

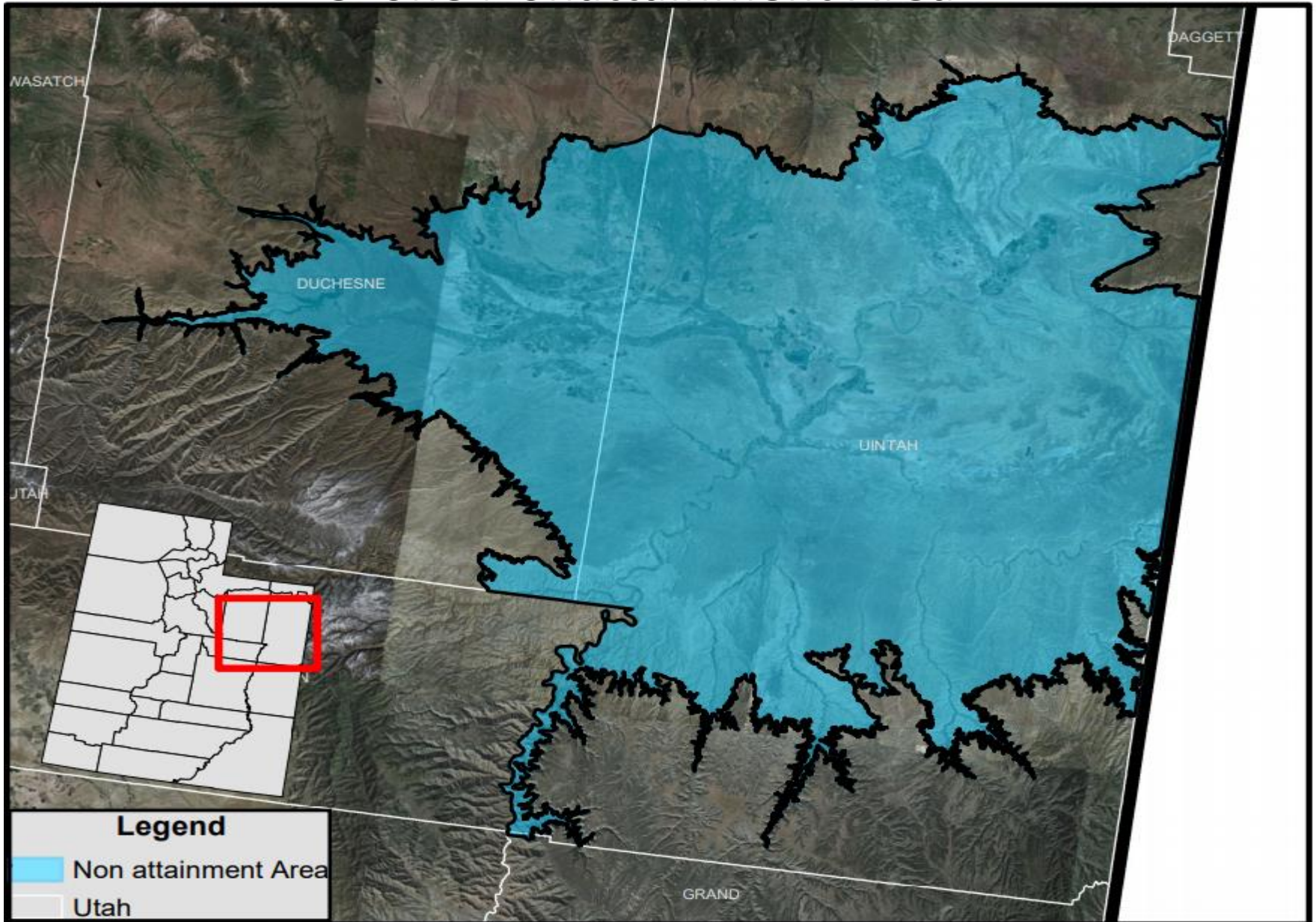


Utah Agency Update

Four Corners Air Quality Group Update
Meeting

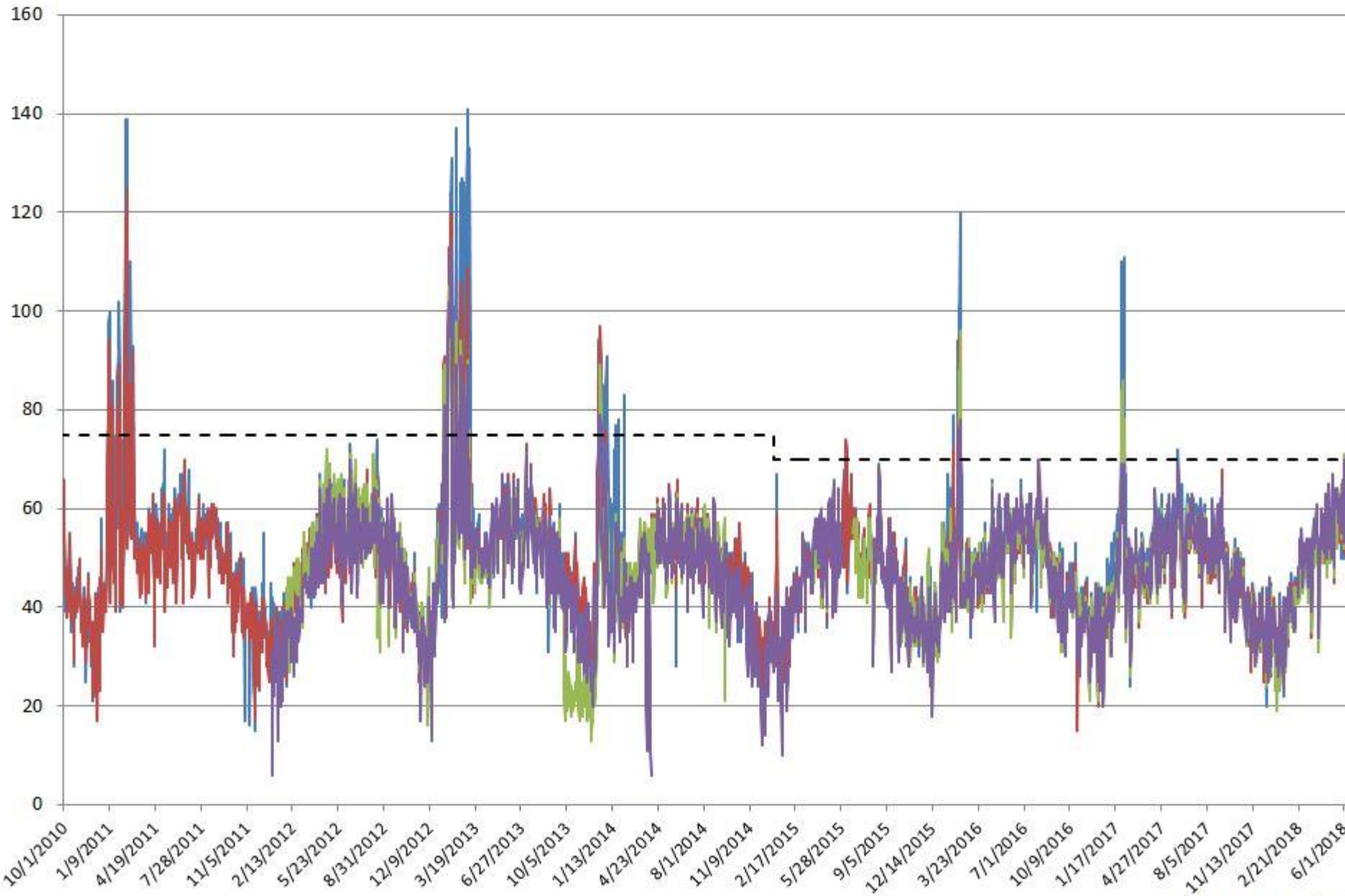
October 24, 2018

Ozone Nonattainment Area



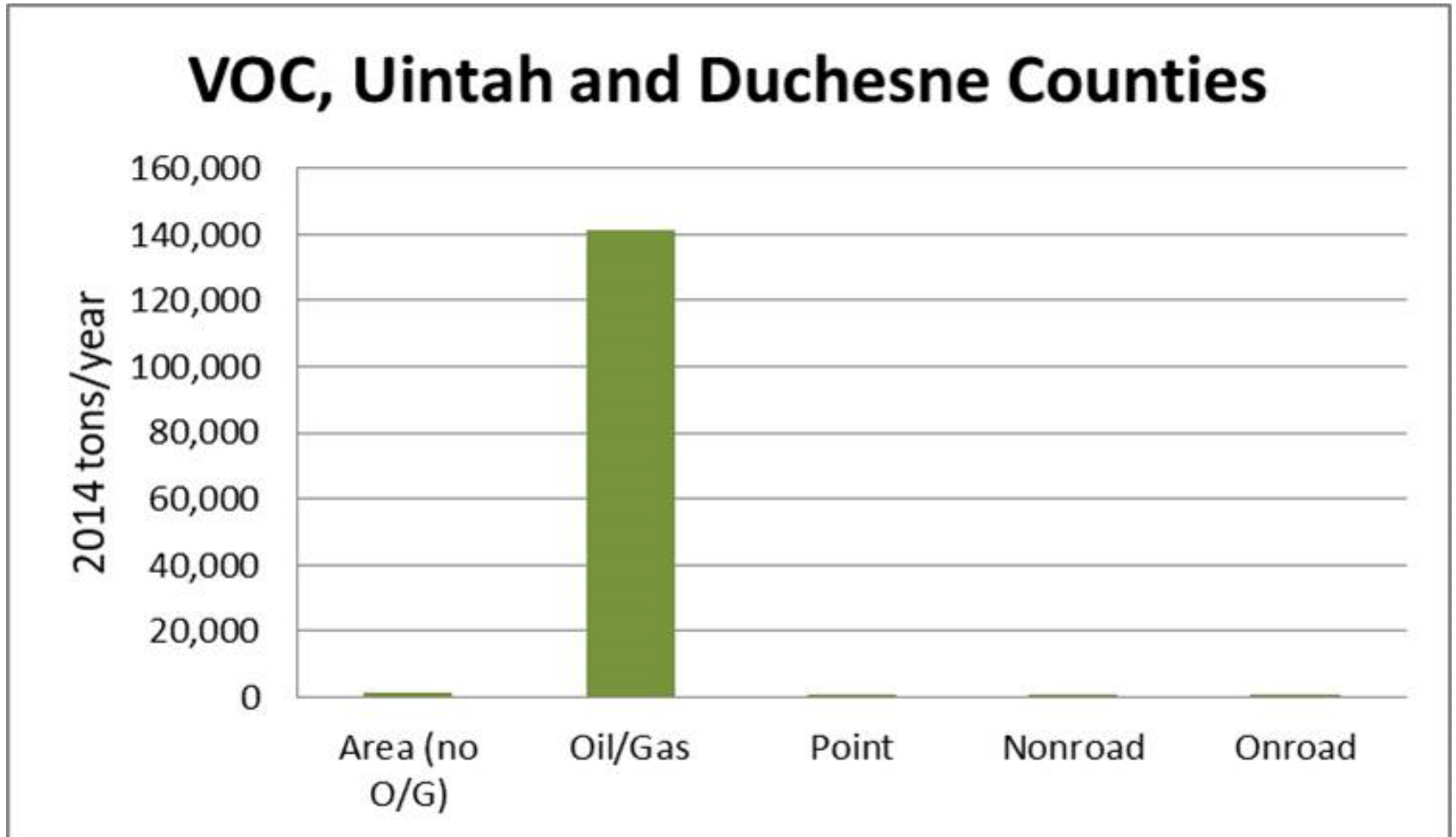
Uintah Basin Ozone

— OR — RW — RS — VL - - - Standard

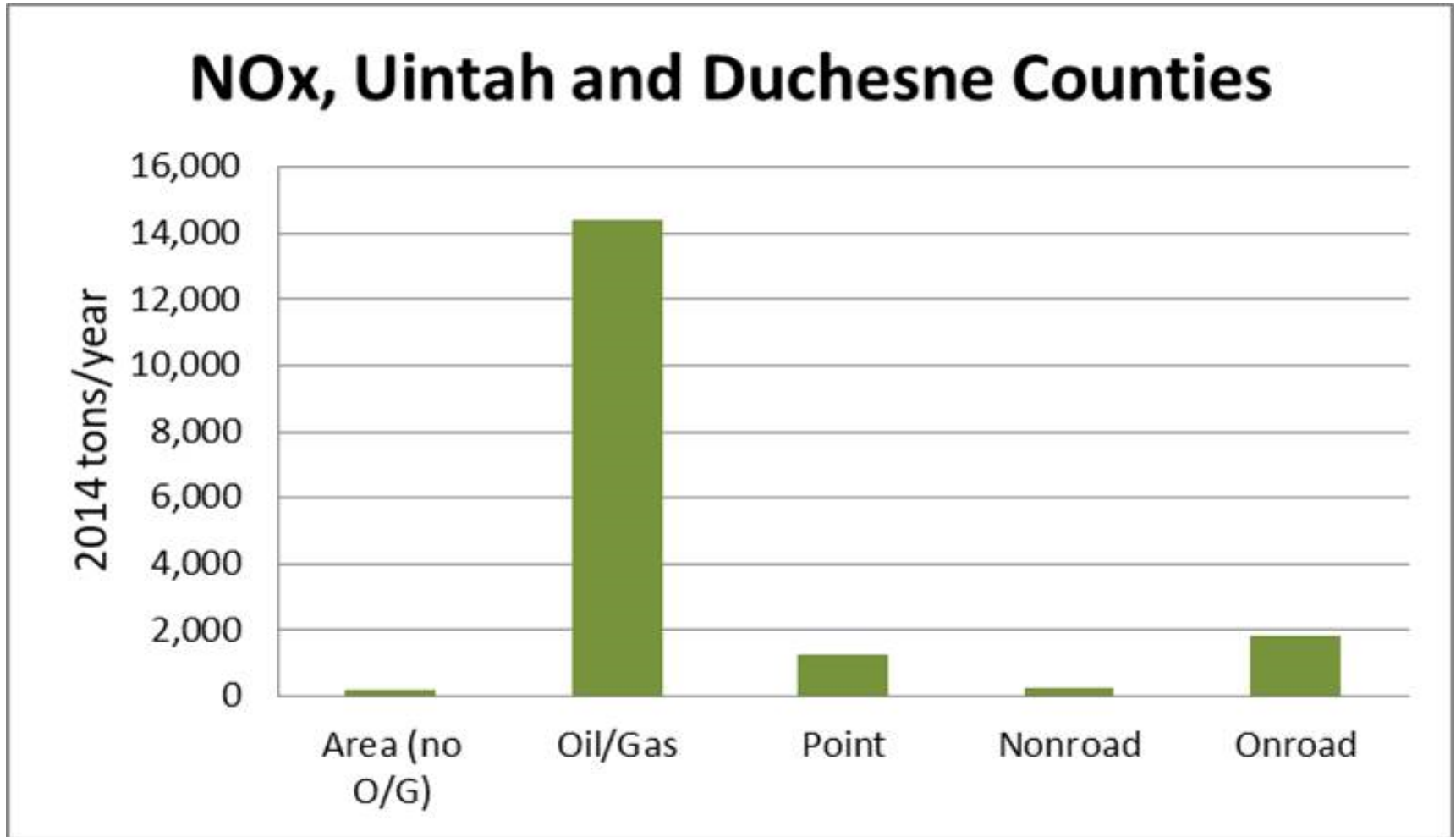


2018 Data Not Quality

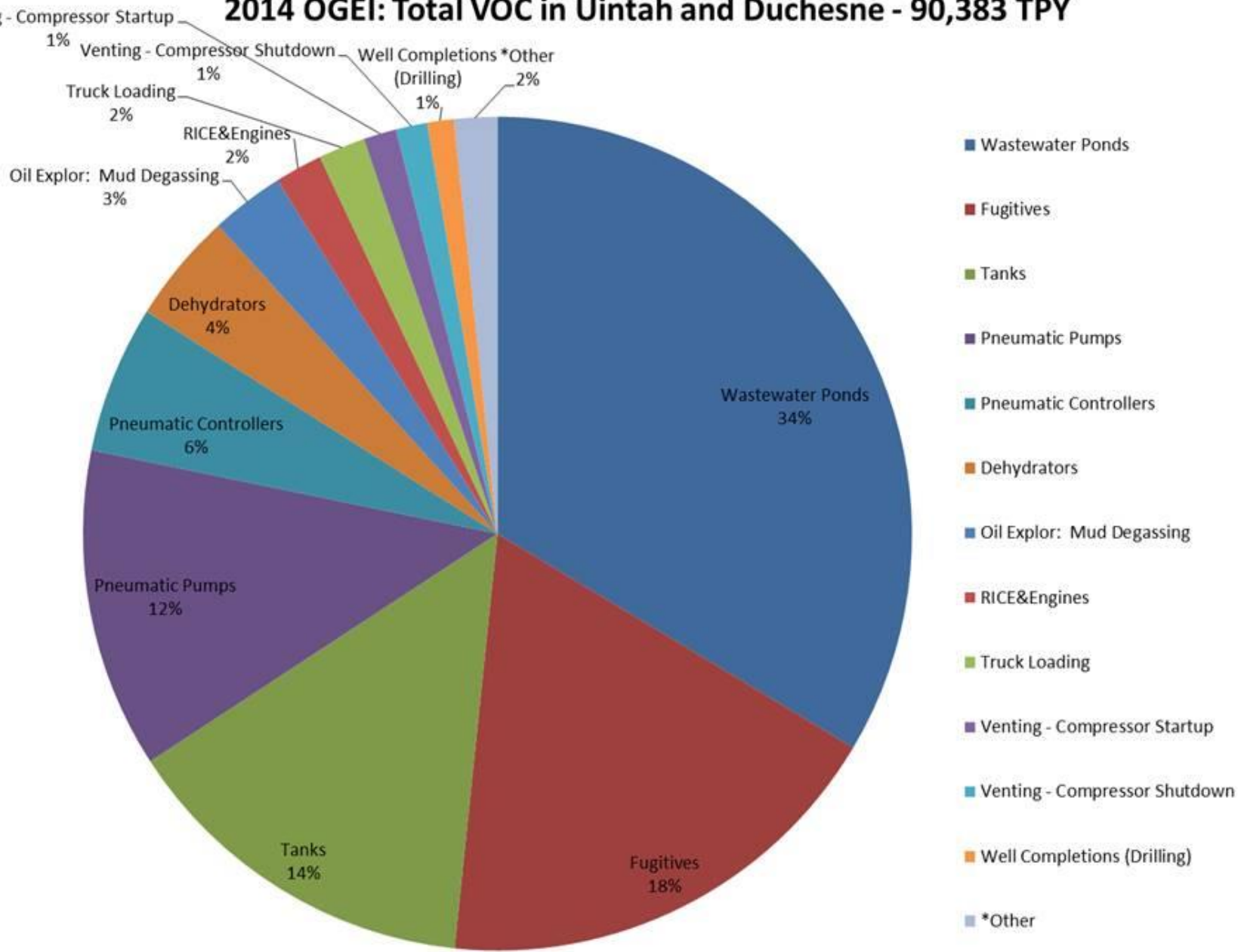
Oil and Gas Inventory



Oil and Gas Inventory

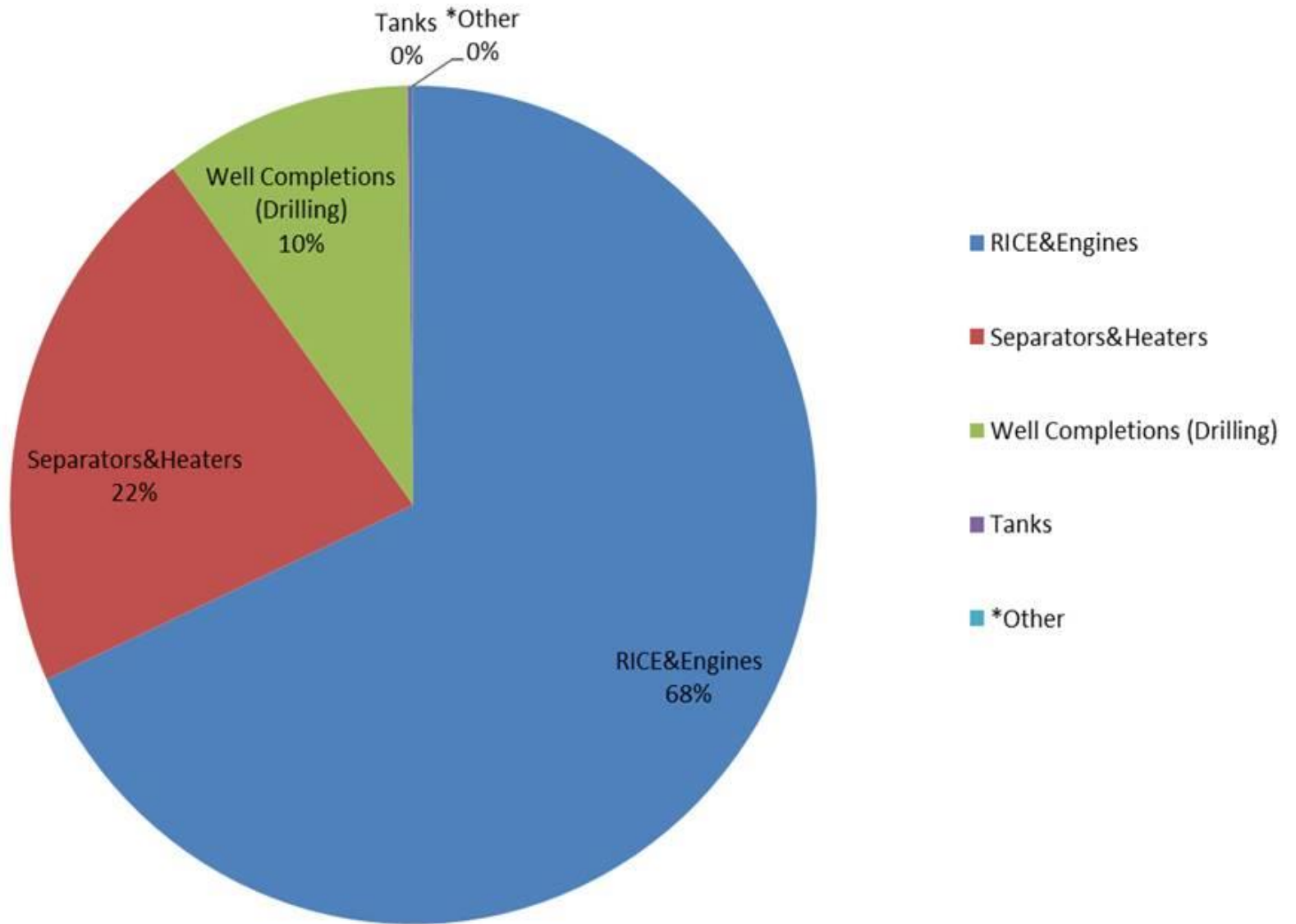


2014 OGEI: Total VOC in Uintah and Duchesne - 90,383 TPY



