

**Proposed Rule 1148.2
Notification and Reporting
Requirements for Oil and Gas Wells
and Chemical Suppliers**

**Working Group Meeting
March 6, 2013**

Definitions - Subdivision (c)

- Revised definition for “air toxic”
 - Deleted reference to “CARB Emissions Inventory Criteria and Guidelines Report, Appendix A-1”
 - Refer to Health and Safety Code Section 44321
- Will revise definitions of “well”, “well completion”, and “well completion fluid” for clarification
 - Added “or extracting” to include gas storage wells

Definitions - Subdivision (c)

- Revised terminology for “well production stimulation or *enhancement* activity”
 - “Well production stimulation or treatment activity”
 - The term “enhancement” has specific meaning for well production activities
 - No change to definition
- Clarified following definitions to refer to “well production stimulation or treatment activity”
 - “flowback fluid”
 - “rework”
 - “well completion”
 - “well completion fluid”

Notification Requirements

- Revised requirements to notify the District of changes to start date of drilling, completion, or rework operations [paragraph (d)(2)]
 - If new start date is earlier than original start date
 - Must re-notify the District at least 24 hours prior to new start date
 - If new start date is later than original start date or if original start date is cancelled
 - Must re-notify the District within 24 hours prior to original start date

Notification Requirements (Cont.)

- Added provision for posting of well drilling, well completion, or well rework notification information on SCAQMD website [paragraph (d)(4)]
 - Notification information will be posted within 24 hours of receipt

Reporting Requirements

- Revised compliance deadline for reporting well drilling, well completion, or well rework activities [paragraphs (e)(1), (e)(2), (e)(4), (e)(5)]
 - “...shall electronically submit a report to the Executive Officer no later than ~~thirty~~ **sixty (60)** days after the completion of the last activity...”
 - Based on industry request to extend reporting deadline from 30 days to 60 days
 - Moving effective date of rule requirements from 90 to 60 days maintains 120 day period when information begins being received by SCAQMD

Effective Date of Rule Requirements

- Revised effective date for notification & reporting requirements [paragraphs (d)(1), (e)(1), (e)(2), (e)(5)]
 - “Beginning [60 ~~90~~ days after date of adoption]....”
 - Effective dates for all requirements will be the same

DOGGR Public Workshop (Los Angeles)

- February 19, 2013 in Downtown L.A.
- DOGGR provided an overview of the Discussion Draft of Proposed Hydraulic Fracturing Regulations
- SCAQMD staff is tracking progress of DOGGR rulemaking effort
- Public comments relevant to PR 1148.2
 - Public notification process should be more proactive
 - Hydraulic fracturing should be banned until proven safe
 - Chemical reporting should be reported up front
 - Operators should conduct air monitoring testing before and after event to determine impacts
 - Trade secrets should not be used limit to full disclosure; local air agency requires full disclosure

Baldwin Hills Public Consultation Meeting

- Baldwin Hills West Angeles Church
 - February 20, 2013
 - 11 attendees
- Public comments
 - Comment: Owners/operators/suppliers should report chemicals prior to use
 - Response:
 - Process would require facilities to report projected and actual
 - Does not improve ability of AQMD to quantify emissions
 - As the AQMD staff receives information, will begin analysis

Baldwin Hills Public Consultation Meeting (continued)

- Comment: PR1148.2 should also apply to maintenance rigs and storage tanks
- Response:
 - PR1148.2 already applies to maintenance rigs if they are performing any of the applicable operations (i.e., drilling, completions, reworks)
 - Testing and monitoring program would be able to evaluate fugitive emissions from storage tanks

Wilmington Public Consultation Meeting

- Wilmington Senior Citizen Center
 - February 20, 2013
 - 38 attendees
- Public comments
- Comment: Hydraulic fracturing operations should be banned until the rule is adopted
- Response:
 - Intent PR 1148.2 is to collect information to evaluate the potential air emissions
 - Proposed rule does not contain any prohibitions

Wilmington Public Consultation Meeting (*Cont.*)

- Comment:
 - Two-year reporting period for the rule is too long
 - Concerned that operators will increase activities during this two year reporting period
- Response:
 - Two-year period is the sunset date for operation information
 - AQMD staff will begin analyzing data before end of two-year period
 - Phase 2 action on information may occur sooner, depending on findings

Wilmington Public Consultation Meeting (Cont.)

- Comment: Requested that AQMD staff return to Wilmington after 6 months of collected data
- Response:
 - Follow-up can occur when sufficient information has been collected (e.g., 9 months)
- Comment:
 - AQMD staff does not need to collect emissions data
 - AQMD staff has sufficient experience with CEQA assessments to quantify emissions from oil/gas operations
- Response:
 - Additional information is needed to quantify emissions from these activities
 - Not all emission sources are the same – estimating emissions from a housing project is different than oil drilling operations

Wilmington Public Consultation Meeting (Cont.)

- Comment:
 - Notification process for rulemaking was not sufficient
 - Should consider using local radio stations and newspapers
- Response:
 - Notification for consultation meetings was about 3 weeks
 - Other mechanisms will be considered in future meetings
- Comment: Fines from rule violations should go back to the communities where the violation occurred
- Response:
 - Discretion of the Governing Board

Wilmington Public Consultation Meeting (Cont.)

- Comment: Residents concerned about health impacts from nearby oil/gas operations
 - Response: Concerns have been relayed to Engineering and Compliance staff for follow-up
- Other non-PR1148.2 issues raised by the community

Industry Technical Consultation Meeting

- Hosted by CIPA/ WSPA/ Oxy
- Presentation on oil/gas well drilling and well completion processes
- Site visit to THUMS Long Beach (Island White)
 - Site and operation overview
 - Observation of existing drilling rig mud system
 - Observation of acidizing operation
 - Observation of production rigs

THUMS Long Beach – Island White

Drilling Rig



THUMS Long Beach – Island White



Drilling mud system

THUMS Long Beach – Island White



Acidizing an injection well



Schedule

- Stationary Source Committee March 15, 2013
(Palm Desert)
- Public Hearing April 5, 2013