

COGCC Venting and Flaring Proposed Rules

October 20, 2020

DEFINITIONS

COMMENCEMENT OF PRODUCTION OPERATIONS means that a Well is capable of producing either separable gas or salable liquid hydrocarbons.

COMPLETED WELL ~~A well will be considered completed when~~ means a Well in which oil or gas is produced through wellhead equipment from the producing interval(s) after the production string has been installed.

FLARING means the combustion of natural gas during upstream Oil and Gas Operations, excluding gas that is intentionally used for onsite processes. ~~Combustion required by the Air Quality Control Commission for purposes of emissions control~~ Use of combustion equipment to control emissions from Tanks pursuant to AQCC Regulation No. 7, 5 C.C.R. § 1001-9, Part D, Sections I.D or II.C, as incorporated by reference in Rule 901.b, is not Flaring.

FLOWBACK means the process of allowing fluids and entrained solids to flow from a Well following Stimulation, either in preparation for a subsequent phase of treatment or in preparation for cleanup and placing the Well into production. The term ~~flowback~~ Flowback also means the fluids and entrained solids that emerge from a Well during the ~~flowback~~ Flowback process. ~~The flowback period begins when material introduced into the Well during the treatment returns to the surface following hydraulic fracturing or refracturing. The flowback period ends when gas is produced in separable quantities.~~

PRODUCTIVITY TEST means a test for determination of a reservoir's ability to produce economic quantities of oil or gas.

UPSET CONDITION means a sudden, unavoidable failure, breakdown, event, or malfunction, beyond the reasonable control of the Operator, of any equipment or process that results in abnormal operations and requires correction.

VENTING means ~~intentionally~~ allowing natural gas to escape into the atmosphere, but does not include:

- a. The emission of gas from devices, such as pneumatic devices and pneumatic pumps, that are designed to emit as part of normal operations if such emissions are not prohibited by AQCC Regulation No 7, as incorporated by reference in Rule 901.b;
- b. Unintentional leaks that are not the result of inadequate equipment design; and
- a-c. Natural gas escaping from, or downstream of, a Tank unless: 1) there is no separation occurring at equipment upstream of the Tank; 2) the separation equipment is not sufficiently sized to capture the entrained gas; or 3) the natural gas is sent to the Tank

during circumstances when the gas cannot be sent to the gathering line or the combustion equipment used to Flare the gas is not operating.

903. VENTING OR FLARING NATURAL GAS

a. Notice to Local Governments and Emergency Responders.

- (1) **Prior Notice.** -As soon as practicable prior to, but no later than two hours before, any planned Flaring ~~and Venting~~ of natural gas allowed pursuant to this Rule 903, Operators will provide verbal, written, or electronic notice to the ~~Local Governmental Designee of the~~ Relevant and Proximate Local Governments, ~~if applicable~~, and to the local emergency response authorities.
- (2) **Subsequent Notice.** -In the event of Flaring ~~or Venting~~ due to an Upset Condition, Operators will ~~immediately~~ provide verbal, ~~written~~, or electronic notice as soon as possible, but no later than 12 hours, to the ~~Local Governmental Designee of the~~ Relevant and Proximate Local Governments, ~~if applicable~~, and to the local emergency response authorities.
- (3) **Waiver.** Relevant and Proximate Local Governments and local emergency response authorities may waive their right to notice under this Rule 903.a at any time, pursuant to Rule 302.f.(1).A.
- (4) **Recordkeeping.** -Operators will maintain records of notice provided pursuant to this Rule 903.a, and provide the records to the Director upon request.

b. Emissions During Drilling Operations.

- (1) Operators will capture or combust gas ~~escaping from downstream of the Well during drilling operations~~ mud-gas separator using ~~the best available technology~~ drilling practices while maintaining safe operating conditions.
- (2) If capturing or combusting gas would pose safety risks to onsite personnel, Operators may ~~request the Director's approval to Vent. Operators may obtain verbal approval, but Vent and~~ will provide a written request which includes any documentation necessary to support such approval by submitting verbal notification to the Director within 12 hours and submit a Form 4, Sundry Notice within 7 days. The Operator need not seek a formal variance pursuant to Rule 502.a. A Form 23, Well Control Report may also be required if the criteria in Rule 428.c. are met. If Venting approved pursuant to this Rule 903.b.(2) exceeds 24 hours, the Operator must will seek the Director's renewed approval to continue venting Venting.
- (3) Combustors will be located a minimum of 100 feet from the nearest surface hole location and enclosed.

c. Emissions During Completion Operations.

