STATE OIL AND GAS BOARD OF ALABAMA
GOVERNING COALBED METHANE GAS OPERATIONS
ADMINISTRATIVE CODE

CHAPTER 400-3-8
SAFETY AND ENVIRONMENT

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400-3-8-.01 Notification Of Fire, Spill, Leak, Or Blow Out.

(1) The Supervisor shall be notified immediately of a spill or leak that is not immediately contained or that leaves the location, or of any fire or blow out that occurs at or is related to the operation of any well, production, storage, or Class II injection facility, gathering line or flowline, used in operations including but not limited to drilling, completing, testing, recompletion or reworking, producing, storing, injecting, gathering, transporting, or metering.

(2) Such notification shall include information pertaining to a description of the incident; location by county, section, township, and range; extent of damage to life and environment; and corrective action taken.

(3) If deemed necessary by the agent of the Board, Form OGB-27, Notification of Fire, Spill, Leak or Blow Out Incident Report, shall be submitted to the Board within ten (10) days of the incident; however, when a spill or leak leaves the location Form OGB-27, Notification of Fire, Spill, Leak or Blow Out Incident Report, shall be submitted to the Board within ten (10) days.

(4) The operator shall immediately take the appropriate action to clean up spills that leave the location, repair leaks, extinguish fires, and bring blow outs under control. Additionally, the operator shall notify other appropriate governmental agencies of the incident.

Author: State Oil and Gas Board
400-3-8-.02 Transportation Of Wastes Associated With Oil And Gas Operations.

(1) Certificate of Eligibility to Transport Wastes.

(a) No transporter shall transport wastes from a site until a Transporter's Certificate of Eligibility to Transport Wastes, Form OGB-25, has been approved by the Supervisor and an Organization Report, Form OGB-5, as prescribed in Rule 400-3-2-.04, has been filed with the Board. Said approval of a Transporter’s Certificate shall be for a two- (2-) year period, but may be renewed every two (2) years by filing a new Organization Report, Form OGB-5.

(b) If any transportation procedures are modified, then an amended Transporter's Certificate of Eligibility to Transport Wastes, Form OGB-25, shall be submitted for approval by the Supervisor.

(2) Revocation of Certificate of Eligibility to Transport Wastes. Whenever the transporter of wastes shall have failed to comply with all applicable laws and applicable rules and regulations of the Board, the applicable Transporter’s Certificate of Eligibility to Transport Wastes, Form OGB-25, shall be revoked. The Supervisor or Board shall provide written notice to the transporter of revocation and the transporter shall immediately discontinue transporting wastes until further notice from the Supervisor or Board.

(3) Wastes Manifest.

(a) Every shipment of wastes shall be accompanied by a Wastes Manifest, Form OGB-26.

(b) At the time of transport, the operator shall initiate the manifest by completing and signing Part I. After the transporter completes and signs Part II, the operator shall retain a copy of the manifest. All other copies shall accompany the waste shipment.

(c) Upon receipt of the wastes, the disposer shall complete and sign Part III of the manifest. The transporter shall then retain the transporter’s copy.
(d) Upon completion of the manifest, the disposer shall retain the disposer’s copy and mail the original copy to the operator within ten (10) days.

(e) The operator, transporter, and disposer shall maintain file copies of the completed manifest for a period of at least five (5) years. Said file copies shall be provided to the Board upon request by the Supervisor.

(f) Oil and gas operations from which wastes are transported out of state must comply with the manifest system requirements.

(4) **Unit or Field-Wide Operations.** In the case of unitized or field-wide operations where the transporting of wastes is confined to the geographical boundaries of the unit or field, the operator may be eligible for the following exemptions:

(a) When the operator also serves as the generator, transporter and disposer, the operator may request an exemption from the manifest system upon filing and receiving approval of the Transporter's Certificate of Eligibility to Transport Wastes, Form OGB-25.

(b) When the operator serves as the generator and disposer but contracts the transportation to another party, the operator may request an exemption from the manifest system upon the transporter filing and receiving approval of the Transporter's Certificate of Eligibility to Transport Wastes, Form OGB-25. The transporter shall be required to file a Transporter’s and Storer’s Monthly Report, Form OGB-16.

Author: State Oil and Gas Board
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400-3-8-.03 **Hydraulic Fracturing Of Coal Beds.**

(1) Each coal bed shall be hydraulically fractured so as not to cause irreparable damage to the coalbed methane (CBM) well, or to adversely impact any fresh water supply well or any fresh water resources.

