

Hydraulic Fracturing Regulation in President Obama's Second Term

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Before we even finished counting the votes in the 2012 presidential election, political pundits, environmental and energy practitioners, and even Wall Street traders, offered their insights on how President Obama would regulate the energy industry in the next four years. Such an exercise is perilously speculative – particularly when applied emerging segments of the industry, such as hydraulic fracturing and horizontal drilling. Nonetheless, the general consensus is that the administration will take a heavy hand, that long-shelved initiatives will take on new life, and that the hydrocarbon extraction industry should brace for punitive measures.

While we absolutely agree that the pace of regulatory activity on hydraulic fracturing will hasten in President Obama's second term, we do not share the sentiment that this Administration is out to destroy America's domestic unconventional oil and gas industry. We hold the view that this Administration will try to use existing statutory authority to further regulate hydraulic fracturing on a federal level, but will not *purposefully* punish the industry with regulations aimed at killing the hydraulic fracturing industry. That being said, this administration and the energy industry has, at times, had trouble working together, and there may be some residual bad blood over a contentious election where energy issues were front and center. If this Administration attempted to proceed with federal regulation of hydraulic fracturing without meaningful input from the energy industry, there is a very real chance of a regulatory overreach that could deal a detrimental blow to a critical domestic industry.

In this article, Special Counsel Wayne D'Angelo discusses the various possibilities of federal hydraulic fracturing regulation in President Obama's second term.