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 state 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
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
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
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 (Palm Desert) March 15, 2013
- Public Hearing April 5, 2013