

AMENDED IN SENATE MARCH 11, 2013

SENATE BILL No. 4

Introduced by Senator Pavley

(Coauthor: Senator Monning)

December 3, 2012

An act to amend Section *Sections* 3213, 3215, 3236.5, and 3401 of, and to add Article 3 (commencing with Section 3150) to Chapter 1 of Division 3 of, the Public Resources Code, relating to oil and gas.

legislative counsel's digest

SB 4, as amended, Pavley. Oil and gas: hydraulic fracturing.

Under

(1) Under existing law, the Division of Oil, Gas, and Geothermal Resources (DOGGR) in the Department of Conservation regulates the drilling, operation, maintenance, and abandonment of oil and gas wells in the state. The State Oil and Gas Supervisor supervises the drilling, operation, maintenance, and abandonment of wells and the operation, maintenance, and removal or abandonment of tanks and facilities related to oil and gas production within an oil and gas field regarding safety and environmental damage. Existing law requires an operator of a well, before commencing the work of drilling the well, to obtain approval from the State Oil and Gas Supervisor or a district deputy. Existing law requires the operator of a well to keep, or cause to be kept, a careful and accurate log, core record, and history of the drilling of the well. Within 60 days after the date of cessation of drilling, rework, or abandonment operations, the owner or operator is required to file with the district deputy certain information, including the history of work performed. *Under existing law, a person who violates any prohibition*

98

specific to the regulation of oil or gas operations is guilty of a misdemeanor.

This bill would define, among other things, *the terms* hydraulic fracturing and hydraulic fracturing fluid. *The bill would require the Secretary of the Natural Resources Agency, on or before January 1, 2015, to cause to be conducted an independent scientific study on hydraulic fracturing treatments.* The bill requires *would require* an operator of a well to record and include all data on hydraulic fracturing treatment, including names and locations of all known seismic faults, as a part of the history of the drilling of the well *treatments, as specified.* The bill would require DOGGR *the division,* in consultation with the Department of Toxic Substances Control, the State Air Resources Board, and the State Water Resources Control Board, on or before January 1, 2015, to adopt rules and regulations specific to hydraulic fracturing, including governing the construction of wells and well casings and full disclosure of the composition and disposition of hydraulic fracturing. The bill would require an operator to file *apply for a permit, as specified,* with the supervisor or a district deputy, at least 30 days prior to the commencement of a hydraulic fracturing treatment, a notice of intention to commence hydraulic fracturing treatment containing specified information *prior to performing a hydraulic fracturing treatment of a well and would prohibit the operator from either conducting a new hydraulic fracturing treatment or repeating a hydraulic fracturing treatment without a valid, approved permit.* *The bill would prohibit the approval of a permit that presents an unreasonable risk or is incomplete.* *The bill would require the division, within 5 business days of issuing a permit to commence hydraulic fracturing, to provide a copy to specific boards and entities and to post the permit on a publicly accessible portion of its Internet Web site.* The bill would require the hydraulic fracturing *treatment* to be completed within one year of the filing of the notice of intention *from the date that a permit is issued.* The bill would require DOGGR, within 10 days of the receipt of the notice of intention, to make the notice publicly available, to post it on the division's Internet Web site, and to notify the appropriate regional water quality control board. *the division to perform random periodic spot check investigations during hydraulic fracturing treatments, as specified.* *The bill would prohibit the supervisor or district deputy, as of January 1, 2015, from issuing a permit to commence a hydraulic fracturing treatment, as specified, until the study is completed and peer reviewed by independent scientific experts.* *The bill would require the operator*

The bill would require the supplier, as defined, of the hydraulic fracturing treatment to provide to the operator, within 30 days following the conclusion of the hydraulic fracturing, certain information regarding the hydraulic fracturing fluid. The bill would require the operator, within 60 days of the cessation of hydraulic fracturing treatment, to post or cause to have posted on an Internet Web site accessible to the public specified information on the fracturing and fluid, as specified. The bill would require a supplier claiming trade secret protection for the chemical composition of additives used in the hydraulic treatment to disclose the composition to but would, except as specified, prohibit those with access to the trade secret *to provide a copy of the approved hydraulic fracturing treatment permit to specified property owners at least 30 days prior to commencing a hydraulic fracturing treatment. The bill would require the operator to provide notice to the division at least 72 hours prior to the actual start of the hydraulic fracturing treatment in order for the division to witness the hydraulic fracturing treatment. The bill would provide that where the division shares jurisdiction over a well with a federal entity, the division's rules and regulations govern the hydraulic fracturing treatment of a well. DOGGR the division, in conjunction with a hydraulic fracturing treatment permit application, to disclose it, and a person who violates this prohibition would be guilty of a misdemeanor from disclosing it. Because a violation of this bill would create a new crime, it would impose a state-mandated local program.*

(2) Under existing law, a person who violates certain statutes or regulations relating to oil and gas well operations is subject to a civil penalty not to exceed \$25,000 for each violation.