(2) A proposal to fracture a coal group shall be accompanied by a check or bank draft in the amount of one hundred
seventy five dollars ($175) payable to the State Treasurer, State of Alabama, which sum is fixed as the fee for each proposal; however, in no case shall the fee paid for concurrent hydraulic fracturing operations in a single well exceed five-hundred twenty-five dollars ($525) regardless how many coal groups are hydraulically fractured. The fee shall be deposited into the Alabama State Oil and Gas Board Special Fund pursuant to Section 9-17-24 of the Code of Ala. 1975.

(3) Coal beds shall not be hydraulically fractured until approval of the Supervisor is obtained. In order to receive approval, the operator shall submit to the Supervisor: a wellbore schematic showing the specifications of the casing and cementing program, including pressure tests and the depth interval(s) and name(s) of coal beds to be fractured; geophysical and cement bond logs; and (if applicable) an inventory of fresh water supply wells within a one quarter – (1/4-) mile radius of the CBM well. Further, the operator shall affirm to the Supervisor, in writing, that the well construction and pressure tests results, geophysical and cement bond logs, and (if applicable) inventory of fresh water supply wells have been evaluated and that the results of this evaluation indicate that the proposed hydraulic fracturing operations can be conducted without adverse impact on any fresh water supply wells or any fresh water resources.

(4) The operator of CBM wells with proposed fracturing operating in the depth interval of four hundred (400) to six hundred (600) feet shall prepare an inventory of fresh water supply wells within a one quarter– (1/4-) mile radius of the well to be fractured. Records of fresh-water supply wells shall be used by the operator in delineating the construction and completion depth of such supply wells. The records of the Geological Survey of Alabama (GSA) shall be the primary sources of information used in this evaluation process. Additionally, the operator shall conduct a field reconnaissance within a one quarter– (1/4-) mile radius of the CBM well to determine the location of any additional fresh-water supply wells that may not be identified in the previously described documents. If possible, construction information for such additional fresh-water supply wells must be obtained. Consideration shall be given to the records of all fresh-water supply wells available and the operator shall report the results of his findings to the Supervisor. Fracturing operations shall not be conducted if it is determined that any fresh-water resources of any fresh water supply well located within a one quarter– (1/4-) mile radius of the CBM well could be adversely impacted as a result of the fracturing operation.
(5) A program describing the proposed fracturing operation in the depth interval of four hundred (400) to six hundred (600) feet shall be used by the operator in conjunction with the evaluation process described in section (4) of this rule. Information to be considered shall include, but not be limited to, the maximum length and orientation of the fracture(s) to be propagated and the type fluids and materials that are to be utilized. Programs to hydraulically fracture shall be prepared by a person, or entity, familiar with the technicalities of fracturing coal beds in the area in which fracturing operations are proposed. Operators shall submit the fracturing program to the Supervisor. The program filed with the Board shall identify the person, or entity, that has prepared the fracturing program and be accompanied by a letter from the operator stating its intended application. Recurrent filing of a fracturing program will not be necessary if such program has previously been submitted to the Supervisor and is directly applicable to the fracturing proposal under consideration. Modification(s) to a fracturing program that would alter the maximum length and orientation of the fracture(s) to be propagated, or the type fluids and material to be utilized, shall be submitted to the Supervisor prior to its implementation in the field.

(6) Hydraulic fracturing of coal beds in the depth interval zero (0) to three hundred ninety nine (399) feet is prohibited.

(7) Diesel oil or fuel is prohibited in any fluid mixture used in the hydraulic fracturing of a coal bed.

(8) The Supervisor may request the submittal of additional information in order to clarify a proposal to hydraulically fracture a coal bed.

(9) The operator shall maintain all records associated with each proposal approved by the Supervisor and implemented by the operator to hydraulically fracture coal beds until such time that the CBM well has been plugged for permanent abandonment, but not less than three (3) years following completion of the fracturing operation. Upon request, copies of these records shall be made available to the Supervisor.

(10) In order to provide adequate disclosure of well stimulation fluids utilized in a hydraulic fracturing operation,

(a) The operator shall provide to the Board:
1. a description of the fracture fluid identified by additive, e.g., acid, proppant, surfactant, and

2. the name of the chemical compound and the Chemical Abstracts Service Registry number, if such registry number exists, as published by the Chemical Abstracts Service, a division of the American Chemical Society, for each constituent added to the base fluid.

3. The operator is not required to disclose information that is deemed to be a trade secret. However, information deemed to be a trade secret shall be disclosed as necessary for proper medical diagnosis and treatment or for spill response.

(b) Within thirty (30) days after the fracturing of a well, the operator shall post the information to the Frac Focus website.

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