Proposed Amended Rule 1148.2

Public Workshop

April 15, 2015
Background Rule 1148.2

- Rule 1148.2 adopted April 5, 2013
- Applies to operators of oil and gas wells and chemical suppliers
- Requires pre-project notification, emissions and chemical usage reporting for drilling, well completion, or rework activities
- Public can access SCAQMD website for Rule 1148.2 notifications and non-trade secret chemical usage information
Background SB 4

• SB 4 signed into law September 20, 2013
  – Requires Permit from DOGGR for well stimulation
  – Application process must include detailed information about fluids, additional well integrity, ground water monitoring, and water management plan
  – Public disclosure

• Proposed regulations released in November 2013
• Revised regulations released in October 2014
• Final regulations adopted December 2014, and becomes effective in July 2015 (Interim regulation now in effect)
Comparison Between R1148.2 and SB4 Well Activity Applicability

<table>
<thead>
<tr>
<th>Topic</th>
<th>R1148.2</th>
<th>SB4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hydraulic Fracturing</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Acid Fracturing</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Matrix Acidizing</td>
<td>Yes</td>
<td>Yes*</td>
</tr>
<tr>
<td>Maintenance Acidizing</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Gravel Packing</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Drilling</td>
<td>Yes</td>
<td>No</td>
</tr>
</tbody>
</table>

*Dependent on Acid Volume Threshold
Comparison Between Chemical Reporting for R1148.2 and SB4

<table>
<thead>
<tr>
<th>Reporting Requirement</th>
<th>R1148.2</th>
<th>SB4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade Name Product</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Chemical Ingredient with CAS Number</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Chemical Ingredient with Trade Name Product</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Identify if Chemical Ingredient is an Air Toxics</td>
<td>Yes</td>
<td>No</td>
</tr>
</tbody>
</table>

*Dependent on Acid Volume Threshold*
Rule 1148.2 Reporting

R1148.2: Mass of Trade Name Product

Trade Name Product 1: 100lb
Ingredient 1A: 40%
Ingredient 1B: 60%

Trade Name Product 2: 200lb
Ingredient 2A: 70%
Ingredient 2B: 30%
Ingredient 2C: 40%

Trade Name Product 3: 10lb
Ingredient 3A: 100%

Total Fluid
DOGGR: Mass concentration within Total Fluids

30%

Trade Name Product 1

20%

Trade Name Product 3

20%

Ingredient 3A 10%

Ingredient 2C 20%

Ingredient 2B 10%

Ingredient 2A 40%

Ingredient 1B 30%

Ingredient 1A 10%

DOGGR: Trade Name Product disassociated from Ingredients

DOGGR: Maximum mass concentration of chemical ingredient within Total Fluids
Trade Secret Reporting
Under Rule 1148.2

- Supplier can claim a chemical ingredient as trade secret
- Operator reporting requirements
  - Report chemical family name, any air toxics, basis for trade secret
- Chemical supplier reporting requirements
  - Reports to the AQMD: chemical identity, purpose, & CAS#; identity & mass of trade name product; maximum mass concentration of chemical within trade name product; and chemical family name
- SCAQMD’s website includes information provided by operator only
Trade Secret Reporting Under SB4

• Specific items which cannot be claimed as trade secret:
  – Chemical identities
  – CAS#
  – Mass concentration of additives within fluid
  – Health & safety data
  – Flowback fluid composition
  – Air or other pollution monitoring data

• No trade secret claims have been reported
PAR 1148.2 Approach

• Provide consistency for reporting chemical information with DOGGR by
  – Disassociating Trade Name Products from chemical ingredients - Less trade secret claims expected
  – Using SB4 provisions regarding what cannot be claimed as trade secret for similar SB4 well activities
• Preserve R1148.2 chemical reporting provisions that go beyond SB4 to ensure no less information is obtained
• Streamline reporting by removing unnecessary information (e.g., volume and density)
• Add clarifying language
PAR 1148.2
Chemical Reporting

• Proposed changes
  – Disassociate Trade Name Product from chemical ingredients
  – Report total mass of each chemical ingredient instead of maximum concentration of chemical ingredient the Trade Name Product
  – Purpose of trade name product, rather than chemical ingredient

• No changes proposed for
  – Identity and CAS# of all chemicals
  – Identification of whether the chemical is an air toxic
PAR 1148.2 Reporting

- **Total Fluid**
  - **Trade Name Product 1**: Ingredient 1A (10%), Ingredient 1B (30%), Ingredient 2A (40%), Ingredient 2B (10%), Ingredient 2C (20%), Ingredient 3A (10%)
  - **Trade Name Product 2**: 100 lb
  - **Trade Name Product 3**: 10 lb

**PAR 1148.2: Mass within Total Fluids (Same as R1148.2)**

**PAR 1148.2: Trade Name Product disassociated from Ingredients**

**PAR 1148.2: Maximum mass concentration of chemical ingredient within Total Fluids**
## Trade Secret Claims for Non-SB4 and SB4 Well Activities

<table>
<thead>
<tr>
<th>Chemical Reporting Requirements</th>
<th>PAR 1148.2 Reporting for Non-SB4 Well Activities</th>
<th>PAR 1148.2 Reporting for SB4 Well Activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Identity and purpose of trade name product</td>
<td>Cannot Claim Trade Secret</td>
<td>Cannot Claim Trade Secret</td>
</tr>
<tr>
<td>Report maximum mass concentration of chemical ingredient within total fluid</td>
<td>Can Claim Trade Secret</td>
<td>Can Claim Trade Secret</td>
</tr>
<tr>
<td>Identify chemical ingredient and CAS #</td>
<td>Can Claim Trade Secret*</td>
<td>Cannot Claim Trade Secret</td>
</tr>
<tr>
<td>Identify if chemical is an air toxic</td>
<td>Cannot Claim Trade Secret</td>
<td>Cannot Claim Trade Secret</td>
</tr>
</tbody>
</table>

* If Claim Trade Secret Then Must Report Chemical Family
Effects of Revised Chemical Reporting

- Utilize similar reporting tools
- Preserves chemical reporting provisions which go beyond SB4 to ensure no less chemical information is provided
- Disassociating Trade Name Products from chemical ingredients potentially reduces trade secret claims
  - Additional chemical ingredient information will be available to the public
Next Steps

• Stationary Source Committee
  April 17, 2015

• Public Hearing June 5, 2015