



Compliance Assistance

ADVISORY

SUBJECT: Permit Requirements for Oil and Gas Production, Processing, and Storage Facilities

Advisory #18-02

JUNE 2018

IMPORTANT UPDATE REGARDING PERMITTING REQUIREMENTS FOR THE PRODUCTION, PROCESSING, AND STORAGE OF OIL AND GAS

This advisory is to notify owners and operators of natural gas production, processing or storage operations of the Sacramento Metropolitan Air Quality Management District's (District) decision not to require permits at this time for fugitive emissions from this source category.

Background

The California Air Resources Board (CARB) recently adopted a regulation titled *Greenhouse Gas Emission Standards for Crude Oil and Natural Gas Facilities* (CCR, Title 17, § 95665 et seq.) for the control of greenhouse gases from the oil and gas industry. As per a Memorandum of Agreement signed between CARB and the District, District staff will be responsible for conducting inspections and ensuring compliance with this regulation. Affected facilities must register with CARB all the equipment subject to the regulation by no later than July 1st, 2018 (extended from January 1st, 2018).

The District contacted oil and gas operations in November 2017 and April 2018 to advise them of the CARB regulation and to let them know that the District would be requiring permits for fugitive VOC emissions from equipment associated with this source category. The decision to require permits was based on emission calculations using U.S. EPA's *Control Techniques Guidelines for the Oil and Natural Gas Industry*, 2016, that indicated oil and gas facilities were a significant source of fugitive VOCs. Permit applications were to be submitted by July 1st, 2018.

Postponement of Permit Requirement for Fugitive VOCs

After reviewing operations data submitted to CARB, it became apparent that the U.S. EPA's guidelines likely overestimate equipment counts and emissions associated with oil and gas facilities operating in Sacramento County. In light of this, the District has decided not to require permits at this time.

Next Steps

During 2018, District staff will be conducting inspections to verify compliance with CARB's *Greenhouse Gas Emission Standards for Crude Oil and Natural Gas Facilities* and collecting necessary data for the District to evaluate the emissions from this source category more accurately. After this review period, the District will make a final decision as to whether or not permits are required for fugitive VOC emissions.

Other Equipment

Permits will not be required at this time for fugitive VOC emissions from equipment such as wells, separators, valves, flanges, etc. Other types of equipment such as compressors, dehydrators, pumps, boilers, heaters, and large tanks will continue to be subject to permit requirements unless explicitly exempted under Rule 201.

For more information on permit requirements, please contact Jorge DeGuzman at (916) 874-4860 or visit our website at www.airquality.org. Information about CARB's Greenhouse Gas Emission Standards for Crude Oil and Natural Gas Facilities can be found on CARB's website at the following address: <https://www.arb.ca.gov/cc/oil-gas/oil-gas.htm>.