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Regulation Numbers 3, 6, 7 February 2014 Revisions

THE FOLLOWING ARE INITIAL RESPONSES TO SOME OF THE QUESTIONS THAT THE AIR POLLUTION CONTROL DIVISION HAS RECEIVED REGARDING THE FEBRUARY 2014 REVISIONS TO REGULATIONS NOS. 3, 6, AND 7. THE DIVISION WILL CONTINUE TO WORK WITH STAKEHOLDERS ON RULE IMPLEMENTATION ISSUES AND THESE RESPONSES MAY BE REVISED OVER TIME. ADDITIONALLY, THESE RESPONSES ARE NOT LEGALLY BINDING INTERPRETATIONS OF THE ACTUAL REGULATORY PROVISIONS, BUT MERELY SERVE AS A CURRENT GUIDE TO ASSIST OWNERS, OPERATORS AND OTHER INTERESTED PARTIES.

IF YOU HAVE ADDITIONAL OR SPECIFIC QUESTIONS, PLEASE SEND AN EMAIL WITH YOUR QUESTION AND CONTACT INFORMATION TO <u>CDPHE.COMMENTSAPCD@STATE.CO.US</u>.

REGULATION NUMBER 7

Definitions – Section XVII.A.

53. How will the new definition of "visible emissions" affect the visible emissions requirements under Section XII?

The visible emission requirements under both Section XII and XVII are applied identically. See the memo titled "Procedures on Visible Emissions" for additional information, located on the APCD website at: <u>https://www.colorado.gov/pacific/cdphe/summary-oil-and-gas-emissions-requirements</u>.

54. What does manifolded via liquid line mean in the definition of storage tank in Section XVII.A.15.? Are piping connections not used for the purposes of air pollution control equipment considered for determination of liquid manifolded? For example, would the Division consider vessels to be manifolded where there are drain lines between storage vessels connected through liquids lines with a manual valve.

The Division considers individual storage vessels to be manifold by liquid line where the intention is to share the same liquid storage space between individual vessels. Drain lines, lines to a loading rack or loadout location, and vapor lines to air pollution control equipment are not considered in determining if storage vessels are manifold via liquid line. See Permit Section Memo 14-03, Section 1.16 for a definition of "liquid manifold" as it relates to storage tanks.

55. If two storage tanks are on a well pad, should the storage tank emissions be considered together for the purpose of applicability determinations under Regulation Number 7, Section XVII.C. and XVII.F.? For the purposes of this question, assume the storage tanks are not manifolded together.

The threshold for storage tanks under Section XVII.C. are not cumulative for a well pad; each storage tank should be evaluated against the threshold and requirements of Section XVII.C. individually.

Similarly, under Section XVII.F.4., for well production facilities with condensate or crude oil storage tanks, the threshold is not cumulative for the entire well production facility. The operator



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should evaluate the single highest emitting condensate or oil storage tank to determine the inspection frequency.

However, under Section XVII.F.4., for well production facilities without condensate or crude oil storage tanks, the operator should utilize the total facility controlled emissions to determine inspection frequency.

56. How is well production facility defined for the storage tank requirements of Section XVII.C? How is it defined for the LDAR requirements under Section XVII.F.?

Well production facility is defined the same for the purposes of both Sections XVII.C. and XVII.F. The definition may be found in Regulation 7, Section XVII.A.17. For more information on how the LDAR requirements in Section XVII.F. are applied for well production facilities, please refer to PS Memo 14-04, available soon.

Storage Tank STEM Monitoring and Recordkeeping – Section XVII.C.2.b. and XVII.C.3.

57. What are the STEM requirements (i.e. Section XVII.C.2.) for storage tanks subject to controls under Section XII.D.?

Storage tanks with emissions less than 6 tpy VOC may be subject to development of a STEM plan, as required under Section XVII.C.2., if they are required to be equipped with control equipment to demonstrate compliance with the system-wide control requirements of Section XII.D. The Division assumes that all storage tanks included in the Regulation Number 7, Section XII system-wide reports are subject to controls and thereby subject to the requirements of Section XVII.C.2., unless the operator can otherwise identify those condensate storage tanks which are not required for compliance with the system-wide control requirements.

