are eventually adopted, to differ from those discussed in the GEIS. Any regulations adopted that differ significantly from those discussed in the GEIS will undergo an additional SEQR Review and Determination.

Location

Statewide.

DEC Jurisdiction

Jurisdiction is provided by the Oil, Gas and Solution Mining Law (ECL Article 23).

Date Final GEIS Filed

The Final GEIS was filed June 25, 1992/#PO-009900-00046. The Notice of Completion was published in the Environmental Notice Bulletin July 8, 1992.

Facts and Conclusions Relied Upon to Support the SEQR Findings

The record of facts established in the Draft and Final GEIS upholds the following conclusions:

1. The **unregulated** siting, drilling, production, and plugging and abandonment of oil, gas, solution mining, underground gas storage, brine disposal, geothermal and stratigraphic test wells could have potential negative impacts on every aspect of the environment. The potential negative impacts range from very minor to significant. Potential impacts of **unregulated** activities on ground and surface waters are a particularly serious concern. The potential negative impacts on all environmental resources are described in detail in Chapters 8 through 14 and summarized in Chapter 16 of the Draft GEIS.

2. Under existing regulations and permit conditions, the potential environmental impacts of the above wells are greatly reduced and most are reduced to non-significant levels. The extensive mitigation measures required under the existing regulatory program are described in detail in Chapters 8 through 14 and summarized in Chapter 17 of the Draft GEIS.
3. The potential environmental impacts associated with the activities covered by the Oil, Gas and Solution Mining Regulatory Program also have economic and social implications. For example, it is less expensive to prevent pollution than pay for remediation of environmental problems, health care costs, and lawsuit expenses. The State also receives significant economic benefits from the activities covered by the regulatory program. The regulated industries provide jobs and economic stimulus through the purchase of goods and services, and the payment of taxes, royalties and leasing bonuses. Additional information on the potential economic impacts associated with the activities covered by the regulatory program is provided in Chapter 18 of the Draft GEIS.
4. The Department's routine requirement of: 1) a program-specific Environmental Assessment Form (EAF) with every well drilling permit application, 2) a plat (map) showing the proposed well location, and 3) a pre-drilling site inspection, allows the Department to:
 - reliably determine potential environmental problems, and
 - select appropriate permit conditions for mitigating potential environmental impacts.

The EAF is printed in its entirety and discussed in detail on pages FGEIS 30-34 of the Final GEIS. Information on the permit application review process is summarized in Chapter 7 of the Draft GEIS.

5. The majority of the industry's activity centers on drilling individual oil and gas wells for primary production. For purposes of this Findings Statement, standard oil and gas operations are defined as:

- any procedure relevant to rotary or cable tool drilling procedures, and
- production operations which do not utilize any type of artificial means to facilitate the recovery of hydrocarbons.

The basic features of standard oil and gas operations are described in detail in Chapters 9 through 11 of the Draft GEIS.

6. The diverse types of wells covered by the regulatory program have enough design and operational characteristics in common to group them according to their potential environmental impacts. Design and operational aspects of these wells are described in detail in Chapters 9 through 14 of the Draft GEIS.

7. The magnitude of potential environmental impacts associated with any proposed well covered by the regulatory program is strongly influenced by the types of natural and cultural resources in the well's vicinity. New York State's environmental resources are described in Chapter 6 of the Draft GEIS. Most of the information on the potential environmental impacts of the regulated activities on these environmental resources can be found in Chapter 8 of the Draft GEIS, which deals with siting issues. Additional information on potential impacts related to specific stages (drilling, completion, production, plugging and abandonment) of well operation can be found in Chapters 9 through 11 of the Draft GEIS.

Additional information on potential environmental impacts related specifically to enhanced oil recovery, solution salt mining, underground gas storage and waste brine disposal can be found in Chapters 12 through 15 of the Draft GEIS.

8. The range of future alternatives concerning the activities covered by the Oil, Gas and Solution Mining Regulatory Program can be divided into three basic categories: 1) prohibition on regulated activities, 2) removal of regulation, and 3) maintenance of status quo versus revision of existing regulations. A prohibition on these regulated activities would deprive the State of substantial economic and natural resource benefits. Complete removal of regulation would lead to severe environmental problems. While the existing regulations and permit conditions provide significant environmental protection, there is still room to improve the efficiency and effectiveness of the program. Revision of the existing regulations is the best alternative. Chapter 21 of the Draft GEIS contains a more detailed assessment of the environmental, economic, and social aspects of each alternative.

SEQR Determinations of Significance

The SEQR determinations on the significance of the environmental impacts associated with the activities covered by this regulatory program are presented in the following table. The determinations are supported by the conclusions listed above, which in turn are supported by the referenced sections of the Draft and Final GEIS.

