Update on Hydraulic Fracturing Rules

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The Ground Water Protection Council

GROUNDWATER PROTECTION COUNCIL

Changes in State Rules

State of the States

- **What's Being Done?**

STATES FIRST INITIATIVE

A Partnership of IOGCC and GWPC

PHASE I: STATE OIL AND GAS REGULATORY EXCHANGE

Underground Injection Control	Hydraulic Fracturing	Inspector Training & Certification	Effective Regulation through Continuous Improvement	Science and Technology Transfer
• Establish UIC program guidelines • Class II UIC well peer reviews (States & US EPA) • Class VI Carbon Capture and Storage and Enhanced Oil Recovery (EOR)	FracFocus 2.0 • Expand search capabilities • Enhance public value • Adopted by 12 states, 7 states in rule making to adopt • 525 participating companies • RBDMS interface	• State oil & gas inspector certification course • Affiliated with major universities • Technology-based webinar training	• Continuous improvement of field practices - Water management - Well construction • Enhance state capabilities - Magnitude of field staff, inspections • Risk Based Data Management System (RBDMS) expansion - Hydraulic fracturing - Field inspection	• Review emerging technology and applied research - Coordination with US DOE - Universities and NGOs - Others

FracFocus
Chemical Disclosure Registry

WELCOME

Welcome to FracFocus, the hydraulic fracturing chemical registry website. This website is a joint project of the Ground Water Protection Council and the Interstate Oil and Gas Compact Commission.

On this site you can search for information about the chemicals used in the hydraulic fracturing of oil and gas wells. You will also find educational materials designed to help you put this information in perspective.

LEARN MORE >

Looking for information about a *well site near you?*

Search for nearby well sites that have been hydraulically fractured to see what chemicals were used in the process.

FAQs

1 / 3

Q. I know there are wells in my area that have been fractured, but when I search for them I get no results. Why?

A. The most likely reasons are that either the wells were fractured before January 1, 2011 or they have not yet been entered into the system. Only wells fractured after January 1st will be entered into the system and since the uploading of records began only recently it will take some time before a large number of wells is available. Please keep checking back as wells are added on a daily basis.

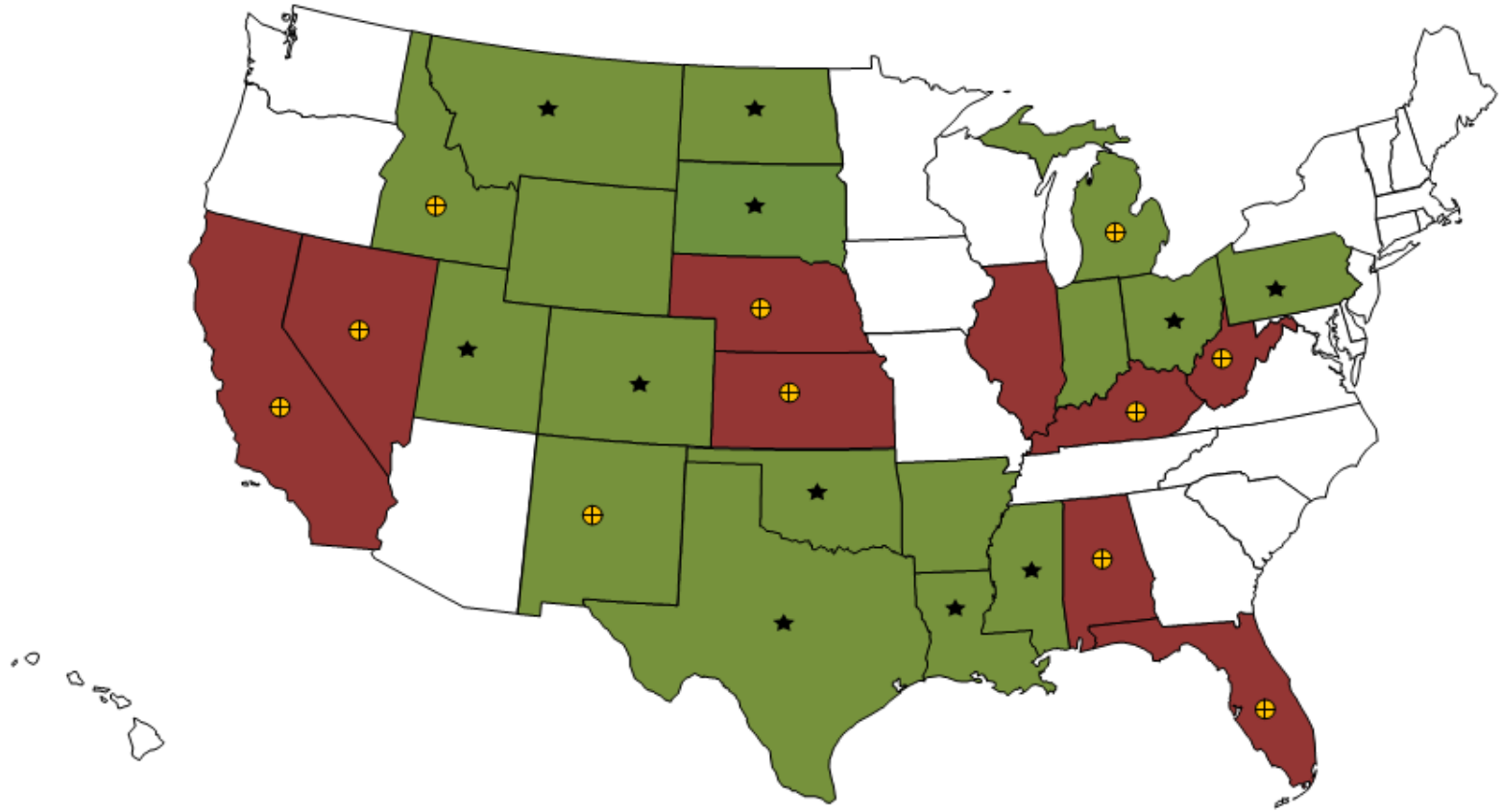
All FAQs »