This bill would make persons who violate specified provisions relating to hydraulic fracturing subject to a civil penalty of not less than \$10,000 and not to exceed \$25,000 per day per violation.

(3) Existing law imposes an annual charge upon each person operating or owning an interest in an oil or gas well in respect to the production of the well which charge is payable to the Treasurer for deposit into the Oil, Gas, and Geothermal Administrative Fund. Existing law further requires that specific moneys from charges levied, assessed, and collected upon the properties of every person operating or owning an interest in the production of a well to be used exclusively, upon appropriation, for the support and maintenance of the department charged with the supervision of oil and gas operations.

This bill would allow the moneys described above to be used for all costs associated with hydraulic fracturing including scientific studies required to evaluate the treatment, inspections, and any air and water monitoring and testing performed by public entities.

This bill would require the supervisor, on or before January 1, 2016, and annually thereafter, to transmit to the Legislature and make available publicly a comprehensive report on hydraulic fracturing in the exploration and production of oil and gas resources in the state.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

The people of the State of California do enact as follows:

line 1 SECTION 1. The Legislature finds and declares all of the line 2 following:

line 3 (a) Hydraulic fracturing of oil and gas wells in combination line 4 with technological advances in oil and gas well drilling are line 5 spurring oil and gas extraction and exploration in California.

line 6 (b) Insufficient information is available to fully assess the line 7 science of the practice of hydraulic fracturing in California line 8 including environmental, occupational, and public health hazards line 9 and risks.

line 10 (c) Providing transparency and accountability to the public line 11 regarding hydraulic fracturing, associated emissions to the line 12 environment, and the handling, processing, and disposal of line 13 hydraulic fracturing and related wastes is of paramount concern.

line 14 SECTION 1. line 15 SEC. 2. Article 3 (commencing with Section 3150) is added line 16 to Chapter 1 of Division 3 of the Public Resources Code, to read:

line 17 line 18 Article 3. Hydraulic Fracturing

line 19 line 20 3150. "Additive" means a substance or combination of line 21 substances added to a base fluid for purposes of preparing a line 22 hydraulic fracturing fluid. An additive may, but is not required to,

line 1 serve additional purposes beyond the transmission of hydraulic line 2 pressure to the geologic formation. An additive may be of any line 3 phase and includes proppants.

line 4 3151. “Base fluid” means the continuous phase fluid used in line 5 the makeup of a hydraulic fracturing fluid. The continuous phase line 6 fluid may include, but is not limited to, water, and may be a liquid line 7 or a *hydrocarbon or nonhydrocarbon gas*. *A hydraulic fracturing line 8 treatment may use more than one base fluid.*

line 9 3152. “Carrier fluid” means a base fluid into which additives line 10 are mixed to form a hydraulic fracturing fluid.

line 11 3153. *line 12 3152.* “Hydraulic fracturing” means a treatment used in line 13 stimulating a well *well stimulation or well completion treatment* line 14 that involves the pressurized injection of hydraulic fracturing fluid line 15 and proppant into an underground geologic formation in order to line 16 fracture the formation, thereby causing or enhancing, for the line 17 purposes of this division, the production of oil or gas from a well.

line 18 3154. *line 19 3153.* “Hydraulic fracturing fluid” means a carrier *base* fluid line 20 mixed with physical and chemical additives for the purpose of line 21 hydraulic fracturing. A hydraulic fracturing treatment may include line 22 more than one hydraulic fracturing fluid.

line 23 3155. *line 24 3154.* “Proppants” means materials inserted or injected into line 25 the underground geologic formation that are intended to prevent line 26 fractures from closing.

line 27 3156. *line 28 3155.* “Supplier” means an entity performing a hydraulic line 29 fracturing *treatment* or an entity supplying an additive or proppant line 30 directly to the operator for use in a hydraulic fracturing *treatment*.

line 31 3157. (a) The Legislature finds and declares that hydraulic line 32 fracturing of oil and gas wells in combination with technological line 33 advances in oil and gas well drilling are spurring oil and gas line 34 extraction, as well as oil and gas exploration, in California.

line 35 3156. “*Surface property owner*” means the owner of real line 36 property as shown on the latest equalized assessment roll or, if line 37 more recent information than the information contained on the line 38 assessment roll is available, the owner of record according to the line 39 county assessor or tax collector.

line 1 3160. (a) On or before January 1, 2015, the Secretary of the line 2 Natural Resources Agency shall cause to be conducted an line 3 independent scientific study on hydraulic fracturing treatments. line 4 The scientific study shall evaluate the hazards and risks and line 5 potential hazards and risks that hydraulic fracturing treatments line 6 pose to natural resources and public, occupational, and line 7 environmental health and safety. The scientific study shall do all line 8 of the following:

line 9 (1) Follow the well-established standard protocols of the line 10 scientific profession, including, but not limited to, the use of line 11 recognized experts, peer review, and publication.

