

APA-1
07/04

**TRANSMITTAL SHEET FOR
NOTICE OF INTENDED ACTION**

Control No. 400 Department or Agency State Oil & Gas Board
Rule No. 400-1-9-.04
Rule Title: Hydraulic Fracturing
 New Amend Repeal Adopt by Reference

Would the absence of the proposed rule significantly harm or endanger the public health, welfare, or safety? No

Is there a reasonable relationship between the state's police power and the protection of the public health, safety, or welfare? Yes

Is there another, less restrictive method of regulations available that could adequately protect the public? No

Does the proposed rule have the effect of directly or indirectly increasing the costs of any goods or services involved and, if so, to what degree? No

Is the increase in cost, if any, more harmful to the public than the harm that might result from the absence of the proposed rule? n/a

Are all facets of the rulemaking process designed solely for the purpose of, and so they have, as their primary effect, the protection of the public? Yes



Does the proposed Rule have an economic impact? No

If the proposed rule has an economic impact, the proposed rule is required to be accompanied by a fiscal note prepared in accordance with subsection (f) of Section 41-22-23, Code of Alabama 1975.



Certification of Authorized Official

I certify that the attached proposed rule has been proposed in full compliance with the requirements of Chapter 22, Title 41, Code of Alabama 1975, and that it conforms to all applicable filing requirements of the Administrative Procedure Division of the Legislative Reference Service.

Signature of certifying Officer Berry H. (Nick) Tew, Jr.
Date 5/9/10

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07/04

State Oil and Gas Board of Alabama

NOTICE OF INTENDED ACTION

AGENCY NAME: State Oil and Gas Board of Alabama

RULE NO. & TITLE: Rule 400-1-9-.04, Hydraulic Fracturing

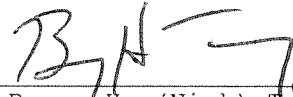
INTENDED ACTION: Adopt

SUBSTANCE OF PROPOSED ACTION: The State Oil and Gas Board of Alabama proposes to adopt Rule 400-1-9-.04, Hydraulic Fracturing, which would enhance regulation of hydraulic fracturing of formations to protect any fresh water supply well or any fresh water resources and to prevent irreparable harm to the oil and gas well or any fresh water resources and to require public disclosure of well stimulation fluids used in hydraulic fracturing.

TIME, PLACE, MANNER OF PRESENTING VIEWS: Interested parties may present their views in writing to the contact person listed below at any time prior to the period stated below.

FINAL DATE FOR COMMENT AND COMPLETION OF NOTICE: Written comments must be submitted to the contact person listed below by July 5, 2013.

CONTACT PERSON AT AGENCY: David Bolin, P.O. Box 869999, Tuscaloosa, AL 35486-6999, phone (205) 247-3579



Berry H. (Nick) Tew, Jr.
Supervisor

400-1-9-.04. Hydraulic Fracturing

(1) Each formation shall be hydraulically fractured so as not to cause irreparable damage to the oil and gas well, or to adversely impact any fresh water supply well or any fresh water resources.

(2) A proposal to fracture a formation shall be accompanied by a check or bank draft in the amount of two-hundred fifty dollars (\$250) payable to the State Treasurer, State of Alabama, which sum is fixed as the fee for each proposal; however, in no case shall the fee paid for concurrent hydraulic fracturing operations in a single well exceed seven-hundred fifty dollars (\$750) regardless how many formations are hydraulically fractured. Where the proposal to hydraulically fracture is associated with a horizontal well, then the fee shall be two-hundred fifty dollars (\$250) for each segment or stage of the horizontal well in which a hydraulic fracturing operation is conducted; however, in no case shall the amount be over seven-hundred fifty dollars (\$750) in connection with concurrent hydraulic fracturing operations in a single well. The fee shall be deposited into the Alabama State Oil and Gas Board Special Fund pursuant to Section 9-17-24 of the *Code of Alabama* (1975).

