



Western States Petroleum Association  
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**Thomas A. Umenhofer, CCM, REPA**  
Vice President

February 21, 2017

Sent via email: [jim.nyarady@arb.ca.gov](mailto:jim.nyarady@arb.ca.gov)

Mr. Jim Nyarady  
Manager, Oil and Gas Section  
California Air Resources Control Board  
1001 I Street  
Sacramento, CA 95814

Re: WSPA Comments on 15-day Modifications to Draft Regulation for Greenhouse Gas Emission Standards for Crude Oil and Natural Gas Operations (February 2017)

Dear Mr. Nyarady:

The Western States Petroleum Association (WSPA) appreciates the opportunity to provide comments on the California Air Resources Board (ARB) draft regulation for Greenhouse Gas Emission Standards for Crude Oil and Natural Gas Operations (the Methane Rule) released on February 10, 2017 for a 15-day public comment period. WSPA is a non-profit trade association representing companies that explore for, produce, refine, transport and market petroleum, petroleum products, natural gas and other energy supplies in California and four other western states.

WSPA and its member companies would like to express our appreciation to ARB for the stakeholder process that has allowed WSPA and others to provide feedback during the past two years. Based on a review of the 15-day draft, WSPA still has specific concerns with the proposed regulatory language. These concerns are outlined below and further detailed in the enclosure with this letter. The key general areas of concern include, without limitation, the following:

- Circulation tanks
- Vapor Collection Systems and Vapor Control Devices
- Leak Detection and Repair ("LDAR") frequency
- Reporting Requirements

### **Circulation Tanks**

Circulation tanks are portable tanks used to circulate water into a well after a well stimulation treatment. WSPA appreciates ARB's effort to allow for technological advancements and safety to be the driver of control requirements on these types of tanks. As WSPA has stated in our previous comment letters on this issue, some of the proposed control requirements would create an unsafe situation or would result in an increase in criteria and greenhouse gas emissions from current emissions from circulation tanks. In addition, currently, it is infeasible to comply with the 95% control efficiency requirements of the proposed regulation, as there is no control technology available today capable of controlling emissions from circulation tanks without supplemental fuel and that can be operated in a safe manner. While it is our understanding that the intent is to allow for Best Management Practices (BMPs) in the interim and beyond in the event that no

technology is available by 2020, we still believe further clarification needs to be included in the rule language.

### **Vapor Collection Systems and Vapor Control Devices**

The Vapor Collection Systems and Vapor Control Devices sections also need to be clarified. Circulation tanks are portable equipment and any control devices and collection systems on portable equipment are not feasible from an engineering perspective and will actually result in *increased* GHG emissions from the equipment that would be required to dispose of the minuscule amount of methane from the circulation tanks.

### **LDAR**

All WSPA members are currently subject to an LDAR program either through the San Joaquin Valley Air Pollution Control District (SJVAPCD) or other air districts with oil and gas operations. The ARB LDAR requirements in this rule will result in a dramatic expansion of existing LDAR programs. WSPA believes it is vital in the SJVAPCD area that the local air district be the lead agency in implementing the Methane Rule to avoid operators having to comply with two programs, two sets of inspections, and two recordkeeping requirements – one for the local APCD and one for the ARB. Also, as currently written, LDAR will be required for systems that in practical application do not have the potential to emit methane. We expect the cost to comply with the LDAR provisions in the proposed regulation will be significantly more than estimated by ARB and will present difficulty for owners and operators in finding competent contractors to perform and correctly document inspections.

WSPA is disappointed that ARB removed the “step-down” provision in the last two versions of the regulation. While we understand the concerns raised in regards to natural gas storage projects, we need to emphasize the immense difference between oil and gas production and natural gas storage, particularly as it relates to the potential for catastrophic leaks. WSPA members have implemented leak inspection and repair programs on oil and gas equipment for the past several decades. As WSPA has stated in our previous comments, based on extensive local air district LDAR programs, the average amount of leaks found are minimal. The Federal EPA only requires semi-annual inspections at well site facilities. The SJVAPCD program, which has been in place for decades, allows operators to do annual inspections once they have submitted at least five quarterly reports without an exceedance of the leak standards. Since the ARB LDAR program simply incorporates more components requiring inspection, it would be more efficient for the programs requirements to correlate.

In addition to the issues of the LDAR program in its practicable application, the frequency for testing will result in an administrative nightmare not only for operators but for the SJVAPCD and the ARB. This further enhances the need for one lead agency to implement this rule to prevent, as much as possible, duplicative requirements. WSPA continues to recommend that the local air districts implement the rule, specifically in the San Joaquin Valley where 85% of the in-state oil and gas production occurs.

Therefore, WSPA requests that ARB revisit this section with industry in the future and reconsider including the step-down provision based on data and information that demonstrate that leaks are insignificant.

### **Reporting Requirements**

The reporting schedule as written is unclear and WSPA recommends that ARB clarify the requirements as suggested in the attached comments.

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Attached is an enclosure with specific WSPA recommendations on the proposed Modifications to Draft Regulation for Greenhouse Gas Emission Standards for Crude Oil and Natural Gas Operations (Attachment A) as well as a safety analysis on controls for circulation tanks, conducted by Michael Juarena, a certified safety professional and Senior Consultant at Safety Management Systems (Attachment B).

Thank you for your consideration of WSPA's comments. If you have any questions, please contact me at (805) 701-9142 or email [tom@wspa.org](mailto:tom@wspa.org), or Jenifer Pitcher at (661) 321-0884 or email [jpitcher@wspa.org](mailto:jpitcher@wspa.org).

Sincerely,



enclosures

cc: Richard Corey, ARB  
Elizabeth Scheehle, ARB  
Ken Harris, DOGGR  
Jenifer Pitcher, WSPA