

SACRAMENTO METROPOLITAN



AIR QUALITY
MANAGEMENT DISTRICT

Compliance Assistance

ADVISORY

SUBJECT: Oil and Gas Operations Permitting Program

Advisory #18-01

April 2018

***IMPORTANT INFORMATION FOR OWNERS AND OPERATORS OF OIL AND GAS
OPERATIONS SUBJECT TO THE STATE OIL AND GAS REGULATIONS AND TO DISTRICT
PERMIT REQUIREMENTS***

REQUIREMENT FOR DISTRICT PERMIT SUBMITTAL

The purpose of this advisory is to alert owners and operators of oil and gas operations to submit applications for existing and new equipment that are subject to the requirements of Sac Metro Air District Rule 201 – General Permit Requirements.

For many years, the Sac Metro Air District has required permits for combustion equipment associated with the oil and gas industry (compressors, dehydrators, flares, etc.). These units can emit significant amounts of regulated pollutants. The Sac Metro Air District has recently determined that the various non-combustion equipment and operations associated with the oil and gas industry can also be a significant source of VOC emissions in the Sacramento region and thus not exempt from permit requirements. VOCs from these operations can be emitted directly from combustion-type equipment such as compressors and dehydrators, but also from non-combustion equipment such as pneumatic controllers and storage vessels, as well as fugitive emissions (leaks) from components at well sites and compressor stations.

In 2017, the California Air Resources Board (CARB) adopted the “Greenhouse Gas Emission Standards for Crude Oil and Natural Gas Facilities” regulation (California Code of Regulations, Title 17, Division 3, Chapter 1, Subchapter 10 Climate Change, Article 4, Subarticle 13: Greenhouse Gas Emission Standards for Crude Oil and Natural Gas Facilities, § 95665 – 95677) to control emissions at all oil and gas facilities in California. The regulation requires facilities to either permit or register equipment with CARB or their local air district, perform emissions testing, and comply with emission standards. As part of the regulation, crude oil and natural gas facilities that operate crude oil and natural gas separator and tank systems must comply with emissions testing, and systems that exceed the emissions standard must comply with emission control requirements. This regulation took effect on January 1, 2018 and affected sources must currently comply with this regulation by registering with CARB for this first year.

Due to adoption of the new oil and gas regulation, the District will begin permitting additional sources that are affected by this regulation on January 1, 2019. Companies must submit complete permit applications by July 1, 2018 for existing equipment and processes, including all unpermitted well pads, compressors/engines, glycol dehydration units, and flare/oxidizers. New and modified equipment is subject to District New Source Review (NSR) and CEQA. Operators of new and modified equipment must receive an Authority to Construct prior to commencing construction.

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In addition to local permit requirements, these sources may also be subject to federal New Source Performance Standards (40 CFR part 60, subpart KKK, 40 CFR part 60, subpart LLL, and 40 CFR part 60 subpart OOOO), and National Emission Standards for Hazardous Air Pollutants (40 CFR, Part 63, Subpart HHH).

Guidance on submittal of application forms and fees can be found on our District website under the new [Oil and Gas Operations](http://www.airquality.org/businesses/permits-registration-programs/permit-applications-recordkeeping-advisories/oil-and-gas-operations) page (<http://www.airquality.org/businesses/permits-registration-programs/permit-applications-recordkeeping-advisories/oil-and-gas-operations>).

Completed application packages should be submitted by **July 1, 2018** to the SMAQMD at:

SMAQMD
777 12th Street, 3rd Floor
Sacramento, CA 95814
ATTN: Ali Othman

If you have any questions in regard to the applications or requirements, please contact Ali Othman at the Sac Metro Air District at (916) 874-4857.