Groundwater Protection: Priority Number One

Oil and natural gas producers have stringent requirements for how wells must be completed. The genesis of these requirements is water safety.

Casing is the first line of defense used to protect freshwater aquifers.

18		Chemical Disclosure Required
9		Chemical Disclosure Being Proposed
12	★	States Currently Using FracFocus
11	⊕	States Considering FracFocus



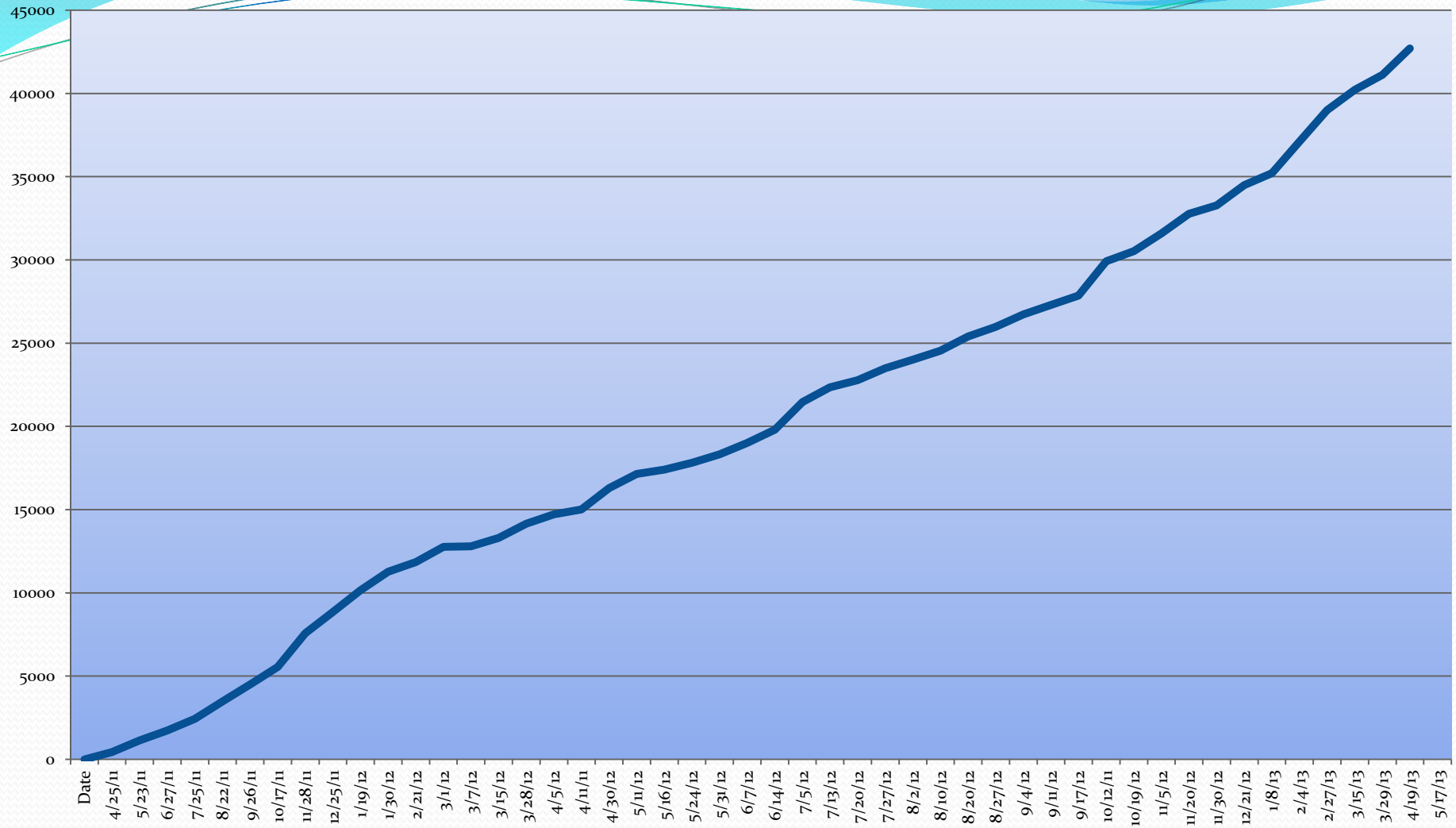
Hydraulic Fracturing Chemical Disclosure State-by-State 5/17/2013