line 12 (2) Identify areas with existing and potential conventional and line 13 unconventional oil and gas reserves where hydraulic fracturing line 14 treatments are likely to spur or enable oil and gas exploration and line 15 production.

line 16 (3) Evaluate all aspects of hydraulic fracturing, including, but line 17 not limited to, the hydraulic fracturing treatment, additive and line 18 water transportation to and from the well site, mixing and handling line 19 of the hydraulic fracturing fluids and additives on site, waste water line 20 and waste hydraulic fracturing fluid handling, treatment, and line 21 disposal.

line 22 (4) Consider, at a minimum, atmospheric emissions, the line 23 potential degradation of air quality, potential water and surface line 24 contamination, induced seismicity, and the ultimate disposition, line 25 transport, transformation, and toxicology of hydraulic fracturing line 26 fluids, and waste hydraulic fracturing fluids in the environment.

line 27 (5) Include a hazard assessment and risk analysis addressing line 28 occupational and environmental exposures to hydraulic fracturing line 29 treatments and hydraulic fracturing treatment-related processes line 30 and the corresponding impacts on public health and safety with line 31 the participation of the Office of Environmental Health Hazard line 32 Assessment.

line 33 (6) Clearly identify where additional information is necessary line 34 to inform and improve the analyses.

line 35 (b) (1) On or before January 1, 2015, the division, in line 36 consultation with the Department of Toxic Substances Control, line 37 the State Air Resources Board, and the State Water Resources line 38 Control Board, shall adopt rules and regulations specific to line 39 hydraulic fracturing. The rules and regulations shall include, but line 40 are not limited to, revisions, as needed, to the rules and regulations

line 1 governing construction of wells and well casings to ensure integrity line 2 of wells, well casings, and the geologic and hydrologic isolation line 3 of the oil and gas formation during and following hydraulic line 4 fracturing, and full disclosure of the composition and disposition line 5 of hydraulic fracturing fluids *and waste hydraulic fracturing fluids*.

line 6 (2) Full disclosure of the composition and disposition of line 7 hydraulic fracturing fluids shall, at a minimum, include:

line 8 (A) The date of the hydraulic fracturing *treatment*.

line 9 (B) A complete list of the names, Chemical Abstract Service line 10 (CAS) numbers, and maximum concentration, in percent by mass, line 11 of each and every chemical constituent of the hydraulic fracturing line 12 fluids used. If a CAS number does not exist for a chemical line 13 constituent, the well owner or operator may provide another unique line 14 identifier, if available. Chemical information claimed as a trade line 15 secret, pursuant to subdivision (h) (*j*), shall be identified as such line 16 and reported as described in subdivision (h) (*j*).

line 17 (C) The trade name, the supplier, and a brief description of the line 18 intended purpose of each additive contained in the hydraulic line 19 fracturing fluid.

line 20 (D) The total volume of carrier fluid used during hydraulic line 21 fracturing, and the identification of whether the carrier fluid is line 22 water suitable for irrigation or domestic purposes, water not line 23 suitable for irrigation or domestic purposes, or a fluid other than line 24 water.

line 25 (E)

line 26 (D) The total volume of base fluid, if not reported as a carrier line 27 fluid, used during *the* hydraulic fracturing *treatment*, and the line 28 identification of whether the base fluid is water suitable for line 29 irrigation or domestic purposes, water not suitable for irrigation line 30 or domestic purposes, or a fluid other than water.

line 31 (F)

line 32 (E) The source, volume, and *specific composition and* line 33 disposition of all water, including, but not limited to, all water line 34 used as base and carrier fluids, used *fluid* during *the* hydraulic line 35 fracturing *treatment* and recovered from the well following *the* line 36 hydraulic fracturing *treatment* that is not otherwise reported as line 37 produced water pursuant to Section 3227.

line 38 (G)

line 39 (F) The *specific composition and* disposition of all hydraulic line 40 fracturing fluids, *including waste fluids*, other than water.

line 1 (H)

line 2 (G) Any radiological components or tracers injected into the line 3 well as part of, or in order to evaluate, the hydraulic fracturing line 4 process treatment, a description of the recovery method, if any, line 5 for those components or tracers, the recovery rate, and the specific line 6 disposal method information for recovered components or tracers.

line 7 (I)

line 8 (H) The radioactivity of the recovered hydraulic fracturing line 9 fluids.

line 10 (J)

line 11 (I) The location of the portion of the well subject to the hydraulic line 12 fracturing treatment and the extent of the fracturing surrounding line 13 the well induced by the treatment.

line 14 (3) The rules and regulations shall be revised to incorporate line 15 the results of the independent scientific study conducted pursuant line 16 to subdivision (a).