*Other: Solid Waste Disposal, Venting - blowdowns, Separators&Heaters, Mud Degassing, Venting - initial completions, Venting recompletions, Gas Plant truck Loading

2014 OGEI: Total NOx in Uintah and Duchesne - 13,527 TPY



*Other: Dehydratprs, Condensate tank flaring, Initial completion flaring, Dehydrator Flaring

New Oil and Gas Rules

- The new series of oil and gas rules (R307-505 to 509) for the State of Utah were in effect as of March 2018
- Rules were based on current BACT that has been required for minor sources in Utah
- Utah rules require all sources to be permitted, with a *de minimis* value of 5 tpy of VOCs
- Large majority of minor source permits were being issued for oil and gas well sites
- Many oil and gas sites voluntarily controlled emissions to be below the 5 tpy limit, however we were not aware of how many or where these sources were

New Oil and Gas Rules

- First step of new rules are all oil and gas sources, regardless of size of emissions, will register with the UDAQ
- Required existing oil and gas sources on State land to register with UDAQ by July 1, 2018 and certify that they are in compliance with all rules
- To date 2,223 sources registered, DOGM data shows 2,859 producing oil and gas wells so about 78% of sources are registered

New Oil and Gas Rules

- Rules for oil and gas wells apply to sites with tanks with throughput greater than 8,000 barrels of crude oil or 2,000 barrels of condensate per year on rolling 12-month average
- This equated to our BACT for tank controls, 4 tpy VOCs per tank battery
- If required to control tanks, then required to perform LDAR equivalent to OOOOa and also control tank loading operations
- Well sites established after January 1, 2016 required to have compliance natural gas engines

New Oil and Gas Rules

