

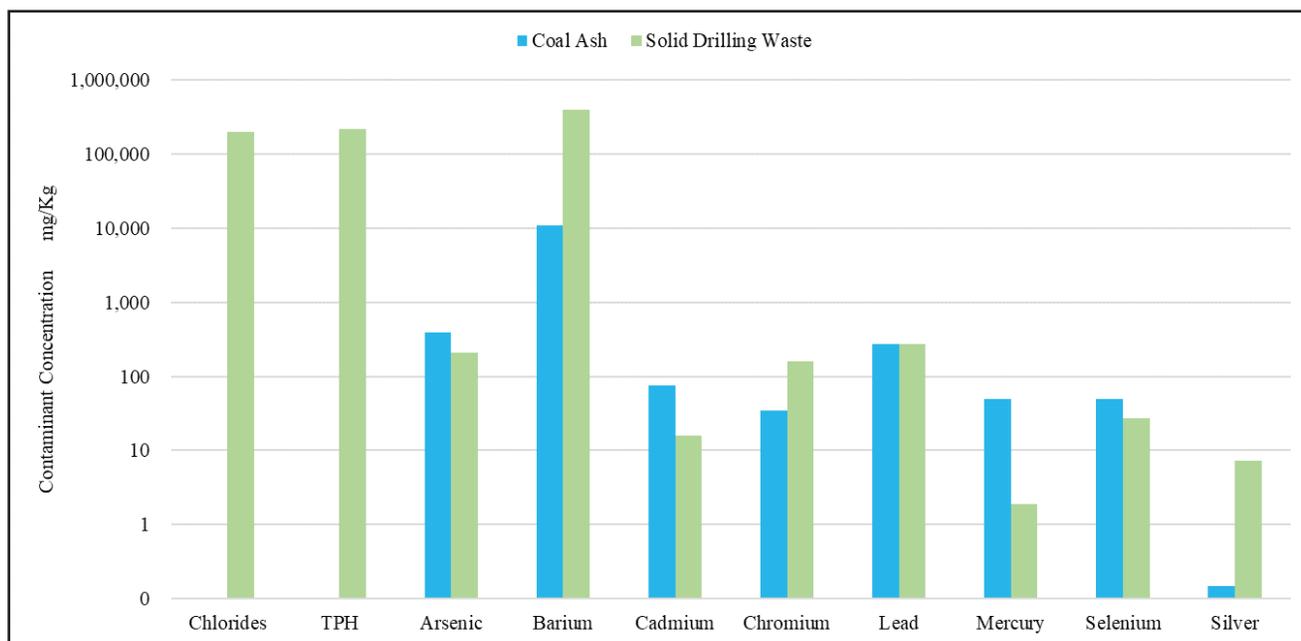
# WASTE ANALYTICS LLC



## Coal Ash vs. Drill Cuttings

Why does one matter, but not the other?

Over the last decade, the public has insisted that regulators take a closer look at coal ash due to concern for the environment and human health. Additional guidance and limits were ultimately placed on the proper disposal, or reuse of coal ash while drill cuttings have remained under the radar. In 2014, the oil and gas industry generated 392,000,000 barrels of drilling waste, of which, we estimate 55,000,000 tons was solid waste. Conversely, coal fired power plants generated approximately 107,000,000 tons of ash in 2016. While the volume of drilling waste was roughly half that of coal, you will see in the chart below that the contaminates found in drill cuttings could easily be considered much worse. A thorough evaluation of oil and gas waste and the attendant liabilities are long overdue.

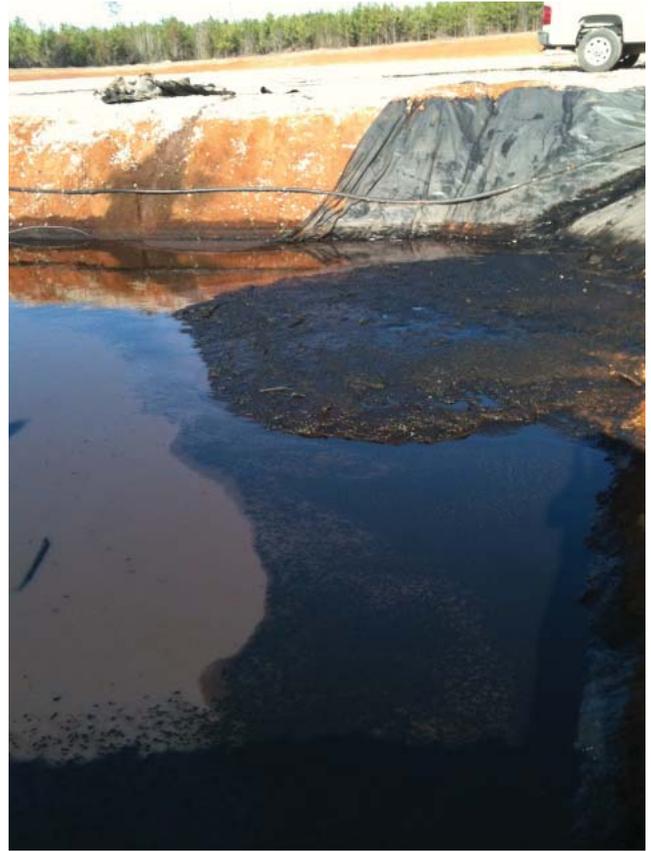


In the Permian Basin alone, there are at least 14 different operators burying their untreated solid drilling waste in the ground. Burial of drilling waste in Texas does not require testing, meeting closure criteria, or liners of any kind.

## Untold Liabilities

Waste is a leading concern in the industry, including oil-based and water-based drilled cuttings. Not many people, nor companies, openly discuss drilled cuttings as most do not have a strong understanding of what the cuttings consist of and what potential impact they could have. It is common practice in the industry to dispose of cuttings in a landfill, by soil farming or land spreading, or even placing them on top of, or underneath, roads. If one of these companies uses the standards set forth by SASB, it would not be a flattering picture of the liability they created for themselves. In the current economic distress of the oil and gas industry, it is more important than ever for companies to perform a self-evaluation to establish weaknesses and opportunities so they can become more desirable to investors. Because of the sheer volume of drilling waste, it is clear the liability of drilling waste could be devastatingly exponential.'

-Excerpt *Sustainability Accounting of Drill Cuttings* by Victoria A. Caylor MPA  
E&P Magazine, April 2017



A typical horizontal well using oil-based mud retains approximately 9,000 gallons of diesel on the cuttings. The road to the left has three wells of cuttings on it or 27,000 gallons of diesel.

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