

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

(Adopted April 5, 2013)

RULE 1148.2 NOTIFICATION AND REPORTING REQUIREMENTS FOR OIL AND GAS WELLS AND CHEMICAL SUPPLIERS

- (a) Purpose
The purpose of this rule is to gather air quality-related information on oil and gas well drilling, well completion, and well reworks.
- (b) Applicability
This rule applies to any operator of an onshore oil or gas well located in the District that is conducting oil or gas well drilling, well completion, or well reworks. In addition, this rule applies to suppliers as defined in paragraph (c)(14).
- (c) Definitions
For the purposes of this rule, the following definitions shall apply:
- (1) ACIDIZING means a treatment of the wellbore or reservoir formation with an acid to either clean out scale, damage, or other debris in the well, or react with the soluble substances in the formation to improve permeability and enhance production of oil and gas.
 - (2) AIR TOXIC means any substance identified on a list that is compiled and maintained by the California Air Resources Board pursuant to Health and Safety Code Section 44321.
 - (3) CHEMICAL FAMILY means a group of chemicals with related physical and chemical properties.
 - (4) DRILLING means digging or boring into the earth for the purpose of developing, extracting, or producing oil, gas, or other hydrocarbons, but does not include remediation efforts to clean-up or remove contamination.
 - (5) DRILLING FLUID means fluid used to lubricate the drill string, line the walls of a well, flush cuttings to the surface, and create enough hydrostatic weight to prevent blowouts.
 - (6) FLOWBACK FLUID means the fluid that flows from an oil or gas well following a well production stimulation or treatment activity, either in preparation for a subsequent phase of well production stimulation or treatment activity, or in preparation for a cleanup and returning the well to production. The flowback period begins when material introduced into the well during the well production stimulation or treatment activity

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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

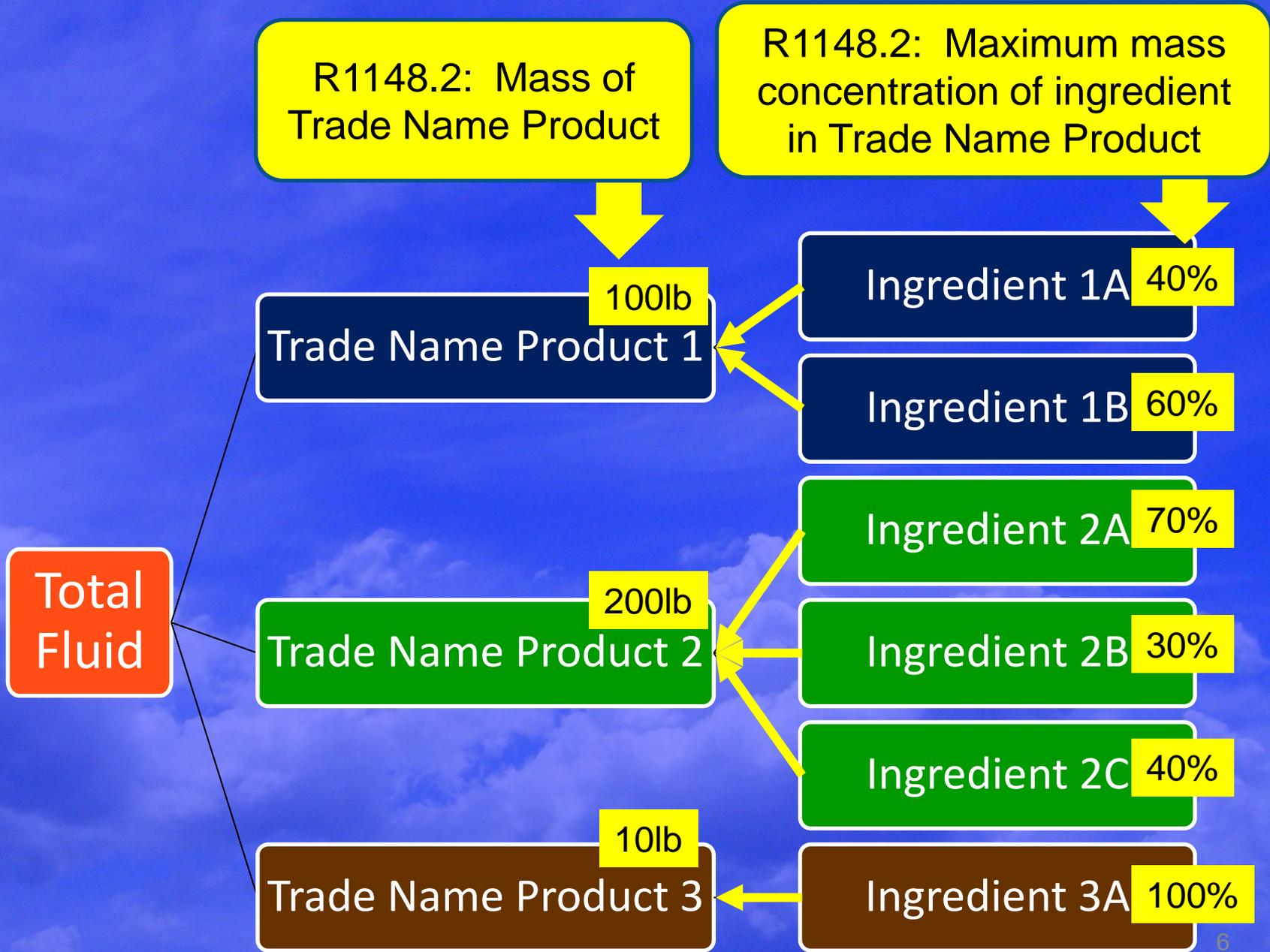
Topic	R1148.2	SB4
Hydraulic Fracturing	Yes	Yes
Acid Fracturing	Yes	Yes
Matrix Acidizing	Yes	Yes*
Maintenance Acidizing	Yes	No
Gravel Packing	Yes	No
Drilling	Yes	No