line 17 (c) (1) On or before January 1, 2015, the division shall enter line 18 into formal agreements with the Department of Toxic Substances line 19 Control, the State Air Resources Board, any local air districts line 20 where hydraulic fracturing treatments may occur, the State Water line 21 Resources Control Board, and any regional water quality control line 22 board where hydraulic fracturing treatments may occur, clearly line 23 delineating respective authority, responsibility, and notification line 24 and reporting requirements associated with hydraulic fracturing line 25 treatments and hydraulic fracturing treatment-related activities line 26 in order to promote regulatory transparency and accountability.

line 27 (2) The agreements under paragraph (1) shall include provisions line 28 for air and water quality monitoring, trade secret handling line 29 protocols, if necessary, and provide for ready public access to line 30 information related to hydraulic fracturing treatments and related line 31 activities. The agreements shall be posted on the publicly accessible line 32 Internet Web site of each entity.

line 33 (c)

line 34 (d) (1) Notwithstanding any other law or regulation, at least 30 line 35 days prior to commencing performing a hydraulic fracturing line 36 treatment on a well, the operator shall file a written notice of line 37 intention to commence the apply for a permit to perform a line 38 hydraulic fracturing treatment with the supervisor or district deputy. line 39 The notice permit application shall contain the pertinent data the line 40 supervisor requires on printed forms supplied by the division or

line 1 on other forms acceptable to the supervisor. The hydraulic line 2 fracturing treatment shall be completed within one year of filing line 3 the notice of intention. The information provided in the notice line 4 permit application shall include, but is not limited to, the following:

line 5 (A) The well identification number and location.

line 6 (B) The time period during which the hydraulic fracturing line 7 treatment is planned to occur.

line 8 (2) Within 10 days of receipt of the notice of intention, the line 9 division shall make the notice of intention publicly available, post line 10 it on the publicly accessible portion of the division's Internet Web line 11 site, and notify the appropriate regional water quality control board line 12 or boards as determined by where the well, including its subsurface line 13 portion, is located.

line 14 (C) *An estimate of the amount of water to be used in the line 15 treatment and its source.*

line 16 (D) *A complete list of the names, Chemical Abstract Service line 17 (CAS) numbers, and estimated concentrations, in percent by mass, line 18 of each and every chemical constituent of the hydraulic fracturing line 19 fluids planned to be used in the treatment. If a CAS number does line 20 not exist for a chemical constituent, the well owner or operator line 21 may provide another unique identifier, if available. Chemical line 22 information claimed as a trade secret, pursuant to subdivision (j), line 23 shall be identified as such and reported as described in subdivision line 24 (j).*

line 25 (E) *The planned location of the hydraulic fracturing treatment line 26 on the wellbore and the estimated length, height, and direction of line 27 the induced fractures.*

line 28 (2) (A) *The supervisor or district deputy shall review the line 29 hydraulic fracturing treatment permit application and may approve line 30 the permit if the application is complete.*

line 31 (B) *A hydraulic fracturing treatment or repeat hydraulic line 32 fracturing treatment shall not be performed on any well without line 33 a valid permit that the supervisor or district deputy has approved.*

line 34 (C) *A permit describing a hydraulic fracturing treatment that line 35 presents unreasonable risk or is incomplete shall not be approved.*

line 36 (3) *The hydraulic fracturing treatment shall be completed within line 37 one year of the issuance of the permit.*

line 38 (4) *Within five business days of issuing a permit to perform a line 39 hydraulic fracturing treatment, the division shall provide a copy line 40 of the permit to the appropriate regional water quality control*

line 1 board or boards and to the local planning entity where the well, line 2 including its subsurface portion, is located. The division shall post line 3 the permit on the publicly accessible portion of its Internet Web line 4 site.

line 5 (5) *At least 30 calendar days prior to commencing a hydraulic line 6 fracturing treatment, the operator shall provide a copy of the line 7 approved hydraulic fracturing treatment permit to every surface line 8 property owner or authorized agent of that owner whose property line 9 line location is one of the following:*

line 10 (A) *Within a 1,500 foot radius of the wellhead.*

line 11 (B) *Within 500 feet from the horizontal projection of all line 12 subsurface portions of the designated well to the surface.*

line 13 (6) *A property owner notified pursuant to paragraph (5) may line 14 request the regional water quality control board to perform water line 15 quality sampling and testing on any water well suitable for drinking line 16 or irrigation purposes and on any surface water suitable for line 17 drinking or irrigation purposes as follows:*

line 18 (A) *Baseline measurements prior to the commencement of the line 19 hydraulic fracturing treatment.*

line 20 (B) *Follow-up measurements after the hydraulic fracturing line 21 treatment on the same schedule as the pressure testing of the line 22 well-casing of the hydraulically-fractured well.*

line 23 (7) *The regional water quality control board shall retain and line 24 archive sufficient sample collected pursuant to paragraph (6) to line 25 permit a reasonable number of additional analyses.*

line 26 (8) *The operator shall provide the division with a list of the line 27 entities and property owners notified pursuant to paragraphs (4) line 28 and (5).*

line 29 (3)

