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

Working Group Meeting
January 24, 2013
Definitions (Subdivision (c))

- Added definition for “acidizing” (c)(1)
- Added definition for “gravel pack” (c)(6)
- Revised definition of “rework” (c)(11)
  - Based on DOGGR definition
  - Focus on drilling and deepening and permanent alteration of casing
- Revised definition for “well completion” (c)(16)
  - Includes gravel packing and well production stimulation activities
- Added definition for “well production stimulation activity” (c)(18)
  - Activity performed on a well to improve its productivity
Notification Requirements (Subdivision (d))

- **Comment:** Requiring notifications no less than 5 days could delay oil and gas operations
  - Notification time revised to “no more than 10 days and no less than 24 hours prior to the start of…” (d)(1)
  - Added provision to allow notification 48 hours AFTER drilling, well completion, and reworks if operations “…necessary to avert a threat to life, health, property, or natural resources…” (d)(3)
Notification Requirements (Subdivision (d)) (Continued)

- **Comment:** AQMD should refer to DOGGR notices submitted by industry instead of requiring duplicate reporting
  - Deleted requirement to submit copies of DOGGR forms (d)(1)(F)
  - DOGGR did offer to send copies of permits
    - AQMD would receive after the activities were conducted
    - Could be substantial lag time – several months
    - Scanning occurs well after – could be up to 1½ years
- AQMD maintaining notification requirement
  - Basic contact information and well location
  - Nearest sensitive receptor
Sensitive Receptor (d)(1)(D)

- Maintained definition of sensitive receptor (c)(12)
  - Consistent with most recent AQMD rules and CARB definition
- Maintained distance of 1,500 feet as distance for reporting sensitive receptor (d)(1)(D)
  - Review of complaint information revealed confirmed odor violations at distances up to 3,000 feet
- Revised requirement to include only the nearest sensitive receptor within 1,500 feet (d)(1)(D)(iv)
### Sensitive Receptor

<table>
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<tr>
<th>Definition</th>
<th>AQMD Rules</th>
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| SENSITIVE RECEPTOR means any residence including private homes,           | • Proposed Rule 1148.2  
| condominiums, apartments, and living quarters; education resources such as | • Rule 1470 same definition with a separate definition for “school”  
| preschools and kindergarten through grade twelve (k-12) schools; daycare  | • Rule 1420.1 *(adopted 11/5/10)*  
| centers; and health care facilities such as hospitals or retirement and   | • Rule 1469 *(amended 12/5/08)*  
| nursing homes. A sensitive receptor includes long term care hospitals,   |                                                                             |
| hospices, prisons, and dormitories or similar live-in housing.            |                                                                             |
| SENSITIVE RECEPTOR is a school (kindergarten through grade 12), licensed  | Rule 1148.1 *(adopted 3/5/04)*  
| daycare center, hospital, or convalescent home.                           |                                                                             |
| SENSITIVE RECEPTOR LOCATIONS include schools (kindergarten through grade  | Rule 1426 *(amended 5/2/03)*  
| 12), licensed daycare centers, hospitals and convalescent homes.         |                                                                             |
| SENSITIVE RECEPTOR includes schools, public and private (kindergarten     | Rule 1469.1 *(amended 3/4/05)*  
| through grade 12), licensed daycare centers, hospitals, and convalescent  | Rule 1472 *(adopted 3/7/08)*  
| homes.*                                                                  |                                                                             |
| SENSITIVE RECEPTOR LOCATIONS include schools, daycare centers, hospitals, | Rule 1421 *(amended 12/6/02)*  
| and convalescent homes.                                                   |                                                                             |

* Rules include separate definition for residential receptor. Residential receptor is similar.
Reporting Requirements (Subdivision (e))

- Extended the reporting period from 2 weeks to 30 days after completion of the last activity (e)(1)
- Combustion Equipment (e)(1)(C)
  - Revised to specify reporting for “combustion” equipment
  - Combustion equipment reporting to include engine “tier” rating (emission rate not needed)
- Removed requirement to report PERP information
  - Difficult to research specific engine information through PERP program
- Exemption added for combustion equipment rated 50 bhp or less
Reporting Requirements (Subdivision (e)) *(Continued)*

- Dry materials used for drilling, well completion, and rework activities (e)(1)(C)
  - Specified “…in which dry materials are added and mixed *onsite* into the drilling and well completion fluid(s)”
- Drilling fluids (e)(1)(D)
  - Removed requirement to report volume of drilling fluids used and recovered
Comment: The rule should include a “de-minimus” threshold for vapor pressure for reporting recovered fluids.

- Staff is researching this issue
- If a provision is added, periodic sampling/monitoring would be necessary

Comment: Facilities should report the source of water used in drilling/well completion fluids
- AQMD intends to conduct sampling of recovered fluids
Chemical Reporting Requirements (Continued)

- **Comment:** Can facilities submit Material Safety Data Sheets (MSDS) in lieu of reporting
  - Electronic reporting of chemicals is the preferred method
    - Allows for analysis of data
    - Allows for more efficient review and upload of data to AQMD website
  - Added requirement to report contact information for chemical supplier(s)
Initial Comments

- **Comment:** Scope of proposed rule goes beyond the Board’s original directive to evaluate Hydraulic Fracturing
  - Other sources included in the proposed rule have similar potential air quality impacts
  - Data and information is needed to assess potential emissions
  - Other AQMD rules have data gather provisions
  - AQMD staff will present findings to Governing Board

- **Comment:** AQMD should conduct a study of several well sites instead of the current regulatory approach.
  - Alternative approaches can be presented to the Board for their consideration

- **Comment:** Reworks are not part of “pre-production” activities
  - Rule title modified to reflect regulatory intent
Initial Comments (Continued)

- **Comment:** Existing AQMD/CARB rules may already apply
  - Review of existing rules found regulatory gaps for particulate, toxics, and hydrocarbon emissions from drilling, well completion, and rework operations

- **Comment:** Emissions from “pre-production activities” are minimal and a rule is not necessary to control these emissions
  - PR 1148.2 will collect information to confirm emissions and potential air quality issues, if any
Initial Comments (Continued)

- **Comment:** Coordination with DOGGR
  - AQMD is coordinating with DOGGR
    - Consulting with DOGGR
    - Briefing DOGGR on proposed rule

- **Comment:** Conduct technical workshop with industry experts and DOGGR to discuss the basics
  - AQMD staff is interested

- **Comment:** AQMD should review available studies on hydraulic fracturing (such as EPA and Environmental Defense Fund)
  - AQMD staff looking into these studies
Next Steps

- Public Workshop: January 30, 2013, 2:00 PM, Auditorium
- Set Hearing: February 1, 2013
- Working Group Meeting: February 14, 2013, 2:00 PM, GB
- Public Hearing: March 1, 2013