HB 3415-2 (LC 3463) 4/20/15 (MAM/ps)

## PROPOSED AMENDMENTS TO HOUSE BILL 3415

In line 2 of the printed bill, after "fracturing" insert "; and declaring an emergency".

3 Delete lines 4 through 9 and insert:

"SECTION 1. (1) The State Department of Geology and Mineral Industries and the Department of Environmental Quality shall conduct a review of the statutes and rules applicable to hydraulic fracturing in this state and prepare a report that includes recommendations for any legislation or rulemaking necessary to ensure that a person conducting hydraulic fracturing in this state does so in a manner that employs best practices.

11 "(2) The review and report required under this section must include 12 a consideration of the standards and best practices relating to hy-13 draulic fracturing that have been adopted by other states. The report 14 must include recommendations for best practices related to water use 15 and water quality, air quality, well integrity, chemical disclosure and 16 surface impacts.

"(3) The departments shall consult with other agencies that have
statutory or regulatory authority over activities associated with hydraulic fracturing in preparing the report required under this section.
"(4) The departments shall submit the report prepared under this
section to the interim committees of the Legislative Assembly related
to environment and natural resources in the manner provided under

1 ORS 192.245 on or before September 15, 2016.

2 **"(5)** For purposes of this section:

"(a) 'Hydraulic fracturing' means a well stimulation treatment that includes the pressurized injection of hydraulic fracturing fluid or fluids into an underground geologic formation to fracture, or with the intent to fracture, the formation, thereby causing the production of oil or gas from a well.

8 "(b) 'Hydraulic fracturing' does not mean:

9 "(A) Natural gas storage wells in existence as of the effective date
10 of this 2015 Act.

"(B) Geothermal wells in existence as of the effective date of this
 2015 Act or activities related to exploration for geothermal energy.

"(C) Coal bed methane extraction wells in existence as of the ef fective date of this 2015 Act.

"SECTION 2. Section 1 of this 2015 Act is repealed on December 31
 2016.

17 "<u>SECTION 3.</u> (1) In addition to meeting any other applicable statu-18 tory or regulatory requirements, a person seeking authorization to 19 conduct hydraulic fracturing in this state shall demonstrate to the 20 State Department of Geology and Mineral Industries that the following 21 best practices will be employed:

"(a) The person will disclose to the Department of Environmental
Quality all components and chemicals used in the hydraulic fracturing
process and all substances other than oil and gas that are extracted
during hydraulic fracturing and that will remain on-site;

"(b) The well construction and integrity will be sufficient to protect
 ground water resources;

"(c) Water monitoring will be conducted in accordance with all ap plicable state and federal water quality standards to ensure that
 ground water quality is maintained;

"(d) The amount of fresh water consumed in the hydraulic fracturing process will be minimized to the extent practicable and waste
water will be disposed of in a manner consistent with applicable state
laws; and

6 (e) Methane will be captured at the wellhead to the extent practi6 cable.

"(2) The State Department of Geology and Mineral Industries may,
in consultation with the Department of Environmental Quality, adopt
rules as necessary to implement this section.

10 "(3) For purposes of this section:

"(a) 'Hydraulic fracturing' means a well stimulation treatment that includes the pressurized injection of hydraulic fracturing fluid or fluids into an underground geologic formation to fracture, or with the intent to fracture, the formation, thereby causing the production of oil or gas from a well.

16 "(b) 'Hydraulic fracturing' does not mean:

"(A) Natural gas storage wells in existence as of the effective date
of this 2015 Act.

"(B) Geothermal wells in existence as of the effective date of this
 20 2015 Act or activities related to exploration for geothermal energy.

"(C) Coal bed methane extraction wells in existence as of the ef fective date of this 2015 Act.

23 "SECTION 4. Section 3 of this 2015 Act is repealed on January 1,
24 2025.

"<u>SECTION 5.</u> This 2015 Act being necessary for the immediate
 preservation of the public peace, health and safety, an emergency is
 declared to exist, and this 2015 Act takes effect on its passage.".

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