line 30 (9) *The operator shall provide notice to the division at least 72 line 31 hours prior to the actual start of the hydraulic fracturing treatment line 32 in order for the division to witness the treatment.*

line 33 (e) *On and after January 1, 2015, the supervisor or district line 34 deputy shall not issue a hydraulic fracturing treatment permit for line 35 any well until the independent scientific study in subdivision (a) line 36 is completed and peer-reviewed by independent scientific experts.*

line 37 (d)

line 38 (f) *If a hydraulic fracturing treatment is performed on a well, a line 39 supplier that performs any part of hydraulic fracturing or provides line 40 additives directly to the operator for a hydraulic fracturing*

line 1 treatment shall furnish the operator with information needed for line 2 the operator to comply with subdivision (e) (g). If a supplier claims line 3 trade secret protection pursuant to subdivision (h) (j), the supplier line 4 shall notify the operator and provide to the operator substitute line 5 information, as described in subdivision (h) (j), suitable for public line 6 disclosure. This information shall be provided as soon as possible line 7 but no later than 30 days following the conclusion of the hydraulic line 8 fracturing *treatment*.

line 9 (e)

line 10 (g) (1) Within 60 days following cessation of a hydraulic line 11 fracturing *treatment* on a well, the operator shall post or cause to line 12 have posted to an Internet Web site designated or maintained by line 13 the division and accessible to the public, all of the hydraulic line 14 fracturing fluid composition and disposition information required line 15 to be collected pursuant to rules and regulations adopted under line 16 subdivision (b), including well identification number and location. line 17 (2) The division may designate a publicly accessible Internet line 18 Web site, developed by the Ground Water Protection Council and line 19 the Interstate Oil and Gas Compact Commission for the posting line 20 of the data pursuant to paragraph (1), if all of the following line 21 requirements are met:

line 22 (A) The information is organized on that Internet Web site in a line 23 format such as a spreadsheet that allows the public to easily search line 24 and aggregate, to the extent practicable, each type of information line 25 required to be collected pursuant to subdivision (b) using search line 26 functions on that Internet Web site.

line 27 (B) The Internet Web site permits any person to export, copy, line 28 or otherwise obtain in electronic format the data submitted pursuant line 29 to subdivision (b) from that Internet Web site. Once obtained, there line 30 shall be no restrictions on the possession or further distribution, line 31 modification, transmission, or reproduction of any information line 32 submitted pursuant to this section in any form and by any means line 33 and no prior authorization shall be required.

line 34 (3) If an Internet Web site is not designated by the division line 35 pursuant to paragraph (2), the division shall maintain a publicly line 36 accessible Internet Web site, in compliance with subparagraphs line 37 (A) and (B) of paragraph (2), for the posting of the data required line 38 pursuant to paragraph (1).

line 39 (2) *The division's Internet Web site shall be operational by line 40 January 1, 2016, and the division may direct reporting to an*

line 1 alternative Internet Web site developed by the Ground Water line 2 Protection Council and the Interstate Oil and Gas Compact line 3 Commission in the interim. The reported information shall be line 4 organized on the division's Internet Web site in a format, such as line 5 a spreadsheet, that allows the public to easily search and line 6 aggregate, to the extent practicable, each type of information line 7 required to be collected pursuant to subdivision (b) using search line 8 functions on that Internet Web site.

line 9 (f)

line 10 (h) The operator is responsible for compliance with this section.

line 11 (g) The names and locations of all known seismic faults within line 12 a distance from the well bore in any direction equal to five times line 13 the fracture zone length and the names and locations of seismic line 14 faults whose movement is reasonably anticipated to impact the line 15 integrity of the well, well casing, and oil and gas formation shall line 16 be added to the well history. The fracture zone length is defined line 17 as the distance from the well bore to the maximum extent of any line 18 induced fracture.

line 19 *(i) (1) All geologic features within a distance reflecting an line 20 appropriate safety factor of the fracture zone and having the line 21 potential to either limit or facilitate the migration of fluids outside line 22 of the fracture zone, shall be identified and added to the well line 23 history. Geologic features include, but are not limited to, seismic line 24 faults.*

line 25 *(2) For the purposes of this section, the "fracture zone" is line 26 defined as the volume surrounding the well bore where fractures line 27 were created or enhanced by the hydraulic fracturing treatment. line 28 The safety factor shall be at least five and may vary depending line 29 upon geologic knowledge.*

line 30 (h)

line 31 (j) (1) The supplier may claim trade secret protection for the line 32 chemical composition of additives pursuant to Section 1060 of the line 33 Evidence Code, or the Uniform Trade Secrets Act (Title 5 line 34 (commencing with Section 3426) of Part 1 of Division 4 of the line 35 Civil Code).

