

# **SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT**

(Adopted April 5, 2013)(Amended September 4, 2015)

## **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 returns to the surface immediately following the activity. The flowback period ends with either well shut in or when the well is producing continuously to the flow line or to a storage vessel for collection, whichever occurs first.

- (7) GRAVEL PACKING means a method that uses water and additives to place sand and gravel near the wellbore itself with the objective of limiting entry of formation sands and fine-grained material into the wellbore.
- (8) HYDRAULIC FRACTURING means a technique used in stimulating a formation or zone that involves the pressurized injection of hydraulic fracturing fluid, which is a carrier fluid mixed with chemical additives, and typically a proppant, into an underground geologic formation in order to fracture the formation, thereby causing or enhancing the production of oil or gas from a well.
- (9) ONSHORE OIL OR GAS WELL means a well located on lands that are not submerged under ocean waters or inland bays during mean high tide.
- (10) OPERATOR means a person who actually drills a well or operates a well or production facility or a person who by virtue of ownership, or under the authority of a lease or any other agreement, has the right to drill, operate, maintain, or control a well or production facility.
- (11) PROPPANT means material inserted or injected into the underground geologic formation that is intended to prevent fractures from closing.
- (12) REWORK means any operation subsequent to drilling that involves deepening, redrilling, or well production stimulation or treatment activity of an existing well.
- (13) SENSITIVE RECEPTOR means any residence including private homes, condominiums, apartments, and living quarters; education resources such as preschools and kindergarten through grade twelve (k-12) schools; daycare centers; and health care facilities such as hospitals or retirement and nursing homes. A sensitive receptor includes long term care hospitals, hospices, prisons, and dormitories or similar live-in housing.
- (14) SUPPLIER means an entity selling or distributing a chemical to the operator of an onshore oil or gas well for use as a drilling fluid, well completion fluid, or rework.
- (15) TRADE SECRET may include, but is not limited to, any formula, plan, pattern, process, tool, mechanism, compound, procedure, production data, or compilation of information which is not patented, which is known only to

certain individuals within a commercial concern who are using it to fabricate, produce, or compound an article of trade or a service having commercial value and which gives its user an opportunity to obtain a business advantage over competitors who do not know or use it, as defined in California Government Code Section 6254.7(d).

- (16) WELL means an oil or gas well, a hole drilled for the purpose of producing oil or gas, or a well into which fluids are injected.
  - (17) WELL COMPLETION means the activities and methods, including well production stimulation or treatment activities, of preparing a well for the production of oil or gas, by which one or more flow paths for hydrocarbons are established between the reservoir and the surface.
  - (18) WELL COMPLETION FLUID means a carrier fluid mixed with physical and chemical additives used for the purpose of preparing a well for the production of oil or gas, or used in a well production stimulation or treatment activity.
  - (19) WELL PRODUCTION STIMULATION OR TREATMENT ACTIVITY means acidizing, gravel packing, hydraulic fracturing, or any combination thereof.
  - (20) WELL REWORK FLUID means a carrier fluid mixed with chemical and/or physical additives used in any operation subsequent to drilling that involves a well production stimulation or treatment activity of an existing well.
- (d) Notification Requirements
- (1) The operator of an onshore oil or gas well shall electronically notify the Executive Officer, using a format approved by the Executive Officer, of the following information, no more than ten (10) calendar days and no less than 48 hours prior to the start of drilling, well completion, or rework of an onshore oil or gas well:
    - (A) name and contact information of the owner and operator of the subject well(s);
    - (B) well name(s) and API well number(s) (if available);
    - (C) geographical coordinates of the subject well(s);
    - (D) nearest sensitive receptor within 1,500 feet of the subject well(s), specifying the:
      - (i) sensitive receptor type (e.g., residence, school, hospital);
      - (ii) name of facility, if applicable;
      - (iii) location address; and

