EXHIBIT E

ECONOMIC IMPACT/ENVIRONMENTAL BENEFIT ANALYSIS
Rule Number & Title: APC&EC Regulation No. 2; Regulation Establishing Water Quality Standards for Surface Water of the State of Arkansas, to temporarily modify water quality criteria in Chamberlain Creek, Cove Creek, Lucinda Creek, Reyburn Creek, Rusher Creek, and Scull Creek (including Clearwater Lake)

Petitioner: Halliburton Energy Services, Inc.

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Analysis Prepared by: Michael B. Heister, counsel for Halliburton Energy Services, Inc.

Date Analysis Prepared: July 7, 2016

2A. ECONOMIC IMPACT

1. Who will be affected economically by this proposed rule? State: a) the specific public and/or private entities affected by this rulemaking, indicating for each category if it is a positive or negative economic effect; and b) provide the estimated number of entities affected by this proposed rule.

Only Halliburton Energy Services, Inc., is affected by this proposed rule. The effect on Halliburton Energy Services, Inc., and the Dresser Industries Magcobar (“DIM”) former mine site and nearby waterbodies is positive.

Sources and Assumptions: Notice of Intent for Environmental Improvement Project-attached to Halliburton Energy Services, Inc.’s Petition to Initiate Third-Party Rulemaking as Exhibit F.

2. What are the economic effects of the proposed rule? State: 1) The estimated increased or decreased cost for an average facility to implement the proposed rule; and 2) the estimated total cost to implement the rule.

There are no economic effects of the proposed rule. Adoption of proposed rule will allow Halliburton Energy Services, Inc., to implement the ADEQ-approved Environmental Improvement Project.

Sources and Assumptions: Notice of Intent for Environmental Improvement Project-attached to Halliburton Energy Services, Inc.’s Petition to Initiate Third-Party Rulemaking as Exhibit F.
3. List any fee changes imposed by this proposal and justification for each.

No fee changes are imposed by this proposal.

4. What is the probable cost to ADEQ in manpower and associated resources to implement and enforce this proposed change, and what is the source of revenue supporting this proposed rule.

None.

5. Is there a known beneficial or adverse impact to any other relevant state agency to implement or enforce this proposed rule? Is there any other relevant state agency's rule that could adequately address this issue, or is this proposed rulemaking in conflict with or have any nexus to any other relevant state agency's rule? Identify the state agency and/or rule.

There is no known impact to any other state agency. There is not another state agency’s rule that could address the proposed change to APC&EC Regulation No. 2. This rulemaking is not in conflict with, nor does it have a nexus to any other relevant state agency’s rule.

6. Are there any less costly, non-regulatory, or less intrusive methods that would achieve the same purpose of this proposed rule?

No.

2B. ENVIRONMENTAL BENEFIT

1. What issues affecting the environment are addressed by this proposal?

The rule is necessary to modify the dissolved mineral standards for the affected waters of the state to accommodate an ADEQ-approved Environmental Improvement Project (“EIP”) for the DIM former mine site located in Hot Spring County and to reflect current water quality conditions and future conditions while the EIP is underway. The temporary site-specific water quality criteria modifications are not toxic based on previous studies and will not adversely affect the aquatic life or the designated uses of the receiving waters.

2. How does this proposed rule protect, enhance, or restore the natural environment or the well-being of all Arkansans?

This proposed rule will allow Halliburton Energy Services, Inc. to implement an Environmental Improvement Project that will improve the natural environment as described in the Notice of Intent for Environmental Improvement Project—attached to Halliburton Energy Services, Inc.’s Petition to Initiate Third-Party Rulemaking as Exhibit F, and as noted above in 2B(1).
3. What detrimental effect will there be to the environment or to the public health and safety if this proposed rule is not implemented?

If the rule is not implemented, Halliburton Energy Services, Inc. would not be able to implement an Environmental Improvement Project that is necessary to improve the natural environment as described in the Notice of Intent for Environmental Improvement Project-attached to Halliburton Energy Services, Inc.’s Petition to Initiate Third-Party Rulemaking as Exhibit F.

Sources and Assumptions: Notice of Intent for Environmental Improvement Project-attached to Halliburton Energy Services, Inc.’s Petition to Initiate Third-Party Rulemaking as Exhibit F.

4. What risks are addressed by the proposal and to what extent are the risks anticipated to be reduced?

The risks addressed by this proposal is the continued inconsistency between existing water quality criteria and actual conditions in the designated waterbodies and levels necessary to perform the ADEQ-approved Environmental Improvement Project. The current criteria in Arkansas for these waterbodies has no rational connection to the longstanding historical reality in these waterbodies. Under this proposal, the risks are substantially eliminated and HESI can proceed with an Environmental Improvement Project to improve conditions in the affected waterbodies.