



ADEQ and the Fayetteville Shale

ADEQ's mission is to protect, enhance, and restore the environment for the well-being of all Arkansans

1. What are your agency's duties and responsibilities with respect to the Fayetteville Shale development? What is your agency's scope of authority regarding drilling in the Fayetteville Shale?

The ADEQ co-regulates with the Arkansas Oil and Gas Commission (AOGC) the construction, operation, maintenance, and closure of pits, disposal of drilling fluids, and unauthorized discharge of wastes under the authority of the Arkansas Water and Air Pollution Control Act (Act 472 of 1949, as amended, Ark. Code Ann. § 8-4-101, et seq.).

Applicable regulations include:

- The Arkansas Pollution Control and Ecology Commission's Regulation No. 1 - Regulation for the Prevention of Pollution by Salt Water and Other Oil Field Wastes Produced by Wells in All Fields or Pools
- Commission Regulation No. 2-Water Quality Standards
- Commission Regulation No. 34— State Water Permit Regulation
- AOGC General Rules and Regulations B-17.

The ADEQ has responsibility to protect the environment from pollution that

could be caused by the placement of waste in a manner that may impact waters of the state.

The ADEQ issues general and individual permits for:

- Land application of water-based drilling fluids (both one-time applications and landfarms)
- Above-ground storage for Class II injection wells
- Truck wash facilities that clean oil and gas-related containers
- Industrial stormwater activities

The ADEQ's Water Division also issues Short Term Activity Authorizations (STAA) for construction activities conducted which might cause a violation of the state Water Quality Standards, including but not limited to:

- Moving or re-routing a creek or stream
- Road or bridge construction
- Pipeline installation

2. Who regulates drilling?

The ADEQ does not regulate drilling, but does regulate the storage and surface disposal of waste as a result of drilling

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activities. The Oil and Gas Commission has permit authority for subsurface drilling.

3. What about pits?

The ADEQ and the AOGC share inspection and enforcement responsibilities for pits under Commission Regs. 1, 2, and 34, and AOGC General Rules and Regulations B-17. AOGC Form 2A must be filed 48 hours prior to construction. Form 2B is submitted after pit closure. ADEQ inspects oil and gas operations in compliance with Act 472.

4. What enforcement tools does the ADEQ possess to assure compliance by the Fayetteville Shale developers with your agency's rules and those laws that it administers? What enforcement procedures are performed?

Violations of the Arkansas Water and Air Pollution Control Act (Act 472 of 1949, as amended, Ark. Code Ann. § 8-4-101, et seq.) subjects the operator to the penalties specified therein (which could be up to \$10,000 per day/per violation). The Water Division issues warning letters, where

ADEQ Oil and Gas Inspections in 2011

Total Inspected	1,440
Total in Compliance	1,238
Total Out of Compliance	202
Percentage in Compliance	86%

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A natural gas drilling rig



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appropriate, and also drafts formal enforcement actions where warranted based upon a review of each instance of a permit violation, or threats to the environment. The ADEQ follows the Arkansas Pollution Control and Ecology Commission's Regulations #7 and #8 when issuing formal enforcement orders.

5. How many inspectors (in the field) do you have on staff who perform your agency's oversight (inspection) responsibilities in the Fayetteville Shale?

ADEQ currently has three oil and gas inspector positions, located in field offices around the Fayetteville Shale area. Nine additional inspectors can be reallocated as needs arise, or circumstances dictate.

6. What prompts a site visit by ADEQ inspectors or other staff?

The ADEQ conducts random inspections of drilling sites, land application sites, land farms, truck washes, and facilities with above-ground storage of injection wells. The Department responds to all complaints.