

Four Corners Air Quality Task Force Meeting

Wednesday, November 8, 2006

Farmington, New Mexico

Oil & Gas Work Group Notes

Attendees: Carl Daly, EPA; Mike Brand, Cummins Inc.; Lisa Sumi, OGAP; Jan Rees, citizen; Bruce Gantner, Conoco Phillips; Christi Gordon, USFS; Bill Hochheiser, USDOE; Dale Wirth, BLM; Alison Pollack, Environ Corp; Jim Ramakka, BLM Farmington; Dave Brown, BP; Jen Mattox, CDPHE/APCD; Andy Berger, NMED; David Bays, Williams; John Byrom, DJ Simmons; Virgil Frazier, S. Ute Growth Fund; Chris Lee, S. Ute AQ Program; James Temte, S. Ute AQ Program; Josh Joswick, San Juan Citizens Alliance; Casey D. Osborn, EMIT; Mike Silverstein, CDPHE; Charlene Anderson, Creative Geckos; Walt Brown, BLM/USFS; Suzanne Holland, Chevron; Rebecca Reynolds, Facilitator, RRC Inc.

NOTE: Assignments are underlined.

Review & Update Engine & E&P Papers Status. A table of all the options and papers status was updated, with many outstanding assignments clarified. The table of all will be posted on O&G web page ASAP – Jen/Rebecca.

Cumulative Effects Update, Carl Daly

Carl summarized NM's new area source inventory report for the two NM counties in the Four Corners area - San Juan and Rio Arriba. The report was done by Environ and is posted on the Four Corners website (link from the 4C website too). Also, the SUI inventory is final now and has been provided to the WRAP.

Carl described how he pulled out the engine NOx emission information from the report in order to make a statement about how much NOx would be reduced on a TPY basis by instituting an average of Tier 2 control on the Four Corners drill rig fleet. Carl did this analysis for drill rigs because he wrote the "Implementation of EPA's Non Road Diesel Engine Rule – Tier 2 through Tier 4 Standards" mitigation option paper, and wanted to include some quantitative emission benefit information in his write-up. He was thinking that this kind of information could be generated for the remaining engines mitigation write-ups, and suggested other drafters consider this as a way to strengthen the papers.

Also, the Cumulative Effects group should be available to address some of the other tagged items from the papers with quantitative responses. The Cumulative Effects group will begin focusing on these other tagged questions from the source workgroups, and probably won't be doing much on emission inventories.

Voluntary Program Discussion: Brief presentation by Andy Berger (NMED-AQB) on New Mexico's VISTAS program, followed by remarks by Bruce Gantner: participation in volunteer programs demonstrates our commitment to local communities. Then the group discussed and brainstormed elements of a Voluntary Program that will be written up in a paper to include in the O&G section of the TF Report.

Possible Voluntary Measures

- Plunger lift cycles
- Device on tanks to control over-heating, or even a band of insulation

- Electrification where possible
- Centralization of tank batteries

Voluntary Program Issues

- Why a Voluntary Program? Many mandatory measures will disrupt energy supply; market driven forces
- When make measures mandatory? For high impact and consistent application
- How to formalize...roles/responsibilities – possibly expand VISTAS?
- Include air in a larger environmental program on disturbance, water, etc.?
- Quantify the projected results of the voluntary measures as part of the program
- Include the list of which options are recommended for inclusion in the voluntary program
- Provide incentives for industry to participate

Possible Incentives

- “Good Citizen” – marketing
- Alternative to regulation
- Paybacks/savings
- Consideration for expedited permits
- Parametric monitoring less strict or other requirement leniency
- Tax credit/royalty rate reduction
- For Federal Land: modification in standard stipulations
- “Credit” given like an Environmental Management System on compliance history

Andy Berger will write up a draft of the Voluntary Program paper for review on the next conference call.

Next Quarterly Meeting

Midstream (compressor stats, etc.)

*Make sure we are clear on what the current mandatory regulations are (e.g. NSPS). Jen will do a handout on this for the next quarterly meeting.

Conference Call Schedule

1st Wed of month at 2pm

EXCEPT: January 2007 conf call will be the 2nd week – Jan 10th

New papers (including the Vol Prog paper) due by Friday, December 1st OR BEFORE for review and discussion on the Dec 6th conf call. All drafters email to Jen; Jen email drafts to full O&G group.

The O&G group prefers the 1-6pm timeframe for quarterly meetings.

5:00 p.m. Meeting Adjourned – group returned to plenary.