- (iv) distance from the closest property line of the sensitive receptor to the subject well(s); and
  - (E) originally projected start date(s) and time(s), and identification of general activities to be conducted (e.g., drilling, well completion, and reworking). An operator has a 24-hour window from the originally projected start time to begin conducting the drilling, well completion, and/or rework activity.
- (2) If the start date for the drilling, well completion, or rework of an onshore oil or gas well notification submitted to the Executive Officer pursuant to subparagraph (d)(1)(E) is anticipated to occur before the originally projected noticed start date and time, the operator shall electronically notify the Executive Officer at least 48 hours prior to the new start date and time.
- (3) If the start date and time for the drilling, well completion, or well rework of an onshore oil or gas well specified in a notification submitted to the Executive Officer pursuant to subparagraph (d)(1)(E) is anticipated to occur after the originally projected 24-hour window of the start date and time, the operator shall electronically notify the Executive Officer of an extension provided that:
  - (A) the extension does not exceed a 24-hour time period;
  - (B) the operator electronically notifies the Executive Officer of the extension within the 24-hour window following the originally projected, or most recently noticed start date and time; and
  - (C) no more than five successive 24-hour extensions are requested.
- (4) If the drilling, well completion, or well rework of an onshore oil or gas well submitted to the Executive Officer pursuant to subparagraph (d)(1)(E) will not occur, the operator shall electronically notify the Executive Officer of a cancellation no later than the end of the 24-hour window of the most recently noticed start date and time.
- (5) If the new start date and time for drilling, well completion, or well rework activity submitted to the Executive Officer is expected to occur beyond the end of extension periods provided for in paragraph (d)(3), the operator shall electronically notify the Executive Officer of a cancellation pursuant to paragraph (d)(4). Submission of a new start date and time must then comply with the provisions of paragraph (d)(1).
- (6) The notification time period in paragraph (d)(1) shall not apply to drilling, well completion, or rework operations that are necessary to avert a threat to life, health, property, or natural resources. The notification shall be submitted

no later than 48 hours after the start of the operations specified in this paragraph.

- (7) Within 24 hours of receipt, the Executive Officer shall make all information as received under paragraphs (d)(1) through (d)(3) available to the public on a website.

(e) Reporting Requirements

- (1) Beginning June 4, 2013 and until April 5, 2015, for each well, the operator of an onshore oil and gas well shall electronically submit a report to the Executive Officer, using a format approved by the Executive Officer, no later than sixty (60) calendar days after the completion of the last activity associated with drilling, well completion or rework, specifying the following information:

- (A) name and contact information of the owner and operator of the subject well;
- (B) well name(s) and API well number(s) (if available);
- (C) identification of combustion equipment rated at greater than 50 brake horsepower that is used during the drilling, well completion, or reworks including the equipment type, engine size, fuel type, engine tier, and hours of operation;
- (D) for dry materials used for drilling, well completion, and rework provide:
  - (i) type and amount of dry materials used;
  - (ii) method(s) in which dry materials are added and mixed onsite into the drilling and well completion fluid(s); and
  - (iii) any air pollution control techniques, devices, and/or practices used to control fugitive emissions or odors;
- (E) for drilling fluids, well completion fluids, and flowback fluid, provide:
  - (i) volume of well completion fluids used and volume of flowback fluid recovered;
  - (ii) method(s) used for collecting, storing, conditioning, separating, and/or treating drilling fluids and/or flowback fluids as they return to the surface;
  - (iii) any air pollution techniques, devices, and/or practices used to control volatile organic compounds or odors; and

- (iv) final disposition of recovered drilling fluids and flowback fluids.
- (2) Except as provided in (e)(3), a supplier that provides chemicals to the operator of an oil or gas well for drilling, well completion, or rework shall provide the operator with the information in subparagraphs (e)(2)(A) through (e)(2)(C). The information in this subparagraph shall be submitted within ten (10) calendar days after the chemicals are delivered to the operator.
  - (A) for each trade name product used in a well drilling fluid, well rework fluid, or well completion fluid provide the:
    - (i) identity;
    - (ii) purpose; and
    - (iii) total mass in pounds (lbs).
  - (B) for each chemical ingredient used or contained in a trade name product identified in subparagraph (e)(2)(A), without being required to associate any chemical ingredient with any specific trade name product, provide the:
    - (i) identity;
    - (ii) CAS number;
    - (iii) the mass of each chemical ingredient. If the actual mass of each chemical ingredient is not available, the supplier may report the mass using the maximum concentration in percent by mass to calculate the mass of the chemical ingredient; and
    - (iv) identification of whether each chemical ingredient used or contained in the trade name product identified in subparagraph (e)(2)(A) is an air toxic.
  - (C) name, address, and contact name of the supplier for each chemical identified in subparagraph (e)(2)(B).
- (3) If the supplier claims trade secret protection for any information specified in paragraph (e)(2), the provisions of subparagraphs (e)(3)(A) and (B) apply to that information claimed to be trade secret. For well stimulation treatments as defined in Sections 3153 and 3157 of Chapter 1 of Division 3 of the California Public Resources Code, and Section 1761 of Title 14, Division 2, Chapter 4, Subchapter 2 of the Department of Conservation, Division of Oil, Gas, and Geothermal Resources' (DOGGR) SB4 Well Simulation Treatment

Regulations, the identities of chemical ingredients, including CAS identification numbers, are not protected as trade secret.