SEQR DETERMINATIONS

Agency Action	Environmental Impact	Explanation
a. Standard individual oil, gas, solution mining, stratigraphic, geothermal, or gas storage well drilling permits (no other permits involved).	not significant	Rules and regulations and conditions are adequate to protect the environment. The Draft and Final GEIS satisfy SEQR for these actions. A site-specific EAF is required with the permit application.
b. Oil and gas drilling permits in State Parklands.	may be significant	Site-specific conditions of State Parklands are not discussed in the Draft and Final GEIS. Further determination of significant environmental impacts is needed for State Parklands. A site-specific EAF is required with the permit application.
c. Oil and gas drilling permits in Agricultural Districts.	may be significant	Rules and regulations and conditions are adequate to protect the environment. For most oil and gas operations in Agricultural Districts which utilize less than 2½ acres the GEIS satisfies SEQR. If more than 2½ acres are disturbed, this is a Type I action under 6NYCRR Part 617 and an additional determination of significance is required. A site-specific EAF is required with the permit application.
d. Oil and gas drilling permits in the "Bass Island" fields.	not significant	Special conditions and regulations under Part 559 are adequate to protect the environment. The Draft and Final GEIS satisfy SEQR for these actions. A site-specific EAF is required with the permit application.

e. Oil and gas drilling permits for locations above aquifers.	not significant	Rules and regulations and special aquifer conditions employed by DEC have been developed specifically to protect the groundwater resources of the State. The Draft and Final GEIS satisfy SEQR for these actions. A site-specific EAF is required with the permit application.
f. Oil and gas drilling permits in close proximity (less than 1,000 feet) to municipal water supply wells.	always significant	A supplemental EIS is required dealing with the groundwater hydrology, potential impacts and mitigation measures. A site-specific EAF is required with the permit application.
g. Oil and gas drilling permits in proximity (between 1,000 and 2,000 feet) to municipal water supply wells.	may be significant	A supplemental EIS may be required dealing with the groundwater hydrology, potential impacts and mitigation measures. A site-specific assessment and SEQR determination are required. A site-specific EAF is required with the permit application.
h. Oil and gas drilling permits when other DEC permits required.	may be significant	A site-specific SEQR assessment and determination are needed based on the environmental conditions requiring additional DEC permits. A site-specific EAF is required with the permit application.
i. Plugging permits for oil, gas, solution mining, stratigraphic, geothermal, gas storage and brine disposal wells.	Type II *	By law all wells drilled must be plugged before abandonment. Proper well plugging is a beneficial action with the sole purpose of environmental protection, and constitutes a routine agency action.

* Under 6NYCRR 617.13, a Type II action is one which has been determined not to have a significant effect on the environment and does not require any other SEQR determination or procedure.

<p>j. New waterflood or tertiary recovery projects.</p>	<p>may be significant</p>	<p>For major new waterfloods and new tertiary recovery projects, a site specific environmental assessment and SEQR determination are required. A supplemental EIS may be required for new waterfloods to ensure integrity of the flood. Also, a supplemental EIS may be required for new tertiary recovery projects depending on the scope of operations and methods used. A site-specific EAF is required with the permit application.</p>
<p>k. New underground gas storage projects or major modifications.</p>	<p>may be significant</p>	<p>A site-specific environmental assessment and SEQR determination are required. May require a supplemental EIS depending on the scope of the project. A site-specific EAF is required with the permit application.</p>
<p>l. New solution mining projects or major modifications.</p>	<p>may be significant</p>	<p>A site-specific environmental assessment and SEQR determination are required. May require a supplemental EIS depending on the scope of the project. A site-specific EAF is required with the permit application.</p>
<p>m. Spacing hearing.</p>	<p>not significant</p>	<p>Action to hold hearing is non-significant. A review and SEQR determination with respect to all other issues must be made before the hearing. Any permit issued subsequently will be reviewed on issues raised at hearing. A site-specific EAF is required with the permit application.</p>
<p>n. Variance hearing.</p>	<p>not significant</p>	<p>Action to hold hearing is non-significant. A review and SEQR determination with respect to all other issues must be made before the hearing. Any permit issued subsequently will be reviewed on issues raised at hearing. A site-specific EAF is required with the permit application.</p>

o. Compulsory unitization hearing.	not significant	Action to hold hearing is non-significant. A review and SEQR determination with respect to all other issues must be made before the hearing. Any permit issued subsequently will be reviewed on issues raised at hearing. A site-specific EAF is required with the permit application.
p. Natural Gas Policy Act pricing recommendations.	none	Action only results in recommendations to Federal Energy Regulatory Commission; therefore, action is not subject to SEQR.
q. Brine disposal well drilling or conversion permit.	may be significant	The brine disposal well permitting guidelines require an extensive surface and subsurface evaluation which is in effect a supplemental EIS addressing technical issues. An additional site specific environmental assessment and SEQR determination are required. A site-specific EAF is required with the permit application.

SEQR Review Procedures

Upon filing of this Findings Statement, the following SEQR Review procedures will be adopted for the Oil, Gas and Solution Mining Regulatory Program:

1. A shortened program-specific Environmental Assessment Form (EAF) will continue to be required with every well drilling permit application, regardless of the SEQR determination listed in the previous table. Information required by the EAF is considered to be an essential part of the permit application. It contains vital site-specific information necessary to evaluate the need for individual permit conditions.
2. In the following cases where the GEIS satisfies SEQR, Department staff will no longer make Determinations of Significance and a Negative or Positive Declaration under SEQR will no longer be required so long as projects conform to the descriptions in the Draft and Final GEIS:
 - Standard individual oil, gas, solution mining, stratigraphic test, geothermal or gas storage well drilling permits,
 - Oil and gas drilling permits in the "Bass Islands" field, and
 - Oil and gas drilling permits for locations above aquifers.
3. In addition to the short program-specific EAF, permits for the following projects will also require detailed site-specific environmental assessments using the Long-Form EAF published in Appendix A of 6NYCRR Part 617. A site or project-specific EIS may also be required for the following projects depending upon the information revealed in the permit application and accompanying EAF's:
 - Oil and gas drilling permits in Agricultural Districts if more than two and one-half acres will be altered by construction of the well site and access road.
 - Oil and gas drilling permits in State Parklands.
 - Oil and gas drilling permits when other DEC permits are required.

- Oil and gas drilling permits less than 2,000 feet from a municipal water supply well.
- New major waterflood or tertiary recovery projects.
- New underground gas storage projects or major modifications.
- New solution mining projects or major modifications.
- Brine disposal well drilling or conversion permits.
- Any other project not conforming to the standards, criteria or thresholds required by the Draft and Final GEIS.

Other SEQR Considerations

In conducting SEQR reviews, the Department will handle the topics of individual project scope, project size, lead agency, and coastal resources as described below.

1. **Project scope** - Each application to drill a well will continue to be considered as an individual project. An applicant applying for five wells will continue to be treated the same as five applicants applying to the Department individually, since the wells may not be drilled at the same time or in the same area. Planned future wells might not be drilled at all depending on the results of the first well drilled.

The exceptions to this are proposed new or major expansions of solution mining, enhanced recovery or underground gas storage operations which require that several wells be drilled and operated for an extended period of time within a limited area.

2. **Size of Project** - The size of the project will continue to be defined as the surface acreage affected by development.
3. **Lead Agency** - In 1981, the Legislature gave exclusive authority to the Department to regulate the oil, gas and solution mining industries under ECL Section 23-0303(2). Thus, only the Department has jurisdiction to grant drilling permits for wells subject to Article 23, except within State parklands. To the extent practicable, the Department will actively seek lead agency designation consistent

with the general intent of Chapter 846 of the Laws of 1981.

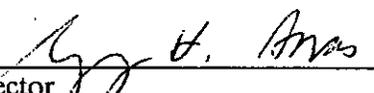
4. Coastal Resources - On the program specific EAF that must accompany every drilling permit application, the applicant must indicate whether the proposed well is in a legally designated New York State Coastal Zone Management (CZM) Area. Neither the policies in the New York State CZM Plan, nor the provisions of individual Local Waterfront Revitalization Plans (LWRP's) are covered in the GEIS. Once an LWRP is adopted by a community, it is a legally binding part of the New York State CZM Plan. The Department cannot issue any drilling permit unless it is consistent with the New York State CZM Plan to the "maximum extent practicable."

**CERTIFICATION OF FINDINGS TO ADOPT THE FINAL GENERIC ENVIRONMENTAL
IMPACT STATEMENT ON THE OIL, GAS AND SOLUTION MINING REGULATORY
PROGRAM**

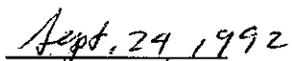
Having considered the Draft and Final GEIS, and having considered the preceding written facts and conclusions relied upon to meet the requirements of 6NYCRR Part 617.9, this

Statement of Findings certifies that:

1. The requirements of 6NYCRR Part 617 have been met;
2. Consistent with the social, economic and other essential considerations from among the reasonable alternatives thereto, the action approved is one which minimizes or avoids adverse environmental effects to the maximum extent practicable; including the effects disclosed in the environmental impact statement, and
3. Consistent with social, economic and other essential considerations, to the maximum extent practicable, adverse environmental effects revealed in the environmental impact statement process will be minimized or avoided by incorporating as conditions to the decision those mitigative measures which were identified as practicable.
4. Consistent with the applicable policies of Article 42 of the Executive Law, as implemented by 19 NYCRR 600.5, this action will achieve a balance between the protection of the environment and the need to accommodate social and economic considerations.



Director
Division of Mineral Resources



Date