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California Releases New Proposed Regulations Applicable to Oil and Gas Well Treatments

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Today, the California Department of Conservation ("DOC"2) released proposed regulations applicable to oil and gas well stimulation activities in the state. This follows up on the passage of SB 4 back on September 20, 2013, which established the first set of requirements specifically associated with hydraulic fracturing and other well stimulation techniques. Previously, in December 2012, the Division of Oil, Gas and Geothermal Resources ("DOGGR"2) released a pre-rulemaking "discussion draft" of regulations applicable to hydraulic fracturing. However, that discussion draft did not trigger the formal rulemaking process and simply acted as a means of engaging stakeholders in the process early on. DOGGR withdrew the discussion draft following the passage of SB 4. The DOC proposed "SB 4 Well Stimulation Treatment Regulations "define the types of well stimulation treatments, e.g. "hydraulic fracturing," and set out various requirements applicable to such treatments. Some of the requirements covered by the proposed regulations include the need to (i) obtain a permit prior to the treatment, (ii) provide pre-treatment notice to property owners so that baseline water testing can be conducted, (iii) perform an evaluation of the well integrity prior to treatment and monitoring during treatment, (iv) adhere to standards for storage and handling of well stimulation fluids, (v) perform post-treatment monitoring, and (vi) submit to the Chemical Disclosure Registry information relating to the contents of the treatment. The release of the proposed rule kicks of the beginning of the formal rulemaking process and the 60-day comment period. DOC had indicated that, in alignment with SB 4, the regulations are scheduled to go in to effect on January 1, 2015. However, in the meantime, the DOC plans on implementing emergency regulations as of January 1, 2014 "to ensure the major requirements of SB 4 are addressed in the interim."2

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