line 36 *(2) If a supplier believes that information regarding a chemical line 37 constituent of a hydraulic fracturing fluid is a trade secret, the line 38 supplier shall nevertheless disclose the information to the division line 39 in conjunction with a hydraulic fracturing treatment permit line 40 application, if not previously disclosed, within 30 days following*

line 1 cessation of hydraulic fracturing on a well, and shall notify the line 2 division in writing of that belief.

line 3 (3) The supplier is not required to disclose trade secret line 4 information to the operator.

line 5 (4) This subdivision does not permit a supplier to refuse to line 6 disclose the information required pursuant to this section to the line 7 division.

line 8 (5) To comply with the public disclosure requirements of this line 9 section, the supplier shall indicate where trade secret information line 10 has been withheld and the specific name of a chemical constituent line 11 shall be replaced with the chemical family name or similar line 12 descriptor associated with the trade secret chemical information.

line 13 (6) Except as provided in subparagraph (B) of paragraph (8), line 14 the division shall protect from disclosure any trade secret line 15 designated as such by the supplier, if that trade secret is not a public line 16 record.

line 17 (7) The supplier shall notify the division in writing within 30 line 18 days of any changes to information provided to the division to line 19 support a trade secret claim.

line 20 (8) Upon receipt of a request for the release of information to line 21 the public, which includes information the supplier has notified line 22 the division is a trade secret and is not a public record, the line 23 following procedure applies:

line 24 (A) The division shall notify the supplier of the request in line 25 writing by certified mail, return receipt requested.

line 26 (B) The division shall release the information to the public, but line 27 not earlier than 60 days after the date of mailing the notice of the line 28 request for information, unless, prior to the expiration of the 60-day line 29 period, the supplier obtains an action in an appropriate court for a line 30 declaratory judgment that the information is subject to protection line 31 or for a preliminary injunction prohibiting disclosure of the line 32 information to the public and provides notice to the division of line 33 that action.

line 34 (9) (A) Except as provided in subparagraph (B) of paragraph line 35 (8), trade secret information is not a public record and shall not be line 36 disclosed to anyone except to an officer or employee of the line 37 division, the state, *local air districts*, or the United States, in line 38 connection with the official duties of that officer or employee, to line 39 a health professional, under any law for the protection of health, line 40 or to contractors with the division or the state and its employees

line 1 if, in the opinion of the division, disclosure is necessary and line 2 required for the satisfactory performance of a contract, for line 3 performance of work, or to protect health and safety.

line 4 (10) Except as provided in subparagraph (B) of paragraph (8), line 5 an officer or employee of the division or former officer or employee line 6 who, by virtue of that employment or official position, has line 7 possession of, or has access to, any trade secret subject to this line 8 section, and who, knowing that disclosure of the information to line 9 the general public is prohibited by this section, knowingly and line 10 willfully discloses the information in any manner to any person line 11 not entitled to receive it, is guilty of a misdemeanor. A contractor line 12 of the division and any employee of the contractor who has been line 13 furnished information as authorized by this section shall be line 14 considered an employee of the division for purposes of this section.

line 15 (11) In the event of exposure to hydraulic fracturing fluids line 16 necessitating medical care, the person receiving the care shall have line 17 the right to petition the division to disclose relevant trade secret line 18 information in order to receive appropriate medical care.

line 19 *(B) A health professional may share trade secret information line 20 with other persons as may be professionally necessary, including, line 21 but not limited to, the patient and other health professionals. line 22 Confidentiality of the trade secret information shall be maintained. line 23 The holder of the trade secret may request a confidentiality line 24 agreement consistent with the requirements of this subdivision to line 25 whom this information is disclosed as soon as circumstances line 26 permit. If necessary, a procedure for timely disclosure by the line 27 division in the event of an emergency shall be identified.*

line 28 (i)

line 29 *(k) This section does not apply to routine pressure tests to line 30 monitor the integrity of wells and well casings.*

line 31 (j)

line 32 *(l) A well granted confidential status pursuant to Section 3234 line 33 shall comply with this section, with the exception of the disclosure line 34 of hydraulic fracturing fluids pursuant to subdivision (e) (g) which line 35 shall not be required until the confidential status of the well ceases.*

line 36 *(m) The division shall perform random periodic spot check line 37 investigations to ensure that the information provided on hydraulic line 38 fracturing treatments is accurately reported, including that the line 39 estimates provided prior to the commencement of the hydraulic*

line 1 fracturing treatment are reasonably consistent with the well line 2 history.

line 3 *(n) Where the division shares jurisdiction over a well or the line 4 hydraulic fracturing treatment on a well with a federal entity, the line 5 division's rules and regulations shall govern the hydraulic line 6 fracturing treatment of the well.*

line 7 3158. (a) Within 60 days after the date of cessation of line 8 hydraulic fracturing, the operator shall file with the district deputy, line 9 in a form approved by the supervisor, true copies of the log, core line 10 record, and history of work performed, and, if made, true and line 11 reproducible copies of all electrical, physical, or chemical logs, line 12 tests, or surveys. Upon a showing of hardship, the supervisor may line 13 extend the time within which to comply with this section for a line 14 period not to exceed 60 additional days.