- (1) **Reduced Emission Completions Practices.** Operators will adhere to reduced emission completion practices as specified in 40 C.F.R. § 60.5375a, as incorporated by reference in Rule 901.b, on all newly Completed and re-completed oil and gas Wells regardless of whether the Well is hydraulically fractured, unless otherwise specified in this Rule 903.c.

~~A. Reduced Emission Completion Practices are required on all newly completed and re-completed oil and gas wells.~~

~~(2)~~ To comply with the ~~Reduced Emission Completion Practices required by Rule 903.c.(1).A,~~ unless otherwise specified in this Rule 903.c, **Flowback Vessels**. Operators will enclose all Flowback vessels and adhere to the AQCC Regulation No. 7 standards for well completion and re-completion in 40emission reduction from pre-production Flowback vessels as specified in 5 C.F.C.R. § 60.5375a1001-9:D.VI.D, as incorporated by reference in Rule 901.b.

~~(2)~~**(3)** Operators may Flare gas during completion operations with specific written approval from the Director under any of the following circumstances:

- A. The Operator obtains the Director's approval to Flare through an approved Gas Capture Plan pursuant to Rule 903.e.;
- B. The Operator submits, and the Director approves, a Form 4, ~~Sundry Notice~~, allowing the Operator to ~~flare~~**Flare** gas that would otherwise not be permitted pursuant to Rule 903.c.
 - i. On the Form 4, ~~Sundry Notice~~, the Operator will explain why Flaring is necessary to Complete the Well, and will protect ~~or~~and minimize adverse impacts to public health, safety, welfare, the environment, or wildlife resources.
 - ii. On the Form 4, ~~Sundry Notice~~, the Operator will estimate anticipated Flaring volume and duration.
 - iii. On the Form 4, ~~Sundry Notice~~, the Operator will explain its plan to connect the facility to a gathering line or otherwise utilize the gas in the future.
 - iv. The Director may approve a Form 4, ~~Sundry Notice~~ requesting permission to Flare during completion if the Director determines that the Flaring is necessary to Complete the Well and will protect and minimize adverse impacts to public health, safety, welfare, the environment, and wildlife resources.; or
- C. The Operator may direct gas to an emission control device and combust the gas if necessary to ensure safety or during an Upset Condition for a period not to exceed 24 cumulative hours. If Flaring pursuant to this Rule 903.c.~~(23)~~.C exceeds 24 hours, the Operator ~~must~~will seek the Director's approval to continue Flaring. Within 7 days of the Flaring event, the Operator will submit a Form 4, ~~Sundry Notice~~ reporting the Upset Condition or safety issues that resulted in the Flaring event and include the estimated volume of gas Flared.

d. Emissions During Production.

- (1)** After the Commencement of Production Operations at an Oil and Gas Location, Venting or Flaring of natural gas produced from any Completed Well is prohibited except under the following circumstances:
 - A. Gas Flared or Vented during an Upset Condition is allowed for a period necessary to address the upset, not to exceed 24 cumulative hours. Operators will maintain records of the date, cause, estimated volume of gas Flared or Vented, and duration of each Upset Condition resulting in Flaring or Venting, and will make such records available to the Director upon request.

~~B.~~ Gas Vented during ~~gauging, sampling, or the loading out~~ and as part of liquids to transport vehicles, as long as the Venting is not prohibited by AQCC Regulation No. 7, 5 C.C.R. § 1001-9, as incorporated by reference in Rule 901.b.

~~C.B.~~ Gas Vented during active and required maintenance and repair activity, including pipeline pigging, as long as the Venting is not prohibited by AQCC Regulation No. 7, 5 C.C.R. § 1001-9, as incorporated by reference in Rule 901.b. Operators will use operational best practices to minimize Venting during maintenance and repair activity.

~~Gas Vented from an access point on a storage tank that does not (and that is not required by AQCC Regulation No. 7, 5 C.C.R. § 1001-9 to) employ air pollution control equipment, unless the Venting is otherwise prohibited by the Commission's Rules or AQCC Regulation No. 7, 5 C.C.R. § 1001-9, as incorporated by reference in Rule 901.b.~~

~~D.C.~~ If approved by the Director on a Gas Capture Plan pursuant to Rule 903.e, gas Flared during a Production Evaluation or Productivity Test for a period not to exceed 60 days.

~~E.D.~~ Gas Vented during a Bradenhead Test pursuant to Rule 419.

~~F.E.~~ Well liquids unloading, as long as the well liquids unloading employs best management practices to minimize hydrocarbon emissions as required by the AQCC Regulation No. 7, 5 C.C.R. § 1001-9, as incorporated by reference in Rule 901.b. Operators will capture or Flare gas escaping into the air during liquids unloading if the escape of the gas poses a risk to public health, safety, or welfare due to the risk of a fire, explosion, or inhalation. Pursuant to Rule 405.s, no less than 48 hours prior to conducting Well liquids unloading, the Operator will submit a Form 42 – Notice of Well Liquids Unloading.

