

TCEQ Finalizes Oil And Gas Emissions Rule

On January 26, the Texas Commission on Environmental Quality (TCEQ) adopted a new oil and gas permit by rule and issued a new non-rule standard permit for oil and gas facilities. The rulemaking, which was initiated in March, 2010, has gone through many transformations and improvements but remains a cumbersome regulation.

The rule applies to all oil and gas facilities which handle gases and liquids associated with the production, conditioning, process, and pipeline transfer of crude oil, natural gas, condensate and produced water. It is effective February 17.

For now, the rule is limited to new projects and related facilities on or after April 1 located in the Barnett Shale area which includes Archer, Bosque, Clay, Comanche, Cooke, Coryell Dallas, Denton, Eastland, Ellis, Erath, Hill, Hood, Jack, Johnson, Montague, Palo Pinto, Parker, Shackelford, Stephens, Somervell, Tarrant, and Wise Counties.

Though the rule is currently restricted to the Barnett Shale area counties, it is uncertain if and when the regulations will be applicable throughout the State and could be as early as January 5, 2012.

Existing facilities may be brought into the rule when there are substantive changes either in operations, volumes or equipment which effect potential emissions.

Stripper production, defined as 10 BOE or 60 mcf, has limited exposure within the rule for all wellheads, piping, pump jacks, separators, and produced water tanks. However, crude oil and production tanks may need to be reported. The Rule can be viewed at: http://www.tceq.texas.gov/permitting/air/announcements/nsr_announce_3_25_10.html.

The Alliance is pleased that many of our comments to TCEQ were considered and reflected in the final passage of this rule. However, we continue to believe that TCEQ has not demonstrated the need for such a compulsive rule.