



Utah Comments re: BLM's Proposed Hydraulic Fracturing Rule

**IOGCC Public Lands Committee
October 30, 2012**

**John Baza, Director
Utah Division of
Oil, Gas and Mining**

Some recent history of HF rulemaking

- February 2012 – U.S. DOI draft regulations governing HF appear in various trade publications
- 2/21/12 – Utah DOGM sends Notice to Operators requesting voluntary chemical disclosure on FracFocus
- 2/29/12 – Utah Governor Herbert transmits letter to Secretary Salazar opposing the draft rule
- 4/4/12 – Utah requests meeting w/ OMB to present Utah's position on BLM HF rule
- 4/27/12 – Utah joins with reps from WY, ND in discussion with OMB

More recent history of HF rulemaking

- 5/2/12 – Director of Utah PLPCO testifies at House Natural Resources, Energy and Mineral Resources Subcommittee hearing in Denver, CO
- 5/11/12 – BLM publishes draft rule in Federal Register, comments initially due on 7/10/12
- 6/7/12 – Gov. Herbert sends additional letter to Sec. Salazar opposing draft rule and asking for comment period extension
- 6/26/12 – BLM publishes notice in FR extending comment period 60 days until 9/10/12
- 9/7/12 – Utah submits comprehensive comments on BLM's proposed rule



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September 7, 2012

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Re: RIN 1004-AE26. *Oil and Gas; Well Stimulation, Including Hydraulic Fracturing, on Federal and Indian Land*, proposed rule published in the Federal Register on May 11, 2012 (77 Fed. Reg. 27691).

The State of Utah has reviewed the Bureau of Land Management's draft rule affecting oil and gas well stimulation operations, including hydraulic fracturing, on Federal and Indian lands as published in the Federal Register on May 11, 2012. The state has previously communicated with the Secretary of the Interior, by letter in February of this year (Attachment A), and with the Office of Management and Budget, by letter in April of this year (Attachment B), in order to convey the serious ramifications of this unnecessary rulemaking to the Department and the White House. After a complete review of the draft regulations, the state reiterates those concerns today, and again wishes to go on record as completely opposed to this proposed rulemaking. The state firmly believes that the proposal will impose a costly and inefficient regulatory system which, in large part, duplicates state rules and regulations that have been working well for decades.

Utah's comments

- The letter sent to the BLM consisted of 16 pages – including 10 pages of the main body of the letter, copies of two previous letters concerning HF, and a comparison table that illustrates how existing Utah rules already address primary scientific conclusions surrounding HF
- Body of letter provides information on eight topic areas:
 - **General explanation of HF used in Utah oil and gas operations**
 - **Lack of rationale for the proposed federal rule**
 - **Utah's oil and gas monitoring program**
 - **Construction requirements: cement bond logs**
 - **Water use requirements**
 - **Chemical disclosure**
 - **Disposal of HF fluids**
 - **Economic considerations**

Commenting to BLM

- BLM's docket website:
<http://www.regulations.gov/#!docketDetail;D=BLM-2012-0001> (I found it difficult to navigate)
- 7668 comments posted – many are “form” comments; broad spectrum of submitters
- Worried that I cannot find Utah's submission; however, the most recent posting on 10/25/12 was a letter from IPAA and WEA dated Sept. 10th and received by BLM on Sept. 17th
- In recent meetings that I've attended, BLM reps have stated that they intend to address all comments and expect a decision on the proposed rule “this year”

Meanwhile . . .

- Utah has conducted its own rulemaking requiring mandatory chemical disclosure utilizing FracFocus
- Utah Board of Oil, Gas, and Mining met last week on October 24th and unanimously approved a new HF chemical disclosure rule for Utah
- The effective date of the rule is November 1, 2012 (rule requires post-stimulation reporting within 60 days)

HF Rule Timetable

- 8/15/12 - Briefing memo sent to BOGM and Informal Rules Review Group
- 8/22/12 – Public briefing to BOGM
- 8/24/12 – Petition to BOGM to commence formal rule making
- 8/31/12 – DOGM submits e-Rules filing to DAR
- 9/15/12 – State Bulletin publishes proposed rules, 30-day comment period commences
- 9/26/12 – BOGM holds public hearing on proposed rule
- 10/15/12 – Public comment period ends
- 10/24/12 – BOGM makes rule decision

Features of draft HF rules

- Chemical disclosure of HF fluid components using FracFocus software
- Affirmation that existing rules pertaining to well design, architecture, and integrity still apply as part of the HF rule set:
 - Casing program
 - Protection of productive strata
 - Casing tests
 - Drilling operations
 - Well control
 - Workover and recompletion
 - Pollution and surface damage control
 - Reserve pits and other on-site pits
 - General waste management
 - Injection of fluids
 - Class II injection wells



Thank You

Utah Division of Oil, Gas & Mining

<http://ogm.utah.gov>

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