- Currently have Associated Gas Flaring Rule out for public comment – R307-511 (Oct 1-30)
- Rule supplements ability for sources to utilize the Permit-by-Rule option rather than applying for a permit
- Rule requires well sites to control or flare associated gas with production rather than venting

Uinta Basin Ozone Work Group

- Stakeholder group with representation from industry, local government, environmental advocates, academics, state and federal agencies
- Goal of group is through collaboration and shared knowledge to identify
 - Effective, economically viable measures to reduce ozone levels in the Uinta Basin
 - Policies, public information, educational resources, and beneficial actions to support ozone level reductions

Uinta Basin Ozone Work Group

- Working group has created seven subgroups
 - Immediate Proactive Reductions
 - Crediting Voluntary Reductions
 - Helpful Comparisons
 - Most Effective Reduction Targets
 - Accounting for Outside Factors
 - Jurisdictional Alignment
 - Public Relations and Education

The Path Forward

- Completing the 2017 Oil and Gas Inventory as this will most likely be the baseline for future milestones as a nonattainment area
- Support the Uinta Basin Ozone Working Group in understanding the issues and possible volunteer actions to lower the design value over the next 3 years
- Continue to evaluate new oil and gas rules and communicate requirements to industry and stake holder to ensure compliance
- Composition study to better understand emissions and modeling
- Work with EPA and Tribe to coordinate and support consistent oil and gas regulatory requirements

Questions?/Discussion

Ozone information and Air Quality Information

<http://www.deq.utah.gov/>

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