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EPA REVISES NEW SOURCE PERFORMANCE STANDARDS FOR CRUDE OIL AND NATURAL GAS PRODUCTION, TRANSMISSION AND DISTRIBUTION - HANDLING GASES AND LIQUIDS DURING WELL COMPLETION OPERATIONS

On December 31, EPA published final amendments to the 40 CFR 60, subpart OOOO, Standards of Performance for Crude Oil and Natural Gas Production, Transmission, and Distribution. This final rule addresses issues related to well completion and storage vessel provisions that have been raised by stakeholders through several administrative petitions for reconsideration of the 2012 NSPS and the 2013 storage vessel amendments to the NSPS.

The standards for gas wells were revised to provide greater clarity concerning what owners and operators must do during well completion operations with respect to the handling of gas and liquids during the well completion operations. EPA clarified that the flowback period of a well completion following hydraulic fracturing consists of two distinct stages, the "initial flowback stage" and the "separation flowback stage." The initial flowback stage begins with the onset of flowback and ends when the flow is routed to a separator. During the initial flowback stage, any gas in the flowback is not subject to control. However, the operator must route the flowback to a separator unless it is technically infeasible for a separator to function. The point at which the separator can function marks the beginning of the separation flowback stage. During this stage, the operator must route all salable quality gas from the separator to a flow line or collection system, re-inject the gas into the well or another well, use the gas as an on-site fuel source or use the gas for another useful purpose.

If it is infeasible to route the gas as described above, or if the gas is not of salable quality, the operator must combust the gas unless combustion creates a fire or safety hazard or can damage tundra, permafrost, or waterways. No direct venting of gas is allowed during the separation flowback stage. The separation flowback stage ends either when the well is shut in and the flowback equipment is permanently disconnected from the well, or on startup of production. This also marks the end of the flowback period. The operator has a general duty to safely maximize resource

recovery and minimize releases to the atmosphere over the duration of the flowback period. The operator is also required to document the stages of the completion operation by maintaining records of:

- The date and time of the onset of flowback
- The date and time of each attempt to route flowback to the separator
- The date and time of each occurrence in which the operator reverted to the initial flowback stage
- The date and time of well shut in
- The date and time that temporary flowback equipment is disconnected

The NSPS already requires that the operator document the total duration of venting, combustion and flaring over the flowback period. All flowback liquids during the initial flowback period and the separation flowback period must be routed to a well completion vessel, a storage vessel or a collection system. On startup of production, the operator must begin the 30-day process of estimating the volatile organic compound (VOC) potential to emit (PTE) for storage vessels that will receive the liquids from the well. If the PTE is at least 6 tons/yr (tpy), the operator must control emissions from the storage vessel no later than 60 days after the startup of production (for storage vessels used in applications other than production following well completions, the term used to identify this point in time is "startup"). A well completion vessel to which liquids from the well are routed after startup of production for a period in excess of 60 days is considered a "storage vessel" subject to the storage vessel PTE determination and, if determined to be a storage vessel affected facility, would be subject to the control, cover, and closed vent system requirements of the NSPS.

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EPA also finalized several amendments related to the storage vessel provisions of the NSPS. For more information go to http://www.epa.gov/airquality/oilandgas/pdfs/20141219fr.pdf.

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