*Dependent on Acid Volume Threshold

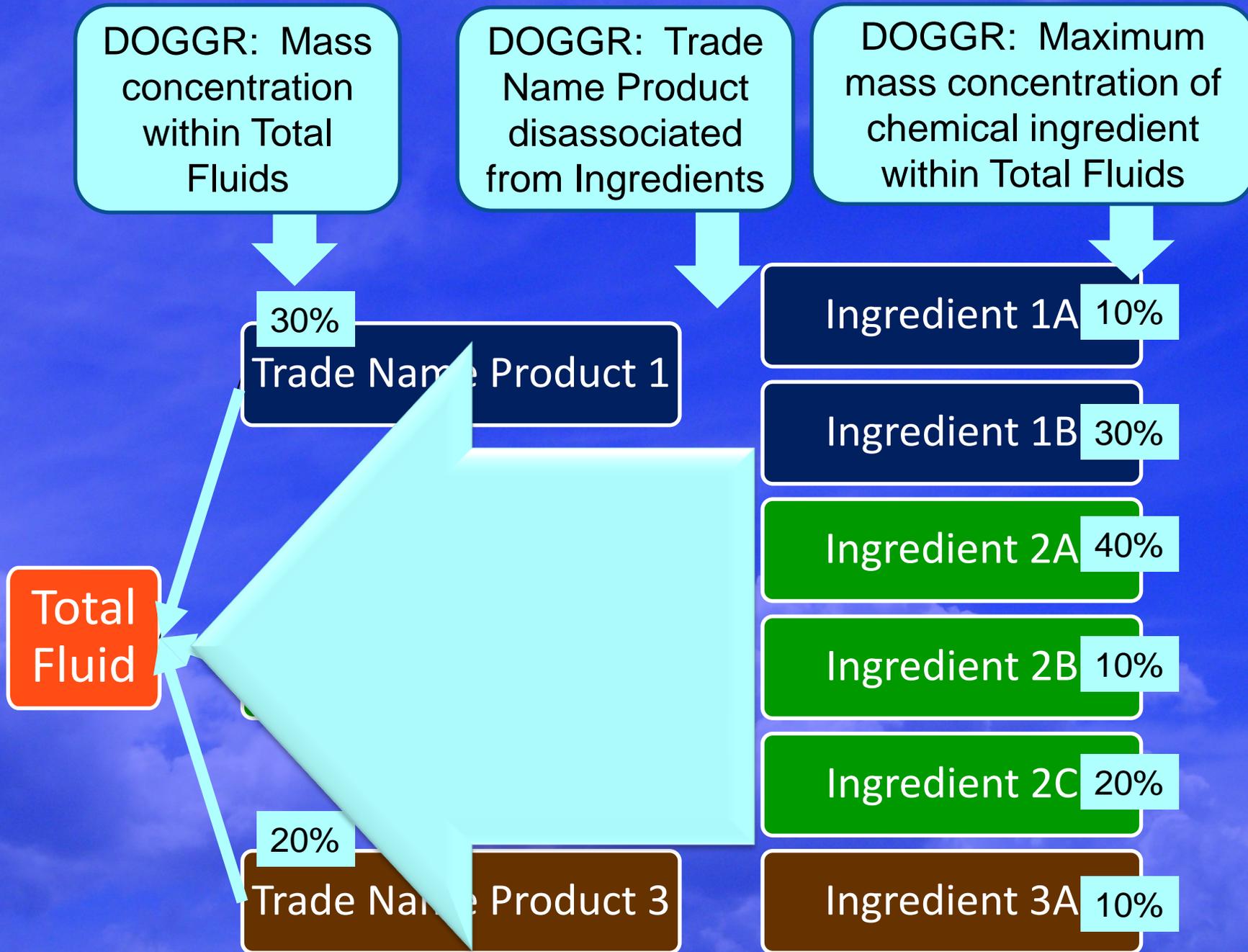
Comparison Between Chemical Reporting for R1148.2 and SB4

Reporting Requirement	R1148.2	SB4
Trade Name Product	Yes	Yes
Chemical Ingredient with CAS Number	Yes	Yes
Chemical Ingredient with Trade Name Product	Yes	No
Identify if Chemical Ingredient is an Air Toxics	Yes	No

Rule 1148.2 Reporting



DOGGR Reporting



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

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

100lb

Trade Name Product 1

Ingredient 1A 10%

Ingredient 1B 30%

Ingredient 2A 40%

Ingredient 2B 10%

Ingredient 2C 20%

10 lb

Trade Name Product 3

Ingredient 3A 10%

Total Fluid

Trade Secret Claims for Non-SB4 and SB4 Well Activities

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

* 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