FracFocus Statistics

Stats as of 5/17/2013

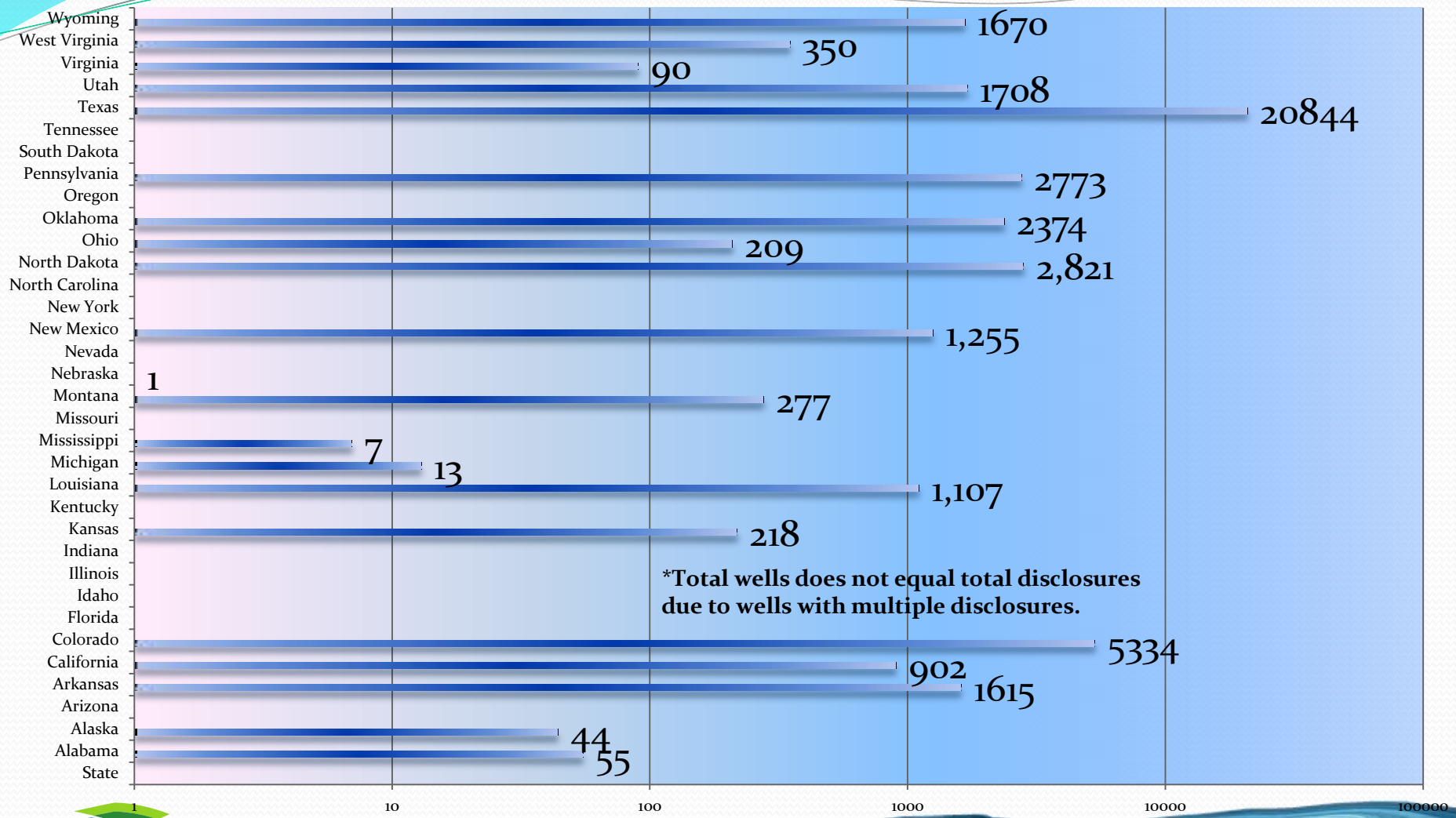
- Participating companies = 568
- Reporting companies = 443
- Disclosures reported = 45,145

