

**COMMONWEALTH OF VIRGINIA  
BEFORE THE  
KING GEORGE COUNTY  
BOARD OF SUPERVISORS**

**In the matter of:**

<b>Amendment to King George County Comprehensive Plan, to address Drilling for oil and/or natural gas; and</b>	) ) ) )	<b>Case No. 15-04-CP01</b>
<b>Zoning Ordinance Text Amendment to Section 4.11, Exploratory drilling for oil and/or natural gas</b>	) ) )	<b>Case No. 15-04-Z02</b>

**STATEMENT OF  
THE VIRGINIA PETROLEUM COUNCIL**

The Virginia Petroleum Council (“VPC”), a division of the American Petroleum Institute (“API”), respectfully submits the following statement in the above-captioned matters.

**I. STATEMENT OF INTEREST**

API, doing business in Virginia through its Richmond offices as VPC, is the primary national trade association of America’s technology-driven oil and natural gas industry. The over 625 API members are involved in all segments of the industry, including the exploration, production, refining, shipping, and transportation of crude oil and natural gas. In Virginia alone, which is not currently a significant producer of oil and natural gas, over 18,000 jobs are supported by unconventional oil and gas development, which also provides more than \$2 billion in economic activity and more than \$190 million in state and local taxes, or the equivalent of 1.1% of the Commonwealth’s 2011 tax revenues. VPC members have invested significantly in Virginia’s oil and natural gas industry. Together with its member companies, VPC is committed to ensuring a strong, viable oil and natural gas industry capable of meeting the energy needs of our Nation and the Commonwealth in a safe and environmentally responsible manner.

**II. BACKGROUND**

Through the Virginia Gas and Oil Act (the “Act”) and the authority of the Virginia Oil and Gas Board, there currently exists a robust and effective regulatory regime for the

management and oversight of oil and natural gas operations, including hydraulic fracturing, in the Commonwealth of Virginia. States most effectively lead the oversight and management of oil and gas operations. States have the infrastructure, resources, experience, and subject matter expertise – geological, hydrological, and otherwise – to support robust regulation, permitting, inspection, and enforcement. States are therefore best positioned to be the most responsive to protection of human health and the environment, and to provide the uniformity required to ensure safe operations and minimize waste of natural resources. Thus, states must maintain primary regulatory authority and oversight of upstream oil and gas operations on state and private lands.

Under the Act, no locality “shall impose any condition, or require any other local license, permit, fee or bond to perform any gas, oil, or geophysical operations which varies from or is in addition to the requirements of this chapter.”<sup>1</sup> And as Attorney General Herring has recently concluded, “it is clear under [the Virginia Code] that local ordinances may not conflict with the provisions of state statute or regulation.”<sup>2</sup> Moreover, “a duly enacted local zoning restriction on fracking operations is valid only if, and to the extent that, it does not conflict with such a regulation,” and it “must also be consistent with any statutory requirements for fracking operations set forth in the Act.”<sup>3</sup>

VPC believes that the proposed amendments to Section 4.11 of the Zoning Ordinance contain multiple provisions that conflict with the Act and its regulations, and that are inconsistent with statutory requirements for hydraulic fracturing in the Commonwealth. As a result, King George County may be exposed to costly and unnecessary litigation if it moves forward with the proposed amendments. In addition, the Commonwealth is currently undertaking a regulatory review process that will likely yield multiple significant amendments to the Commonwealth’s current gas and oil regulations. It therefore seems premature at best for the Board of Supervisors to consider such sweeping changes to its Zoning Ordinance without availing itself of the information and analysis that will result from the review process.

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<sup>1</sup> VA. CODE ANN. § 45.1-361.5.

<sup>2</sup> 2015 WL 2265418, at \*4-5 (May 5, 2015).

<sup>3</sup> Id.

The proposed amendments also send a very potent signal to the oil and gas industry and the various vendors that support it<sup>4</sup> that King George County is closed for business. If adopted, the proposed amendments would enshrine governmental hostility to the creation of new, high wage jobs and the production of additional domestic sources of energy that will continue to power sectors such as manufacturing, technology, and agriculture, all while increasing the Nation's energy security and putting downward pressure on fuel prices for consumers. While such hostility is a familiar concept to industry at the federal level under the current Administration, it seems unprecedented at the County level in Virginia. Moreover, it is completely at odds with the Board of Supervisors' stated goals of "creating prosperity and opportunity, while enhancing the quality of life in King George County, through economic development."<sup>5</sup>

### III. CONCLUSION

For the reasons stated above, VPC respectfully requests that the Board of Supervisors withdraw the proposed amendments.

Respectfully submitted,

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<sup>4</sup> Including but not limited to equipment manufacturing, transportation, hospitality, professional services such as engineering and accounting, etc.

<sup>5</sup> See, e.g., <http://www.yeskinggeorge.com/>.