

NOTICE OF INTENT

Department of Natural Resources Office of Conservation

Hydraulic Fracture Stimulation Operations (LAC 43:XIX.118)

The Department of Natural Resources, Office of Conservation proposes to amend LAC 43:XIX.118 in accordance with the provisions of the Administrative Procedure Act, R.S. 49:950 et seq., and pursuant to the power delegated under the laws of the state of Louisiana. The proposed amendment does not substantially change the requirements currently found in LAC 43:XIX.118 but provides for implementation of Act 812 of the 2012 Regular Session requiring operators to report the type and volume of hydraulic fracturing fluid within 20 days after the completion of such operations. This report shall include a list of additives used, including the specific trade name and the supplier of the additive; and list of ingredients contained in the hydraulic fracturing fluid, the associated CAS registry number, and the maximum concentration of each chemical ingredient in percent by mass that is subject to certain federal regulations of the Occupational Safety and Health Administration. In the case that an ingredient is subject to trade secret protection under the criteria cited in 42 USC 11042(a)(2), and specifically enumerated at 42 USC 11042(b), the operator shall provide the contact information of the entity claiming the protection and shall report, at a minimum, the chemical family associated with such ingredient. These requirements do not apply to operations conducted solely for the purpose of sand control or reduction of near wellbore damage.

Title 43

NATURAL RESOURCES

Part XIX. Office of Conservation—General Operations

Subpart 1. Statewide Order No. 29-B

Chapter 1. General Provisions

§118. Hydraulic Fracture Stimulation Operations

A. The provisions of this Rule shall apply to all new wells for which an initial drilling permit is issued on or after the effective date of this Rule that are stimulated by the application of fluids, which contain proppant such as sand or man-made inert material, with force and/or pressure in order to create artificial fractures in the formation for the purpose of improving the capacity to produce hydrocarbons. The provisions of this Rule shall not apply to operations conducted solely for the purposes of sand control or reduction of near wellbore damage.

B. ...

C.1. No later than twenty days following completion of the Hydraulic Fracture Stimulation Operation, the operator shall, for purposes of disclosure, report the following information on or with the Well History and Work Resume Report (Form WH) in accordance with the requirements of LAC 43:XIX.105:

a. – f....

2.a. Notwithstanding Subparagraph d, if the specific identity of a chemical ingredient and the chemical

ingredient's associated CAS number are claimed to be trade secret, or have been finally determined to be entitled to protection as a trade secret under the criteria cited in 42 USC 11042(a)(2), and specifically enumerated at 42 USC 11042(b), the entity entitled to make such a claim may withhold the specific identity of the chemical ingredient and the chemical ingredients associated CAS number from the list required by Subparagraph d. If the entity entitled to make such a claim elects to withhold that information, the report must:

i. – ii. ...

b. ...

3. – 4....

5. Any information provided to the Department pursuant to the provisions of this Rule shall be subject to examination and reproduction as provided by the Public Records Law, R.S. 44:1 et seq., or any other applicable law.

AUTHORITY NOTE: Promulgated in accordance with R.S. 30:4 et seq.

HISTORICAL NOTE: Promulgated by the Department of Natural Resources, Office of Conservation, LR 37:3064 (October 2011), amended LR 37:3064.

Family Impact Statement

In accordance with RS 49:972, the following statements are submitted after consideration of the impact of the proposed Rule amendments at LAC 43:XIX.118 on family as defined therein.

1. The proposed Rule amendment will have no effect on the stability of the family.

2. The proposed Rule amendment will have no effect on the authority and rights of parents regarding the education and supervision of their children.

3. The proposed Rule amendment will have no effect on the functioning of the family.

4. The proposed Rule amendment will have no effect on family earnings and family budget.

5. The proposed Rule amendment will have no effect on the behavior and personal responsibility of children.

6. Family or local government are not required to perform any function contained in the proposed Rule amendment.

Small Business Statement

In accordance with R.S. 49:965.6, the Department of Natural Resources, Office of Conservation has determined that these amendments will have no estimated effect on small businesses.

Poverty Statement

In accordance with R.S. 49:973, the following statements are submitted after consideration of the impact of the proposed Rule amendments at LAC 43:XIX.118 on poverty as defined therein.

1. The proposed Rule amendment will have no effect on household income, assets, and financial security.

2. The proposed Rule amendment will have no effect on early childhood development and preschool through postsecondary education development.

3. The proposed Rule amendment will have no effect on employment and workforce development.

4. The proposed Rule amendment will have no effect on taxes and tax credits.

5. The proposed Rule amendment will have no effect on child and dependent care, housing, health care, nutrition, transportation, and utilities assistance.

Public Comments

All interested parties will be afforded the opportunity to submit data, views, or arguments, orally or in writing at the public hearing in accordance with R.S. 49:953. Written comments will be accepted until 4:30 p.m., April 1, 2013, at Office of Conservation, P.O. Box 94275, Baton Rouge, LA, 70804-9275; or Office of Conservation, Executive Division, 617 North Third St., Baton Rouge, LA 70802. All inquiries should be directed to Tyler Gray at the above addresses or by phone to (225) 342-5570. No preamble was prepared.

Public Hearing

The commissioner of conservation will conduct a public hearing at 10 a.m., March 28, 2013, in the LaBelle Room located on the first floor of the LaSalle Building, 617 North Third Street, Baton Rouge, LA.

James H. Welsh

Commissioner

FISCAL AND ECONOMIC IMPACT STATEMENT FOR ADMINISTRATIVE RULES

RULE TITLE: General Operations, Statewide Order No. 29-B (LAC 43:XIX.118) Hydraulic Fracture Stimulation Operations

I. ESTIMATED IMPLEMENTATION COSTS (SAVINGS) TO STATE OR LOCAL GOVERNMENT UNITS (Summary)

There are no estimated implementation costs or savings to state or local government units as a result of the proposed rule changes. The proposed amendment, which provides for implementation of Act 812 of the 2012 regular legislative session, requires the well operator to report the type and volume of hydraulic fracturing fluid within 20 days after the completion of such operations.

II. ESTIMATED EFFECT ON REVENUE COLLECTIONS OF STATE OR LOCAL GOVERNMENTAL UNITS (Summary)

There is no anticipated effect on revenue collections of state or local government units as a result of this rule change.

III. ESTIMATED COSTS AND/OR ECONOMIC BENEFITS TO DIRECTLY AFFECTED PERSONS OR NONGOVERNMENTAL GROUPS (Summary)

There are no anticipated costs and/or economic benefits to directly affected persons or non-governmental groups as a result of this rule change.

IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT (Summary)

There is no estimated effect on competition and employment as a result of this rule change.

James H. Welsh
Commissioner
1207#097

Evan Brasseaux
Staff Director
Legislative Fiscal Office