Disclosures Reported By Month



FracFocus
Chemical Disclosure Registry

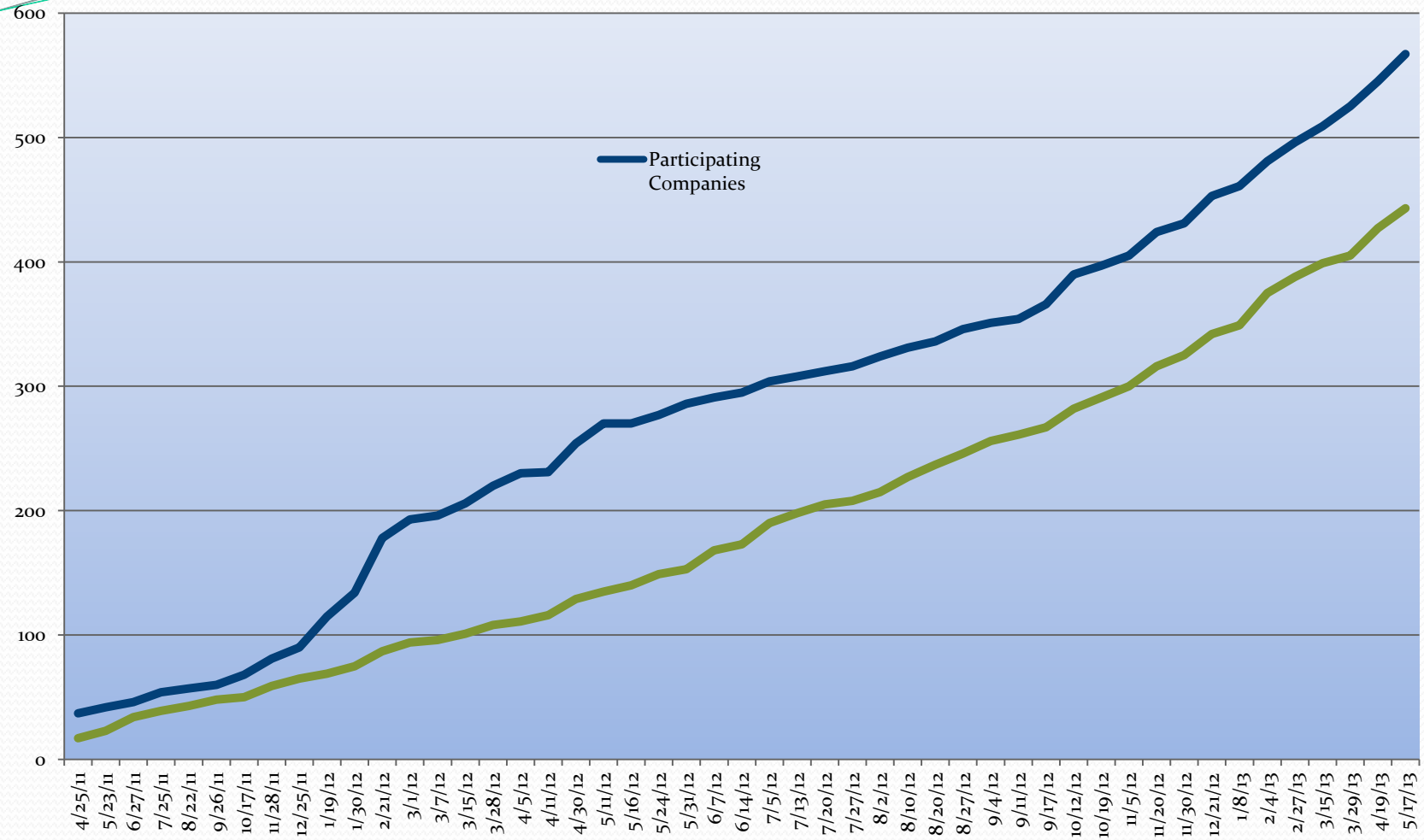
Wells Reported By State*



*Total wells does not equal total disclosures due to wells with multiple disclosures.

Frac Focus
Chemical Disclosure Registry

Company Growth By Month

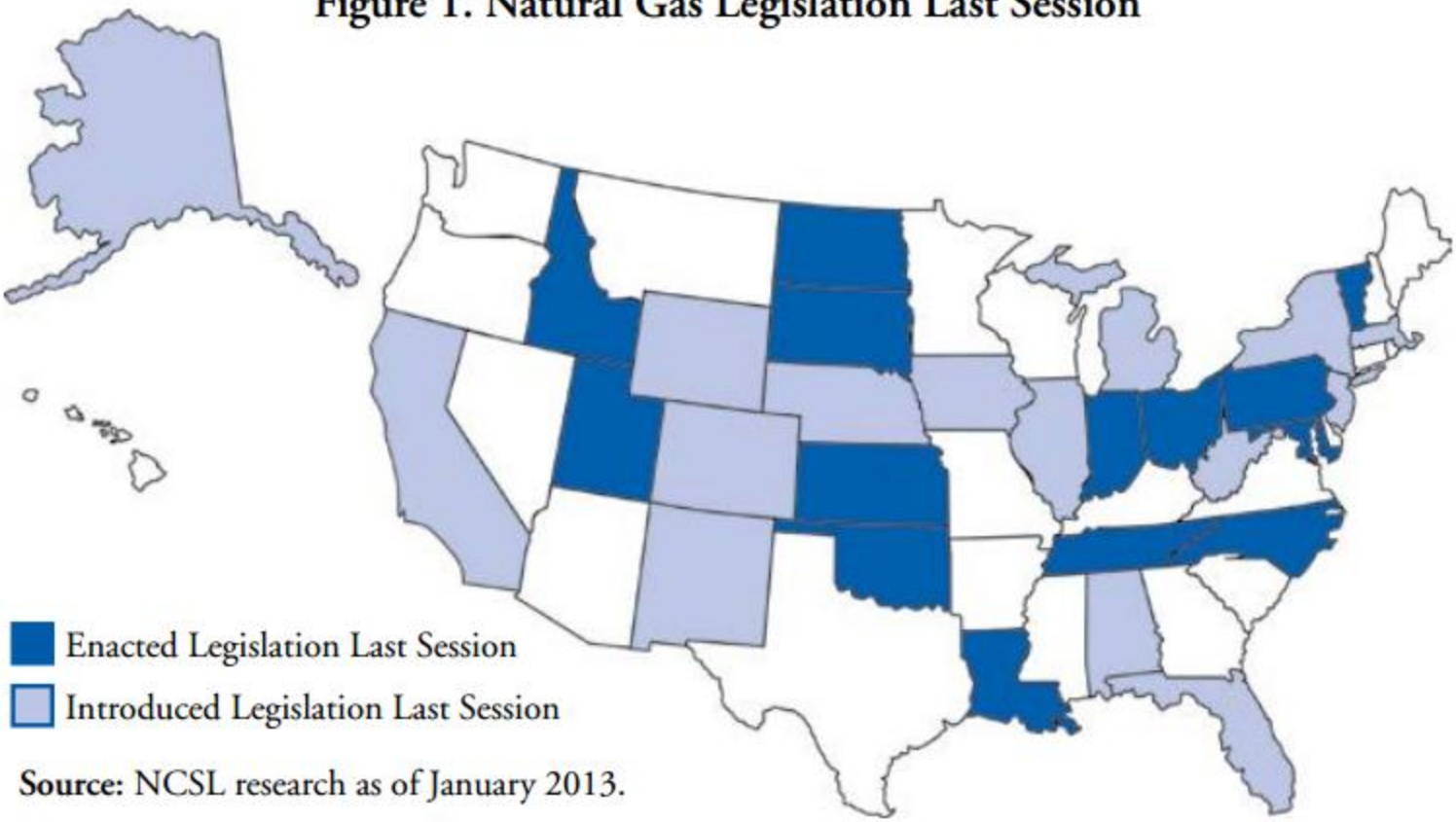


Frac Focus
Chemical Disclosure Registry

States Take the Lead on Regulating Hydraulic Fracturing

Overview of 2012 State Legislation

Figure 1. Natural Gas Legislation Last Session



Source: NCSL research as of January 2013.

Harvard Study

- **Harvard statement**: (1) **Timing of Disclosures**. State laws attach penalties to a company's late submittal of, or failure to submit, chemical disclosures. However, FracFocus does not notify a state when it receives a disclosure from a company operating in that state. Nor can most states readily determine when a disclosure is made. As a result, states cannot enforce timely disclosure requirements.

Harvard Study

- **GWPC Response**: This statement is incorrect. FracFocus not only **notifies states of the submission of disclosures and provides them with lists of such disclosures on a routine basis**, it allows states to download the data from the disclosures so that it can be incorporated into the states own data system. FracFocus is also currently developing the capability for states to **load data directly** into the own state systems.

Harvard Study

- **Harvard statement**: (2) Substance of Disclosures. **FracFocus creates obstacles to compliance for reporting** companies. For example, by not providing state-specific forms, FracFocus leaves companies to figure out how to account for state disclosure requirements not covered by the FracFocus form. FracFocus staff does not review submissions ,and states usually do not receive the form; factors that may encourage some companies to under-value careful reporting. Meanwhile, no state sets minimum reporting standards for FracFocus. In fact, were FracFocus to disappear entirely, most states using the registry would have no backup disclosure methods readily identified and available to them.

Harvard Study

- **GWPC Response**: The whole purpose of utilizing a single format is so the public does not have to navigate multiple formats with different information. This makes it better for the public not worse. While it is true the FracFocus staff does not review the forms for content, that is the responsibility of the state agencies for whom the forms are submitted. **FracFocus is a tool, not a regulatory program**. We are not in a position to know and understand the specifics of individual state regulations nor are we charged by law with enforcing them. We merely **provide the means by which a state receives the information** so that they may review it for regulatory compliance.