Operators of such storage tanks are subject to the venting standard in Section XVII.C.2.a. and required to develop a STEM plan that includes the minimum requirements listed under Section XVII.C.2.b. There is no minimum AIMM inspection requirement under STEM for storage tanks with emissions less than 6 tpy VOC, and as such, the operator may elect the start date, monitoring method and frequency of monitoring as appropriate to meet the requirements of Section XVII.C.2.a.

Nothing in this FAQ should be interpreted to change, limit, or otherwise restrict an operator's duty to comply with all applicable requirements of Sections XII.D. and XVII.C.

Glycol Natural Gas Dehydrators – Section XVII.D.

58. What are the definitions of a building unit and designated outside activity area in the requirements for glycol dehydrators under Section XVII.D.?

Both of these terms are intended to be consistent with the Colorado Oil and Gas Conservation Commission Rule 100 Series. The applicable definitions for these terms are as follows:



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Building unit means a residential building unit; and every five thousand (5,000) square feet of building floor area in commercial facilities or every fifteen thousand (15,000) square feet of building floor area in warehouses that are operating and normally occupied during working hours.

Residential building unit means a building or structure designed for use as a place of residency by a person, a family, or families. The term includes manufactured, mobile, and modular homes, except to the extent that any such manufactured, mobile, or modular home is intended for temporary occupancy or for business purposes.

Designated outside activity area (DOAA) means a designated outside activity area established by the Colorado Oil and Gas Conservation Commission (COGCC), which may include:

- an outdoor venue or recreation area, such as a playground, permanent sports field, amphitheater, or other similar place of public assembly owned or operated by a local government, which the local government seeks to have established as a DOAA; or
- (ii) an outdoor venue or recreation area, such as a playground, permanent sports field, amphitheater, or other similar place of public assembly where ingress to, or egress from the venue could be impeded in the event of an emergency condition at an oil and gas location less than three hundred and fifty (350) feet from the venue due to the configuration of the venue and the number of persons known or expected to simultaneously occupy the venue on a regular basis.
- 59. What is the compliance timeline for a glycol dehydrator which increases emissions to above the control threshold in Section XVII.D.4. after May 1, 2015?

The rule requires that a control device be installed and operated concurrently with an increase in emissions above the thresholds of Section XVII.4. A source may request enforcement discretion if control cannot be installed ahead of the increase in emissions.

60. What should a source do if a building unit or designated outside activity area has approached a dehydrator?

Sources with glycol dehydrators emitting above 2 tpy VOC should conduct an annual review (minimum of every 12 months) of the surrounding area to determine whether the dehydrator is within 1320 feet of a building unit or designated outdoor activity area. If the source determines that the glycol dehydrator is within that radius, the glycol dehydrator should be equipped with air pollution control equipment within 60 days of discovery.

61. From where should the source measure the 1,320 feet distance identified in Regulation 7, Section XVII.D.3.b. and XVII.D.4.b.?

The measurement for determining the distance for compliance with this requirement shall be made from the emission point of the dehydrator to the nearest wall, corner, boundary, or edge of such building unit or designated outside activity area.

Well Venting and Flaring – Section XVII.G.

62. In Section XVII.G., separator gas is required to be controlled for "newly constructed, hydraulically fractured, or recompleted oil and gas well[s]." Does "newly" modify "constructed" only or



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"constructed, hydraulically fractured, or recompleted?" In other words, is gas derived from a separator servicing existing wells required to be controlled?

This requirement to control applies to separator gas from oil and gas wells constructed, hydraulically fractured, or recompleted on or after August 1, 2014. Gas derived from a separator servicing wells constructed, hydraulically fractured, or recompleted prior to August 1, 2014 is not required to be controlled until the well is hydraulically fractured or recompleted again after that date.