- (A) Within ten (10) calendar days after the chemicals are delivered to the operator, the supplier shall notify and provide the operator with the following information:
- (i) statement that the supplier claims trade secret protection;
  - (ii) basis for the claim of trade secret protection;
  - (iii) chemical family or similar descriptor if the chemical ingredient is claimed as protected trade secret; and
  - (iv) identification of whether a chemical ingredient is an air toxic if the chemical ingredient is claimed as protected trade secret.
- (B) Within sixty (60) calendar days after chemicals are delivered to the operator, the supplier shall electronically submit a report to the Executive Officer using a format approved by the Executive Officer, the following information:
- (i) name and the API number of the affected well(s) associated with the well drilling, well completion, or rework activity;
  - (ii) if the mass of a trade name product is claimed as a trade secret, the information in subparagraph (e)(2)(A);
  - (iii) if a chemical ingredient, mass of a chemical ingredient, or CAS number is claimed as trade secret, the information specified in subparagraph (e)(2)(B);
  - (iv) company name, address, contact, and phone number of the operator that used the chemicals; and
  - (v) well activity type.
- (4) The operator of an onshore oil and gas well shall electronically report, using a format approved by the Executive Officer, any trade name product or chemical ingredient contained in the drilling fluid, well rework fluid, and well completion fluid to the Executive Officer no later than sixty (60) calendar days after the last activity, or if more than one operation is being conducted, the last activity in the series of operations associated with drilling, well completion, or rework, specifying the following information:
- (A) name and API number of the affected well(s) associated with the well drilling, well completion, or rework activity;

- (B) the information required in subparagraphs (e)(2)(A) through (e)(2)(C) unless it has been claimed as protected trade secret;
  - (C) for any information specified in paragraph (e)(2) claimed as protected trade secret, the information specified in subparagraph (e)(3)(A);
  - (D) company name, address, contact, and phone number of the suppliers of any trade name product or chemical ingredients used or contained in that product;
  - (E) well activity type;
  - (F) the start and end dates of the well activity, and
  - (G) the total volume of each well drilling fluid, well rework fluid, and well completion fluid used.
- (5) Claims and any public requests to inspect records submitted under paragraph (e)(3) shall be subject to the California Public Records Act and the SCAQMD's Guidelines for Implementing the California Public Records Act, adopted on May 6, 2005, and any subsequent revisions, thereto.
- (6) For reports required pursuant to paragraphs (e)(3) and (e)(4), if the time between each individual activity within a series exceeds fourteen (14) calendar days, then a separate report shall be submitted to the Executive Officer for each activity that occurred outside of the 14-day period.
- (f) SCAQMD Website Posting of Chemicals
- The Executive Officer shall make the following information as received under subdivision (e) available to the public for each event by operator name, well name, API well number, location, and date of activity on a website:
- (1) For all submitted information where no trade secret claim has been made:
    - (A) Total volume of drilling, well rework or completion fluids used
    - (B) For each trade name product used in the well drilling fluid, well rework fluid, or well completion fluid:
      - (i) identity;
      - (ii) purpose; and
      - (iii) total mass in pounds (lbs)
    - (C) For each chemical ingredient used or contained in each trade name product, without associating any chemical ingredient with any specific trade name product:
      - (i) identity;

- (ii) CAS number;
  - (iii) the mass of each chemical ingredient; and
  - (iv) identification of whether each chemical ingredient used or contained in the trade name product is an air toxic.
- (2) For all submitted information where a trade secret claim has been made:
  - (A) the chemical family name or similar descriptor, if the chemical ingredient and/or CAS number have been claimed to be trade secret; and
  - (B) identification of whether each chemical ingredient is an air toxic.