~~G.F.~~ Flaring or Venting approved pursuant to Rule 903.d.(3) or on a Form 4, ~~Sundry Notice~~ prior to ~~November 2, 2020~~ January 15, 2021.

(2) For any instance of Venting or Flaring permitted pursuant to Rules 903.d.(1).A–~~GE~~ for a period that exceeds 8 consecutive or 24 cumulative hours, the Operator will submit a Form 4, ~~Sundry Notice~~ reporting:

A. The estimated or measured volume and content of gas Vented or Flared;

B. Gas analysis of the gas Vented or Flared, including hydrogen sulfide; ~~and~~

C. Explanation, rationale, and cause for the Venting or Flaring event-; ~~and~~

D. A description of any operational best practices used to minimize Venting during maintenance and repair activity.

(3) At ~~wells~~ Wells that have Commenced Production Operations prior to ~~November 2, 2020~~ January 15, 2021 and that are Venting or Flaring natural gas because they are not connected to a natural gas gathering line or putting the natural gas to beneficial use, the Operator may request permission from the Director to Flare ~~natural gas, or to Vent casinghead gas,~~ by submitting a ~~Sundry Notice, gas capture plan via a~~ Form 4. The Operator may not Flare or Vent pursuant to this Rule 903.d.(3) unless and until the Director approves the Form 4. The Director may approve a one-time request to Flare, or Vent ~~casinghead gas,~~ for a period not to exceed 12 months, if the Director determines that Flaring ~~the gas or Venting casinghead gas~~ is necessary to produce the Well, will minimize waste, and will protect and minimize adverse impacts to public health, safety, welfare, the

environment, and wildlife resources. The gas capture plan on the Form 4, Sundry Notice will describe:

- A. The estimated volume and content of the gas to be Flared or Vented;
- B. Gas analysis including hydrogen sulfide for the subject ~~well~~Well;
- C. For requests based on lack of available infrastructure, the Operator will state why the Well cannot be connected to infrastructure;
- D. When the Well(s) will be connected to infrastructure, ~~and~~ why the Operator commenced production of the Well before infrastructure was available, and whether the mineral Owner will be compensated for the Vented or Flared gas; and
- E. Options for using the gas instead of Flaring or Venting, including to generate electricity, gas processing to recover natural gas liquids, or other options for using the gas.

(4) Measurement and Reporting.

- A. Operators will measure the volume of all gas Vented, Flared, or used at an Oil and Gas Location by direct measurement or by estimating the volume of gas Vented, Flared or used. ~~The volume of gas Vented, Flared, or used will be reported on a per well basis on the Operator's Form 7, Monthly Report of Operations.~~
- B. Operators will notify all mineral owners of the volume of oil and gas that is Vented, Flared, or used on-lease. Operators will maintain records of such notice and provide the records to the Director upon request.

- (5)** All Flared gas will be combusted in an enclosed device equipped with an auto-igniter or continuous pilot light and a design destruction efficiency of at least 98% for hydrocarbons.

(6) Pits.

- A. Pits with uncontrolled actual Volatile Organic Compound ~~(("VOC"))~~ emissions of greater than 2 tons per year ~~(("tpy"))~~ will not be located within 2,000 feet of a Building Unit or a Designated Outside Activity Area.
- B. After ~~November 2, 2020~~January 15, 2021, Operators will not construct new ~~pits~~Pits with uncontrolled actual VOC emissions greater than 5 tpy.
- C. Operators will provide the basis for their determination of applicability under Rule 903.d.(6) to the Director on a Form 4, ~~Sundry Notice~~ no later than ~~November 2, 2021~~January 15, 2022 for existing ~~pits~~Pits, or on a Form 15, Earthen Pit Report/Permit for new ~~pits~~Pits.

e. Gas Capture Plans.

(1) Gas Capture Plan Submission.

- A. ~~Operators will~~On a Form 2A, the Operator will commit to connecting to a gathering system by the Commencement of Production Operations, or submit a Gas Capture Plan as an attachment to their Form 2A, pursuant to Rule 304.c.(12).
- B. Gas Capture Plans will demonstrate compliance with the requirements of Rules 903.b–d and include the following information:

- i. A description and map of the location of the closest or contracted natural gas gathering system or point of sale.
 - ii. The name of the company operating the closest or contracted natural gas gathering system.
 - iii. The Operator's plan for connecting their facility to a natural gas gathering system or otherwise putting gas to beneficial use, including:
 - aa. Discussion of potential rights of way issues;
 - bb. Construction schedules;
 - cc. