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Clerk of the Board
Air Resources Board
1001 I Street,
Sacramento, California 95814

Subject: Proposed Greenhouse Gas Regulations

Dear Sir or Madam:

I have reviewed the new version of the regulations. There are real improvements that focus the regulations upon the most significant sources of greenhouse gasses. I appreciate the thought and discussions that must have gone into the revisions.

In two places, there are limits that would apply to many small operators. In each case, the regulation cites no method by which your agency or a facility operator could demonstrate that the facility and component are within the acceptable range.

Each of these regulations concerns oil production. Operators are required to submit monthly reports to the Department of Conservation Division of Oil, Gas and Geothermal Resources. These reports include the volume and API Gravity of oil and the volume of produced water. The data is certified by the operator upon submission and is an accurate source to demonstrate compliance with the proposed regulations. I therefore suggest the following changes to the regulations:

1. Section 95668 cites exceptions to the requirements. In order to be able to demonstrate compliance, I suggest section (a)(2) be modified with the additional language shown in bold type.

“(a)(2) The requirements of section 95668(a) do not apply to the following:

(A) Separator and tank systems that receive less than 50 barrels of crude oil per day and that receive less than 200 barrels of produced water per day. ***The volume of crude oil and produced water as reported to the Department of Conservation Division of Oil, Gas and Geothermal Resources shall be used to demonstrate compliance and shall be subject to review every calendar year.***”

2. Section 95669 also cites instances in which the requirements would not apply. For this section it is important to note that the gravity of produced oil is not fixed but varies somewhat. For our operations, the average API Gravity is about 19.5, but from time to time a shipment has an API Gravity slightly above 20. Since at an average of less than 20 gravity the operation would meet the intent of the rules, it seems reasonable that this variation should not trigger application of the requirements. I suggest that the average API Gravity be used to judge whether the standard has been met, as follows:

“(b) The requirements of this section do not apply to the following...

(2) Components, including components found on tanks, separators, and pressure vessels used exclusively for crude oil with an **average** API Gravity less than 20. ***The average of annual crude oil API Gravity as reported to the Department of Conservation Division of Oil, Gas and Geothermal Resources shall be used to demonstrate compliance and shall be subject to review every calendar year.***”

Thank you for the opportunity to comment.

Sincerely,



Mark A. Smith

xc: Joe Fischer, Project Lead
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