

**A-Engrossed**  
**House Bill 3415**

Ordered by the House April 27  
Including House Amendments dated April 27

Sponsored by Representative HELM; Representatives BARNHART, HOLVEY, LININGER, TAYLOR, Senators DEMBROW, PROZANSKI, RILEY, SHIELDS, STEINER HAYWARD

**SUMMARY**

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure.

*[Imposes 10-year moratorium on use of hydraulic fracturing for oil and gas exploration and production.]*

**Requires State Department of Geology and Mineral Industries and Department of Environmental Quality to conduct review and prepare report on laws applicable to hydraulic fracturing in this state. Requires departments to submit report to Legislative Assembly on or before September 15, 2016. Sunsets review and report requirement on December 31, 2016.**

**Requires person seeking authorization to conduct hydraulic fracturing to demonstrate to State Department of Geology and Mineral Industries that certain best practices will be employed. Sunsets January 1, 2025.**

**Declares emergency, effective on passage.**

**A BILL FOR AN ACT**

Relating to hydraulic fracturing; and declaring an emergency.

**Be It Enacted by the People of the State of Oregon:**

**SECTION 1. (1) The State Department of Geology and Mineral Industries and the Department of Environmental Quality shall conduct a review of the statutes and rules applicable to hydraulic fracturing in this state and prepare a report that includes recommendations for any legislation or rulemaking necessary to ensure that a person conducting hydraulic fracturing in this state does so in a manner that employs best practices.**

**(2) The review and report required under this section must include a consideration of the standards and best practices relating to hydraulic fracturing that have been adopted by other states. The report must include recommendations for best practices related to water use and water quality, air quality, well integrity, chemical disclosure and surface impacts.**

**(3) The departments shall consult with other agencies that have statutory or regulatory authority over activities associated with hydraulic fracturing in preparing the report required under this section.**

**(4) The departments shall submit the report prepared under this section to the interim committees of the Legislative Assembly related to environment and natural resources in the manner provided under ORS 192.245 on or before September 15, 2016.**

**(5) For purposes of this section:**

**(a) "Hydraulic fracturing" means a well stimulation treatment that includes the pressurized injection of hydraulic fracturing fluid or fluids into an underground geologic formation to fracture, or with the intent to fracture, the formation, thereby causing the production of oil or gas from a well.**

**NOTE:** Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

1 (b) "Hydraulic fracturing" does not mean:

2 (A) Natural gas storage wells in existence as of the effective date of this 2015 Act.

3 (B) Geothermal wells in existence as of the effective date of this 2015 Act or activities  
4 related to exploration for geothermal energy.

5 (C) Coal bed methane extraction wells in existence as of the effective date of this 2015  
6 Act.

7 **SECTION 2.** Section 1 of this 2015 Act is repealed on December 31, 2016.

8 **SECTION 3.** (1) In addition to meeting any other applicable statutory or regulatory re-  
9 quirements, a person seeking authorization to conduct hydraulic fracturing in this state shall  
10 demonstrate to the State Department of Geology and Mineral Industries that the following  
11 best practices will be employed:

12 (a) The person will disclose to the Department of Environmental Quality all components  
13 and chemicals used in the hydraulic fracturing process and all substances other than oil and  
14 gas that are extracted during hydraulic fracturing and that will remain on-site;

15 (b) The well construction and integrity will be sufficient to protect ground water re-  
16 sources;

17 (c) Water monitoring will be conducted in accordance with all applicable state and federal  
18 water quality standards to ensure that ground water quality is maintained;

19 (d) The amount of fresh water consumed in the hydraulic fracturing process will be  
20 minimized to the extent practicable and waste water will be disposed of in a manner con-  
21 sistent with applicable state laws; and

22 (e) Methane will be captured at the wellhead to the extent practicable.

23 (2) The State Department of Geology and Mineral Industries may, in consultation with  
24 the Department of Environmental Quality, adopt rules as necessary to implement this sec-  
25 tion.

26 (3) For purposes of this section:

27 (a) "Hydraulic fracturing" means a well stimulation treatment that includes the pres-  
28 surized injection of hydraulic fracturing fluid or fluids into an underground geologic forma-  
29 tion to fracture, or with the intent to fracture, the formation, thereby causing the  
30 production of oil or gas from a well.

31 (b) "Hydraulic fracturing" does not mean:

32 (A) Natural gas storage wells in existence as of the effective date of this 2015 Act.

33 (B) Geothermal wells in existence as of the effective date of this 2015 Act or activities  
34 related to exploration for geothermal energy.

35 (C) Coal bed methane extraction wells in existence as of the effective date of this 2015  
36 Act.

37 **SECTION 4.** Section 3 of this 2015 Act is repealed on January 1, 2025.

38 **SECTION 5.** This 2015 Act being necessary for the immediate preservation of the public  
39 peace, health and safety, an emergency is declared to exist, and this 2015 Act takes effect  
40 on its passage.