(3) A formation shall not be hydraulically fractured until approval of the Supervisor is obtained. In order to receive approval from the Supervisor, a proposal to fracture shall include the following:

(a) a wellbore schematic showing the specifications of the casing and cementing program, including pressure tests and the depth interval(s) and name(s) of formation(s) to be fractured;

(b) geophysical and cement bond logs;

(c) a program describing the proposed fracturing operation. Information to be considered shall include, but not be limited to, the maximum length and orientation of the fracture(s) to be propagated and the type fluids and materials that are to be utilized. Programs to hydraulically fracture shall be prepared by a person, or entity, familiar with the technicalities of fracturing formations in the area in which fracturing operations are proposed. The program filed with the Board shall identify the person, or entity, that has prepared the fracturing program and be accompanied by a letter from the operator stating its intended application. Recurrent filing of a fracturing program will not be necessary if such program has previously been submitted to the Supervisor and is directly applicable to the fracturing proposal under consideration. Modification(s) to a fracturing program that would alter the maximum length and orientation of the fracture(s) to be propagated, or the type fluids and material to be utilized, shall be submitted to the Supervisor prior to its implementation in the field;

(d) an inventory prepared by the operator identifying all fresh water supply wells within a one quarter- (1/4-) mile radius of the well to be fractured. Records of fresh water supply wells

shall be used by the operator in delineating the construction and completion depths of such supply wells. The records of the Geological Survey of Alabama (GSA) shall be the primary source of information used in this evaluation process. Additionally, the operator shall conduct a field reconnaissance within a one quarter- (1/4 -) mile radius of the subject well to determine the location of any additional fresh water supply wells that may not be identified in the previously described documents. If possible, construction information for such additional fresh water supply wells must be obtained. Consideration shall be given to the records of all fresh water supply wells available and the operator shall report the results of his findings to the Supervisor. Fracturing operations shall not be conducted if it is determined that any fresh water resources or any fresh water supply well located within a one quarter- (1/4-) mile radius of the subject well could be adversely impacted as a result of the fracturing operation; and

(e) a statement by the operator affirming to the Supervisor, in writing, that the well construction and pressure tests results, and geophysical and cement bond logs, have been evaluated and that the results of this evaluation indicate that the proposed hydraulic fracturing operations can be conducted without adverse impact on any fresh water supply wells or any fresh water resources.

In reviewing a proposal for hydraulic fracturing, the Supervisor shall consider:

- i. whether the proposed hydraulic fracturing operation ensures that the formation to be fractured lies beneath an impervious stratum;
 - ii. whether the fracture fluid to be utilized will remain in the formation to be fractured;
- and
- iii. whether the casing is effectively cemented in place.

(4) Diesel oil or fuel is prohibited in any fluid mixture used in the hydraulic fracturing of a formation.

(5) The Supervisor may request the submittal of additional information in order to clarify a proposal to hydraulically fracture a formation.

(6) The operator shall maintain all records associated with each proposal approved by the Supervisor and implemented by the operator to hydraulically fracture formations until such time that the subject well has been plugged for permanent abandonment, but not less than three (3) years following completion of the fracturing operation. Upon request, copies of these records shall be made available to the Supervisor.

(7) In order to provide adequate disclosure of well stimulation fluids utilized in a hydraulic fracturing operation,

(a) The operator shall provide to the Board:

- (i) a description of the fracture fluid identified by additive, e.g., acid, proppant, surfactant; and

(ii) the name of the chemical compound and the Chemical Abstracts Service Registry number, as published by the Chemical Abstracts Service, a division of the American Chemical Society, for each constituent of the additive used.

(b) Within thirty (30) days after the fracturing of a well, the operator shall post the information to the Frac Focus website.

Author: S. Marvin Rogers

Statutory Authority: Section 9-17-1 *et seq.*, of the Code of Alabama 1975

History: