

EPA PROPOSED AMENDMENTS TO AIR REGULATIONS FOR THE OIL AND NATURAL GAS INDUSTRY

On August 23, 2011, the Federal Register published the U.S. Environmental Protection Agency (EPA) proposed a suite of regulations associated with the oil and natural gas industry. The proposal is based on proven technology and best practices that the oil and gas industry is already using in some states today. It includes the first federal air standards for wells that are hydraulically fractured, along with requirements for several other sources of pollution in the oil and gas industry that currently are not regulated at the federal level.

The proposal includes the following four air regulations for the oil and natural gas industry:

(1) New source performance standard (NSPS) for VOCs:

- *New hydraulically fractured natural gas wells and re-completions of existing natural gas wells that are fractured or refractured.*
 - Green completions or reduced emissions completions
- *Compressors*
 - *Centrifugal compressors* would have to be equipped with dry seal systems.
 - Owners/operators of *reciprocating compressors* would have to replace rod packing systems every 26,000 hours of operation.
- *Pneumatic controllers – propose VOC emission limits*
 - For new or replaced pneumatic controllers at gas processing plants, the proposed VOC limits would eliminate VOC emissions through using controllers that are not gas-driven.
 - For controllers used at other sites, such as compressor stations, the emission limits could be met by using controllers that emit no more than six cubic feet of gas per hour.
- *Condensate and crude oil storage tanks*
 - Tanks with a throughput of at least 1 barrel per day of condensate or 20 barrels per day of crude oil (equivalent to about 6 tons of VOC emissions per year) must reduce VOC emissions by 95 percent.
- *Natural gas processing plants*
 - EPA is proposing to amend the existing NSPS for natural gas processing plants to strengthen the leak detection and repair requirements that apply to these plants to reduce VOC emissions

(2) NSPS for Sulfur Dioxide:

- *Strengthen the performance standards for plants processing gas with the highest hydrogen sulfide content (at least 50 percent)*

(3) An air toxics (MACT) standard for oil and natural gas production:

- *Technology and Risk Reviews for Tanks, Equipment Leaks and Glycol Dehydrators*

(4) And an air toxics (MACT) standard for natural gas transmission and storage.

- *Technology and Risk Reviews for Glycol Dehydrators*