



## **DIVISION OF ENVIRONMENTAL QUALITY**

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### **Proposed amendment to APC & EC RULE 1: “PREVENTION OF POLLUTION BY OIL FIELD WASTE”**

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#### **PURPOSE AND AUTHORITY**

The Department of Energy and Environment and the Division of Environmental Quality (DEQ) propose this rulemaking to modify Rule 1: “Prevention of Pollution by Oil Field Waste.” This rulemaking is necessary streamline the regulation of Class II Disposal and Class II Commercial Disposal wells. The Arkansas Pollution Control and Ecology Commission (Commission) has general rulemaking authority through Ark. Code Ann. § 8-1-203(b)(1)(A), and specific authority to promulgate this rule through Ark. Code Ann. § 8-4-202(a) and (b).

#### **BACKGROUND**

Commission Rule 1: “Prevention of Pollution by Oil Field Waste,” regulates the surface facilities of high volume Class II Disposal and Class II Commercial Disposal Wells. The Oil and Gas Commission (OGC) regulates the disposal wells themselves pursuant to General Rule H-1. Under the present regulatory scheme, operators of these facilities must obtain a permit from DEQ for operation of the surface facilities, and a permit from the OGC to drill and operate the disposal wells. Similarly, the surface facilities are regulated by a different regulatory scheme than the wells themselves. This present structure burdens the operators with regulatory overlap and duplicative permitting.

#### **THE PROPOSED RULE AMENDMENTS**

The proposed amendment to Rule 1 will remove the regulatory responsibility for regulating and permitting the surface facilities of high volume Class II Disposal and Class II Commercial Disposal Wells. Simultaneously, the OGC is amending Rule H-1 to assume regulation of these same surface facilities. This will enable all of the regulatory responsibility for the operation of Class II wells to be exercised by the Oil and Gas Commission.

#### **NECESSITY AND PRACTICAL IMPACT OF RULE AMENDMENTS**

The rule amendment will eliminate an area of regulatory overlap and create more government efficiency in permitting and regulating Class II disposal wells. The amendment will allow the Oil and Gas Commission to permit and regulate both the Class II wells and the necessary surface facilities. This will allow the operators of these facilities to obtain permits from one government agency and allow the industry to rely upon the regulatory scheme of only the OGC. The rule amendments will ultimately save the State of Arkansas resources through greater regulatory efficiency.

## **RECOMMENDATION**

The Department of Energy and Environment and DEQ recommend that the proposed amendments to Rule 1: “Prevention of Pollution by Oil Field Waste,” be approved.