- With respect to FracFocus being difficult for companies to use, by providing a single means of reporting across state boundaries, **FracFocus makes it easier for companies to comply** with state regulations because they do not have to enter data in multiple formats.
- The assertion that no state sets a minimum reporting standard for FracFocus is incorrect. The vast majority of state utilizing FracFocus have specifically detailed the reportable elements in their regulations.

Harvard Study

- **Harvard statement**: (3) **Nondisclosures**. Trade secret protection is critical in order to reward development of unique products in the marketplace. However, three characteristics of a robust trade secret regime prevent overly broad demands for this protection: substantiation by the company, verification by a government agency, and opportunity for public challenge. FracFocus has none of these characteristics; operators have sole discretion to determine when to assert trade secrets. As a result, **inconsistent trade secret assertions are made throughout the registry**.

Harvard Study

- **GWPC Response**: As with all information in a FracFocus disclosure, it is the responsibility of the state regulatory program to review and act upon Trade Secret claims. **FracFocus cannot act on behalf of state regulatory programs as it does not have such authority**. Obviously, it is up to each operating company to know and understand individual state laws regarding disclosure. It is also up to each state to enforce compliance with its own laws. Once again, FracFocus is not a regulatory program, it is a tool for collecting the disclosures required by regulatory programs.

- **We believe the research done by the Harvard team fails to reflect the true capabilities of the FracFocus system and misrepresents the systems relationship to state regulatory programs.**

New BLM Rule May Defer to State Regs

- The Interior Department proposed a hydraulic fracturing rule that would allow states to propose regulating on federal lands
- The revised draft rules released by BLM would require disclosure of chemicals (FracFocus option)
- The new rule would not require companies to disclose chemicals until after the technique has been performed