

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER Executive Director

Division of Oil, Gas and Mining JOHN R. BAZA

Division Director

October 30, 2012

Notice to Oil and Gas Operators

Re: New Hydraulic Fracturing Rule R649-3-39

The process of hydraulic fracturing has been a commonly used method for obtaining production from oil and gas wells for many years in Utah and worldwide. This process has become an increasingly controversial issue with the public. Currently there are no conclusive studies that show examples of ground water contamination or public health issues resulting from hydraulic fracturing in Utah. However, there is still a great amount of public debate concerning the subject. The Utah Division of Oil, Gas and Mining believes that in order to alleviate some of the public's concerns, it was beneficial to create a rule to adresss the hydraulic fracturing process.

The Board of the Division of Oil, Gas and Mining on October 24, 2012, unanimously passed a rule to regulate the hydraulic fracturing process utilized in the production of oil and gas in Utah. The rule will be effective as of November 1, 2012. The rule can be found at the Division's website http://oilgas.ogm.utah.gov/. The rule in summary, addresses the following:

- The public disclosure of the chemicals used in the hydraulic fracturing process by individual well. This information must be reported to FracFocus http://fracfocus.org. FracFocus is a national chemical registry that is available for the public's use and analysis. By rule, each well that is hydraulically fractured must be reported to FracFocus within 60 days after the completion of the hydraulic fracturing process.
- The rule defines proper methods for production of oil and gas emphasizing well bore integrity, casing design, pressures, drilling, completions and protection of ground water.
- The proper methods for the protection of surface waters from flowback. In addition, the proper disposal methods of managing flowback and produced water.

The Division believes that the FracFocus website is a powerful tool for both the industry and public. Please make yourself familiar with FracFocus. In addition, the other sections of the rules are procedures that have been utilized for many years by the Division for oil and gas operations in Utah. If you have any questions concerning this new rule, please contact John Rogers at the Division of Oil, Gas and Mining at 801-538-5349.

Sincerely,

ohn Rogers

Associate Director, Oil and Gas

