

Oil & Natural Gas Industry Standards for Hydraulic Fracturing & Unconventional Wells

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Introduction to API

Members: Over 500 members including operators & service companies

History: founded in 1919 to focus on taxes, statistics & equipment & operational standards

Over 600 Standards, Certifications & Recommended Practices: covering all aspects oil and natural gas industry, including exploration & production, refining, marketing, and pipeline transportation. These are a basis for global operations & the core of API's technical authority.

API Standards cited nationally (100 standards over 270 times), by states (184 standards over 3300 times) and globally

API is accredited by the American National Standards Institute (ANSI)

- Openness, balance, consensus, and due process
- Transparent process (work program published in federal register and anyone can comment <u>www.api.org/standards</u>)
- Evergreen (standards reviewed regularly)



API Work Re: Hydraulic Fracturing

5 main documents, but over 65 onshore operational standards with over 4,000 pages

RP 51R, Environmental Protection for Oil Onshore Oil and Gas Production Operations & Leases (2009)

 Broad overview of governmental protections, lease roads, drilling & production (planning through abandonment), produced water & management practices, production, site reclamation & Good Neighbor Practices

HF1, Hydraulic Fracturing Operations – Well Construction & (2009)

Well construction, integrity & redundant casing, logging, testing, etc.

65-2, Isolating Potential Flow Zones During Well Construction (2010)

Mechanical barriers, cementing techniques, pressure tests, etc.

HF2, Water Management Associated with Hydraulic Fracturing (2010)

Water supply (including sourcing, fluid handling, disclosure, storage), management & disposal (treatment & injection), etc.

HF3, Practices for Mitigating Surface Impacts Associated with Hydraulic Fracturing (2011)

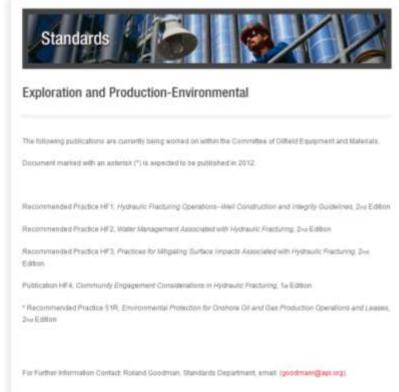
Stakeholder engagement, scale of development (STRONGER, NPC & regional collaboration), chemical management (total impact, greener alternatives, disclosure through www.fracfocus.org), transportation, facilities (maintenance & inspections), minimization of surface disturbance (air quality, noise abatement through distance and scheduling, reducing road impacts through scheduling & coordination), etc.

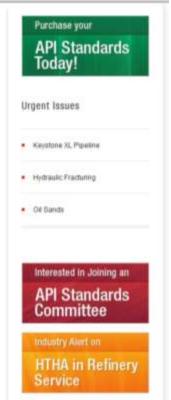


2012 Work Program – Participate!

http://www.api.org/Publications-Standards-and-Statistics/Annual-Standards-Plan/Standards%20Plan%20Segments/Exploration%20and%20Production-Environmental.aspx

- Formalizing HF 1, 2, 3 through the standards process
- Creating HF4, specific to community engagement
- Series of 10+ regional outreach workshops & continued technical work
- Regular interaction with state & federal governments in support of effective, credible state regulation that addresses local concerns & avoids unnecessarily duplicative federal regulations







QUESTIONS?

HF1, HF2, HF3, Standard 65-2, & RP 51R are available for FREE at:

http://www.api.org/oil-and-natural-gasoverview/exploration-and-production/hydraulicfracturing.aspx

Other Resources:

www.api.org www.energyfromshale.org