FINAL

RULE B-19: REQUIREMENTS FOR WELL COMPLETION UTILIZING FRACTURE STIMULATION

a) Definitions

1) "ADEQ" means the Arkansas Department of Environmental Quality.

2) "Additive" means any substance or combination of substances, including proppant, having a specified purpose that is combined with a Hydraulic Fracturing Fluid.

3) "AOGC" means the Arkansas Oil and Gas Commission.

4) "Chemical Abstract Service" or "CAS" means the chemical registry that is the authoritative collection of disclosed chemical substance information.

5) "Chemical Constituent" means a discrete chemical with its own specific name or identity (such as, but not necessarily, a CAS number) that is contained in an additive.

6) "Chemical Family" means a group of elements in the Periodic Table or, more commonly, compounds that share certain physical and chemical characteristics and have a common name.

7) "Hydraulic Fracturing Fluid" means the base fluid type utilized in a particular Hydraulic Fracturing Treatment.

8) "Hydraulic Fracturing Treatment" means stimulating a well by the application of Hydraulic Fracturing Fluids and Additives with force in order to create artificial fractures in the formation for the purpose of improving the capacity to produce hydrocarbons.

9) "RCRA" means Resource Conservation and Recovery Act, 42 U.S.C. § 6901 et. seq.

b) 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.

c) Persons applying for a permit to drill shall indicate on the initial drilling application the intent to perform Hydraulic Fracturing Treatment operations and provide the information required in accordance with subparagraph d) below. If the intent to fracture stimulate a well was not provided at the time of the initial drilling application, a Permit Holder desiring to perform Hydraulic Fracturing Treatment operations shall send the information required in accordance with subparagraph d) below via e-mail, fax or mail to the AOGC office where the initial drilling permit was issued, prior to commencement of Hydraulic Fracturing Treatment operations.

. . .

l) Following completion of the Hydraulic Fracturing Treatment, the Permit Holder shall, for purposes of disclosure, report detailed information to the Director, or his designee, of the Hydraulic Fracturing Treatment in the manner customarily reported or presented to the Permit Holder, within the time period specified in General Rule B-5, as follows:

1) The maximum pump pressure measured at the surface during each stage of the Hydraulic Fracturing Treatment; and

2) The types and volumes of the Hydraulic Fracturing–Fluid and proppant used for each stage of the Hydraulic Fracturing Treatment; and

3) The calculated fracture height as designed to be achieved during the Hydraulic Fracturing Treatment and the estimated TVD to the top of the fracture; and

4) A list of all Additives used during the Hydraulic Fracturing Treatment specified by general type, such as acid, biocide, breaker, corrosion inhibitor, crosslinker, demulsifier, friction reducer, gel, iron control, oxygen scavenger, pH adjusting agent, scale inhibitor, proppant and surfactant; and

5) The names of all specific Additives for each Additive type, specified in subparagraph l) 4) above, utilized during the Hydraulic Fracturing Treatment and the actual rate or concentration for each such Additive expressed as pounds per thousand gallons or gallons per thousand gallons additionally, the Additives are to be expressed as a percent by volume of the total Hydraulic Fracturing Fluids and Additives; and

6) The Permit Holder shall supply field service company tickets (excluding pricing) and reports regarding the Hydraulic Fracturing Treatment, as used in the normal course of business to satisfy some or all of the foregoing information requirements; and

7) The Permit Holder shall supply all information received from the person performing the Hydraulic Fracturing Treatment specified in subparagraph m) 4) below.

8) If the Permit Holder causes any Additives to be utilized during the Hydraulic Fracturing Treatment not otherwise disclosed by the person performing the Hydraulic Fracturing Treatment, the Permit Holder shall disclose a list of all Chemical Constituents and associated CAS numbers contained in all such Additives; provided, however, in those limited situations where the specific identity of any such Chemical Constituent and associated CAS number is entitled to be withheld as a trade secret under the criteria set forth in subsection (a)(2) of 42 U.S.C. § 11042, the Permit Holder shall (i) submit to the Director a claim of entitlement to have the identity of such Chemical Constituent withheld as a trade secret, and (ii) provide the Director with the Chemical Family associated with such Chemical Constituent. The identity of any Chemical Constituent that qualifies as a trade secret under the criteria set forth in subsection (a)(2) of 42 U.S.C. § 11042 shall be held confidential by the Director.

9) Nothing in subparagraph l) 8) above shall authorize any person to withhold information which is required by state or federal law to be provided to a health care professional, a doctor, or a nurse. All information required by a health care professional, a doctor, or a nurse shall be supplied, immediately upon request, by the person performing the Hydraulic Fracturing Treatment, directly to the requesting health care professional, doctor, or nurse, including the percent by volume of the Chemical Constituents (and associated CAS numbers) of the total Hydraulic Fracturing Fluids and Additives.

m) Any person performing Hydraulic Fracturing Treatments within the State of Arkansas shall:

1) Be authorized to do business in the State of Arkansas; and

2) Be required to file Organization Reports in accordance with General Rule B-13, and include the length of time the entity has been in the business of performing Hydraulic Fracturing Treatments; and

3) Disclose to the Director, or his designee, and maintain separate master lists of:

A) All Hydraulic Fracturing Fluids to be utilized during any Hydraulic Fracturing Treatment within the State of Arkansas; and

B) All Additives to be utilized during any Hydraulic Fracturing Treatment within the State of Arkansas; and

C) All Chemical Constituents and associated CAS numbers to be utilized in any Hydraulic Fracturing Treatment within the State of Arkansas; provided, however, in those limited situations where the specific identity of any such Chemical Constituent and associated CAS number is entitled to be withheld as a trade secret under the criteria set forth in subsection (a)(2) of 42 U.S.C. § 11042, the person performing the Hydraulic Fracturing Treatment shall (i) submit to the Director a claim of entitlement to have the identity of such Chemical Constituent withheld as a trade secret, and (ii) provide the Director with the Chemical Family associated with such Chemical Constituent. The identity of any Chemical Constituent that qualifies as a trade secret under the criteria set forth in subsection (a)(2) of 42 U.S.C. § 11042 shall be held confidential by the Director; and

. . .