

Hall of the House of Representatives

88th General Assembly - Regular Session, 2011

Amendment Form

Subtitle of House Bill No. 1392

AN ACT TO CREATE A PROGRAM FOR ANNUAL INSPECTION OF GAS WELLS TO
ACCOUNT FOR THE USE OF AND EFFECTS OF CHEMICALS USED IN THE DRILLING
PROCESS.

Amendment No. 1 to House Bill No. 1392

Amend House Bill No. 1392 as originally introduced:

Delete Representative Webb as the sponsor of the bill

AND

Add Representatives Leding, Webb as cosponsors of the bill

AND

Delete the title in its entirety and substitute:

"AN ACT TO CREATE A PROGRAM FOR ANNUAL INSPECTION OF GAS WELLS; AND FOR OTHER
PURPOSES."

AND

Delete the subtitle in its entirety and substitute:

"AN ACT TO CREATE A PROGRAM FOR ANNUAL
INSPECTION OF GAS WELLS."

AND

Delete Section 1 in its entirety and substitute the following:

"SECTION 1. Arkansas Code § 15-72-201 is amended to read as follows:
15-72-201. Definitions.

As used in this act, unless the context otherwise requires:

(1) "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;



~~(1)~~(2) "Operator" means the person who has the right to enter upon the lands of another for the purpose of exploring, drilling, and developing for the production of brine, oil, gas, and all other petroleum hydrocarbons;

~~(2)~~(3) "Person" means any natural person, corporation, association, partnership, trustee, guardian, executor, administrator, fiduciary, or representative of any kind; and

~~(3)~~(4) "Surface owner" means the owner or owners of record of the surface of the property on which the drilling operation is to occur.

SECTION 2. Arkansas Code Title 15, Chapter 72, Subchapter 2 is amended to add an additional section to read as follows:

15-72-220. Hydraulic fracturing treatment -- Accountability.

(a)(1) To ensure compliance with the rules of the Oil and Gas Commission, the commission shall inspect each:

(A) New well site at least once while the drill pad construction is under way;

(B) Well at least once when casing is set and cemented;

(C) Well at least once while hydraulic fracturing treatment is occurring; and

(D) Well annually during gas production or when idle.

(2) The Oil and Gas Commission may conduct inspections as often as necessary at any point during the lifetime of the well.

(3) The Oil and Gas Commission shall inspect a well site within forty-eight (48) hours of receiving a complaint.

(b)(1) To ensure compliance with the Arkansas Department of Environmental Quality rules, the Water Division of the Arkansas Department of Environmental Quality shall inspect each:

(A) New well site at least once while the drill pad construction is under way; and

(B) Road and pipeline construction corridor providing access to a new well site.

(2) The Arkansas Department of Environmental Quality may conduct inspections as often as necessary at any point during the lifetime of the well.

(3) The Arkansas Department of Environmental Quality shall inspect a well site within forty-eight (48) hours of receiving a complaint.

(c) The Oil and Gas Commission and the Arkansas Department of Department of Environmental Quality shall:

(1) Determine the staffing and technical capacity needed to perform the inspection program described in subsection (a) of this section; and

(2) Create a cross-training program whereby the Oil and Gas Commission and the Arkansas Department of Environmental Quality inspectors can be authorized to cross-inspect well sites for both the Oil and Gas Commission and the Arkansas Department of Environmental Quality mandates described in subsection (a) of this section.

(d) The Oil and Gas Commission and the Arkansas Department of Environmental Quality shall each create and file an annual report for the preceding fiscal year with the Joint Performance Review Committee, beginning July 1, 2012, stating:

(1) The number of oil and gas inspections completed;

(2) The number of inspections that found violations;

- (3) A description of each violation;
- (4) The recommendations of the department's enforcement division and the Oil and Gas Commission's enforcement division for each violation; and
- (5) The final action taken to resolve each violation.

(e) The annual compliance reports shall be made public and shall be searchable in a way that allows geographic analysis of where violations are occurring and should make it possible to determine which companies are associated with each violation.

(f) The Oil and Gas Commission and the Arkansas Department of Environmental Quality shall immediately issue a stop work order, unless that action would cause safety hazards or additional environmental harm if a time-critical operation is interrupted, followed by an inspection at sites of gas production infrastructure that have:

- (1) A potential sign of leakage such as a pressure drop in the casing; or
- (2) A significant threat to water quality."

The Amendment was read _____
By: Representative Webb
MMC/MMC - 03/14/11 10:46
MMC229

Chief Clerk