line 15 (b) The supervisor shall include information provided pursuant line 16 to subdivision (e) of Section 3157 on existing publicly accessible line 17 maps on the division's Internet Web site, and make the information line 18 available such that hydraulic fracturing and related information line 19 are associated with each specific well. If data are reported on an line 20 Internet Web site not maintained by the division pursuant to line 21 paragraph (2) of subdivision (e) of Section 3157, the division shall line 22 provide electronic links to that Internet Web site. The public shall line 23 be able to search and sort the hydraulic fracturing and related line 24 information by at least the following criteria:

line 25 (1) Geographic area.

line 26 (2) Additive.

line 27 (3) Chemical constituent.

line 28 (4) Chemical Abstract Service number.

line 29 (5) Time period.

line 30 (6) Operator.

line 31 (c) Notwithstanding Section 10231.5 of the Government Code, line 32 on or before January 1, 2016, and annually thereafter, the line 33 supervisor shall, in compliance with Section 9795 of the line 34 Government Code, prepare and transmit to the Legislature a line 35 comprehensive report on hydraulic fracturing in the exploration line 36 and production of oil and gas resources in California. The report line 37 shall include aggregated data of all of the information required to line 38 be reported pursuant to Section 3157 reported by district, county, line 39 and operator. The report also shall include relevant additional

line 1 information, as necessary, including, but not limited to, all the line 2 following:

line 3 (1) Aggregated data detailing the disposition of any produced line 4 water from wells that have undergone hydraulic fracturing.

line 5 (2) Aggregated data detailing the names and locations of seismic line 6 faults within a distance from the well bore in any direction equal line 7 to five times the fracture zone length and the names and locations line 8 of seismic faults whose movement is reasonably anticipated to line 9 impact the integrity of the well, well casing, and oil and gas line 10 formation.

line 11 (3) The number of emergency responses to a spill or release.

line 12 (4) Aggregated data detailing the number of times trade secret line 13 information was not provided to the public, by county and by each line 14 company, in the preceding year.

line 15 (5) Data detailing the loss of well and well casing integrity in line 16 the preceding year for wells that have undergone hydraulic line 17 fracturing treatment. For comparative purposes, data detailing the line 18 loss of well and well casing integrity in the preceding year for all line 19 wells shall also be provided. The cause of each well and well casing line 20 failure, if known, shall also be provided.

line 21 (d) The report shall be made publicly available and an electronic line 22 version shall be available on the division's Internet Web site.

line 23 SEC. 2. *line 24 SEC. 3.* Section 3213 of the Public Resources Code is amended line 25 to read:

line 26 3213. The history shall show the location and amount of line 27 sidetracked casings, tools, or other material, the depth and quantity line 28 of cement in cement plugs, the shots of dynamite or other line 29 explosives, and the results of production and other tests during line 30 drilling operations. All data on hydraulic fracturing treatments line 31 pursuant to Section 3157 3160 shall be recorded in the history.

line 32 SEC. 4. Section 3215 of the Public Resources Code is amended line 33 to read:

line 34 3215. (a) Within 60 days after the date of cessation of drilling, line 35 rework, *hydraulic fracturing treatment*, or abandonment operations, line 36 or the date of suspension of operations, *the operator shall file with line 37 the district deputy, in a form approved by the supervisor*, true line 38 copies of the log, core record, and history of work performed, and, line 39 if made, true and reproducible copies of all electrical, physical, or line 40 chemical logs, tests, or surveys in such form as the supervisor may

line 1 approve shall be filed with the district deputy. Upon a showing of line 2 hardship, the supervisor may extend the time within which to line 3 comply with the provisions of this section for a period not to exceed line 4 60 additional days.

line 5 *(b) The supervisor shall include information provided pursuant line 6 to subdivision (g) of Section 3160 on existing publicly accessible line 7 maps on the division's Internet Web site, and make the information line 8 available such that hydraulic fracturing treatment and related line 9 information are associated with each specific well. If data is line 10 reported on an Internet Web site not maintained by the division line 11 pursuant to paragraph (2) of subdivision (g) of Section 3160, the line 12 division shall provide electronic links to that Internet Web site. line 13 The public shall be able to search and sort the hydraulic fracturing line 14 treatment and related information by at least the following criteria:*

line 15 *(1) Geographic area.*

line 16 *(2) Additive.*

line 17 *(3) Chemical constituent.*

line 18 *(4) Chemical Abstract Service number.*

line 19 *(5) Time period.*

line 20 *(6) Operator.*

line 21 *(c) Notwithstanding Section 10231.5 of the Government Code, line 22 on or before January 1, 2016, and annually thereafter, the line 23 supervisor shall, in compliance with Section 9795 of the line 24 Government Code, prepare and transmit to the Legislature a line 25 comprehensive report on hydraulic fracturing in the exploration line 26 and production of oil and gas resources in California. The report line 27 shall include aggregated data of all of the information required line 28 to be reported pursuant to Section 3160 reported by the district, line 29 county, and operator. The report also shall include relevant line 30 additional information, as necessary, including, but not limited line 31 to, all the following:*

