

MEMORANDUM OF AGREEMENT

Between
The Department of Mines, Minerals and Energy (DMME),
And
The Department of Environmental Quality (DEQ)
Regarding the coordinated review of the environmental impacts of oil or gas drilling in
Tidewater Virginia

This Memorandum of Agreement (MOA or Agreement) effective this 12th day of August, 2014, is a statement of the intentions of the signatory agencies regarding the coordinated review of the environmental impact assessments and potential effects of proposed oil or gas drilling activities in Tidewater Virginia pursuant to § 62.1-195.1 of the *Code of Virginia*.

The purposes of this MOA are to:

1. Recognize the potential for unique environmental challenges and issues that may be presented by oil or natural gas development in the Virginia coastal plain that includes Tidewater Virginia.
2. Acknowledge the distinctive characteristics and unique complexity of the coastal plain aquifer system, including the Potomac Aquifer, which supplies water for approximately half of Virginia's population and is used to meet a variety of needs including drinking water, agricultural use and industrial use.
3. Ensure a transparent and comprehensive process for assessing and mitigating any potential risks to the environment or public health in the development of oil or natural gas resources in Tidewater Virginia and in accordance with § 62.1-195.1 of the *Code of Virginia*.
4. Provide a mechanism for discussing, resolving and memorializing how to address those instances that would require permits from both DEQ and DMME, including how to address the cumulative impact of multiple environmental impact assessments for DMME permits as well as the potential cumulative impacts of multiple environmental permits in Tidewater Virginia.

This Agreement builds upon the long-standing cooperation between the agencies. This Agreement affirms that DMME regulates oil and gas drilling activities in the Commonwealth. This Agreement also affirms DEQ's responsibility to protect and enhance the environment in order to promote the health and well-being of the citizens of the Commonwealth.

The parties agree as follow:

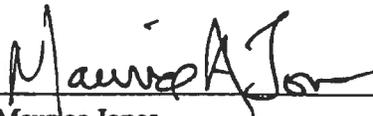
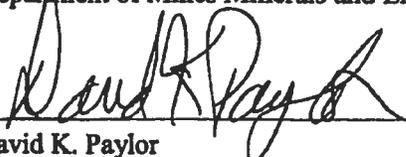
- a. For purposes of this MOA, "Tidewater Virginia" means that term as it is defined in § 62.1-44.15:68 of the *Code of Virginia*.
- b. DMME and DEQ will notify the other party in writing of the appropriate contact persons for the actions described in this MOA.

- c. DEQ will notify DMME in writing upon receipt of a permit application related to oil or gas drilling activities in Tidewater Virginia.
- d. DMME will notify DEQ in writing upon receipt of an application to permit oil or gas drilling activities in Tidewater Virginia of the need to initiate a coordinated environmental impact review. DMME will deliver the environmental impact assessment to DEQ in the format requested by DEQ.
- e. No later than 10 business days after receipt of the environmental impact assessment from DMME, DEQ will advise DMME and the applicant in writing as to the completeness of the information received, and, if an environmental impact assessment is incomplete, DEQ will include a listing of the information needed to initiate the impact review.
- f. DEQ will review all written state agency, local government, planning district commission, and public comments and based upon that review will prepare and, within 90 days of initiating the coordinated review, will submit a written report of its findings and recommendations to DMME. The findings and recommendations of DEQ on an assessment will be available for public inspection at the offices of the Department of Environmental Quality.
- g. Within 3 days of the receipt of a complete environmental impact assessment, DEQ will prepare and submit a general notice for publication in the Virginia Register, including notice of an opportunity for public comment pursuant to § 62.1-195.1 of the *Code of Virginia* and 9 VAC 15-20-160. DEQ also will post the general notice submitted for publication in the Virginia Register and the environmental impact assessment documents on its publicly available website. DEQ will initiate the coordinated review by making the environmental impact assessment available to the chief executive officer of the affected local government, to the executive director of the affected Planning District Commission, and to other state or local agencies requesting a copy of the assessment.
- h. For the purposes of coordinated permitting and on-going compliance and enforcement efforts, DMME will provide DEQ access to the DMME database in which notification for commencing drilling, completing, or closing a well is made in accordance with the requirements of 4VAC25-150-230.
- i. DEQ and DMME will develop a process for determining and addressing the potential cumulative environmental impacts from multiple oil or gas drilling permitting activities in Tidewater Virginia to ensure that the coordinated review of the environmental impact assessment(s) effectively addresses potential impacts to the environment and public health.
- j. DMME will not issue a permit authorizing oil or gas drilling activities in Tidewater Virginia until DEQ has completed the coordinated review of the environmental impact assessment of such activities and provided DMME with the findings and recommendations resulting from that review.

- k. To ensure protection of public health and the environment, when drafting any permit authorizing oil or gas drilling activities in Tidewater Virginia, DMME will collaborate with DEQ to ensure permit conditions accurately reflect the results from the DEQ coordinated review of the environmental impact assessment of such activities.
- l. The agencies agree to collaborate on the technical merits of site-specific issues or permits based upon a request from either agency and to provide assistance to, and consult with, one another as deemed necessary by either agency.
- m. The agencies agree to make best efforts to collaborate to resolve site-specific issues or permit concerns utilizing the processes provided herein. The Secretary of Natural Resources and the Secretary of Commerce and Trade will assist the agencies with finding a resolution to the site-specific issues or permitting concerns not resolved through these processes.

This Agreement may be amended by mutual consent of the parties at any time. Either party may terminate this Agreement upon 180 days advance written notice to the other party. Amendments will be stated in writing and signed in the same manner as the Agreement itself.

Witness Signatures and Seals:

 <hr/> Molly Ward Secretary of Natural Resources Office of the Governor	6-23-14 <hr/> Date
 <hr/> Maurice Jones Secretary of Commerce and Trade Office of the Governor	6/20/14 <hr/> Date
 <hr/> Conrad Spangler Director Department of Mines Minerals and Energy	6/23/2014 <hr/> Date
 <hr/> David K. Paylor Director Department of Environmental Quality	6/23/2014 <hr/> Date