Mitchell, Williams, Selig, Gates & Woodyard, P.L.L.C.



Walter Wright, Jr. wwright@mwlaw.com (501) 688.8839

Beneficial Use of Drill Cuttings, Produced Water and Fluids in the U.S.: Association of State and Territorial Solid Waste Management Officials Supplemental Report

12/01/2017

The Association of State and Territorial Solid Waste Management Officials ("ASTSWMO") has released a November 2017 report titled:

Beneficial Use of Drill Cuttings, Produced Water and Fluids in the U.S. ("Supplemental Report")

The Report is supplemental to the organization's March 2015 report titled:

Oil and Gas Exploration and Production Waste Management Survey Report ("Report")

The Supplemental Report was prepared by of ASTSWMO's Beneficial Use Task Force ("BUTF") of its Materials Management Subcommittee.

The 2015 Report had conducted a survey of the States and Territories (collectively "States") regulation of exploration and production ("E&P") wastes from United States oil and gas production. It had addressed various aspects of E&P waste management activities including:

- The administrative structures states utilize to regulate E&P waste
- State regulatory classification of E&P waste
- Methods of disposal of identified waste streams
- Specific analytical and radiological testing performed
- Criteria for evaluation of results, to determine waste management
- Modes of beneficial use

The March 2015 Report is stated to have recommended additional review of certain issues such as:

- How E&P waste streams are currently beneficially used in various states
- Whether information on current uses (regulated or not) support increased beneficial use of certain E&P wastes, or potentially point to limitations for beneficial use

The November 2017 Supplemental Report is stated to summarize the efforts to implement the recommendation, "through a less formal polling of a subset of 'generator' States regarding beneficial use of E&P wastes.

The Supplemental Report focused on the following "high-volume" waste streams.

- Drill cuttings
- Produced water
- Waster-based drilling fluids/muds

In generating the Supplemental Report, information was requested from 27 states that had previously indicated they generate or have generated E&P wastes. Twenty of the 27 generator states responded to questions posed regarding E&P waste. The questions included:

- As a State where oil and gas E&P waste is generated, have you allowed beneficial use of any of the BUTF's three targeted streams (drill cuttings, produced water, or water-based drilling fluids/muds?)
- 2. Is this use codified in law or regulation? Is it allowed through policy or guidance? If so, is it on a generic or on a case-by-case basis? Are any uses specifically prohibited for any of these streams?
- 3. In evaluating the beneficial use of these three waste streams, what criteria, e.g. physical requirements, maximum concentrations of constituents of concern, or other, did you consider?
- 4. Are changes being considered to either restrict or allow more beneficial use of these E&P waste streams in your State? If so, what are the reasons?
- 5. Have you either: A. Rejected a proposal for beneficial use of one of these waste streams, and what was the reason/criterion used for rejecting this proposal? B. Observed environmental problems or other issues with an approved beneficial use of one of these waste streams, and what was the problem?

The Supplemental Report concludes from the poll results that:

... it does not appear that beneficial use of E&P wastes – in particular, the identified high-volume streams (drill cuttings, produced water, and water-based drilling fluids or muds) – is widespread. Management options for E&P wastes mostly focus on disposal. Some States have explored more use of drill cuttings as a construction material (fill or aggregate) through allowing pilot projects, but results of these to date have not encouraged expanded use. Furthermore, the sharp fall in petroleum prices since 2014 has depressed oil and gas development, and in turn reduced the generation of E&P wastes, which may account for lowered impetus to find beneficial uses of E&P wastes.

Also discussed are what is characterized as potential barriers to beneficial use of E&P wastes that regulators must recognize.

ASTSWMO describes itself as an organization representing 50 states, five territories and the District of Columbia whose mission is to enhance and promote effective state and territorial programs and to affect relevant national policies for waste and materials management, environmentally sustainable practices, and environmental restorations.

A copy of the Supplemental Report can be downloaded here.