line 32 *(1) Aggregated data detailing the disposition of any produced line 33 water from wells that have undergone hydraulic fracturing line 34 treatments.*

line 35 *(2) Aggregated data describing the formations where wells have line 36 received hydraulic fracturing treatments including the range of line 37 safety factors used and fracture zone lengths.*

line 38 *(3) The number of emergency responses to a spill or release line 39 associated with a hydraulic fracturing treatment.*

line 1 (4) *Aggregated data detailing the number of times trade secret line 2 information was not provided to the public, by county and by each line 3 company, in the preceding year.*

line 4 (5) *Data detailing the loss of well and well casing integrity in line 5 the preceding year for wells that have undergone hydraulic line 6 fracturing treatment. For comparative purposes, data detailing line 7 the loss of well and well casing integrity in the preceding year for line 8 all wells shall also be provided. The cause of each well and well line 9 casing failure, if known, shall also be provided.*

line 10 (6) *The number of spot check inspections conducted pursuant line 11 to subdivision (m) of Section 3160, including the number of line 12 inspections where the composition of hydraulic fracturing fluids line 13 were verified and the results of those inspections.*

line 14 (7) *The number of hydraulic fracturing treatments witnessed line 15 by the division.*

line 16 (8) *The number of enforcement actions associated with hydraulic line 17 fracturing treatments, including, but not limited to, notices of line 18 deficiency, notices of violation, civil or criminal enforcement line 19 actions, and any penalties assessed.*

line 20 (d) *The report shall be made publicly available and an electronic line 21 version shall be available on the division's Internet Web site.*

line 22 *SEC. 5. Section 3236.5 of the Public Resources Code is line 23 amended to read:*

line 24 3236.5. (a) A person who violates this chapter or a regulation line 25 implementing this chapter is subject to a civil penalty not to exceed line 26 twenty-five thousand dollars (\$25,000) for each violation. *A person line 27 who commits a violation of Article 3 (commencing with Section line 28 3150) is subject to a civil penalty of not less than ten thousand line 29 dollars (\$10,000) and not to exceed twenty-five thousand dollars line 30 (\$25,000) per day per violation. An act of God and an act of line 31 vandalism beyond the reasonable control of the operator shall not line 32 be considered a violation. The civil penalty shall be imposed by line 33 an order of the supervisor pursuant to Section 3225 upon a line 34 determination that a violation has been committed by the person line 35 charged. The imposition of a civil penalty under this section shall line 36 be in addition to any other penalty provided by law for the line 37 violation. When establishing the amount of the civil penalty line 38 pursuant to this section, the supervisor shall consider, in addition line 39 to other relevant circumstances, all of the following:*

line 40 (1) *The extent of harm caused by the violation.*

line 1 (2) The persistence of the violation.

line 2 (3) The pervasiveness of the violation.

line 3 (4) The number of prior violations by the same violator.

line 4 (b) An order of the supervisor imposing a civil penalty shall be line 5 reviewable pursuant to Article 6 (commencing with Section 3350). line 6 When the order of the supervisor has become final and the penalty line 7 has not been paid, the supervisor may apply to the appropriate line 8 superior court for an order directing payment of the civil penalty. line 9 The supervisor may also seek from the court an order directing line 10 that production from the well or use of the production facility that line 11 is the subject of the civil penalty order be discontinued until the line 12 violation has been remedied to the satisfaction of the supervisor line 13 and the civil penalty has been paid.

line 14 (c) Any amount collected under this section shall be deposited line 15 in the Oil, Gas, and Geothermal Administrative Fund.

line 16 SEC. 6. Section 3401 of the Public Resources Code is amended line 17 to read:

line 18 3401. The proceeds of charges levied, assessed, and collected line 19 pursuant to this article upon the properties of every person line 20 operating or owning an interest in the production of a well shall line 21 be used exclusively for the support and maintenance of the line 22 department charged with the supervision of oil and gas operations. line 23 This shall include all costs associated with hydraulic fracturing line 24 treatments including scientific studies required to evaluate the line 25 treatment, inspections, and any air and water quality monitoring line 26 and testing performed by public entities.

line 27 SEC. 3. *line 28 SEC. 7.* No reimbursement is required by this act pursuant to line 29 Section 6 of Article XIII B of the California Constitution because line 30 the only costs that may be incurred by a local agency or school line 31 district will be incurred because this act creates a new crime or line 32 infraction, eliminates a crime or infraction, or changes the penalty line 33 for a crime or infraction, within the meaning of Section 17556 of line 34 the Government Code, or changes the definition of a crime within line 35 the meaning of Section 6 of Article XIII B of the California line 36 Constitution.

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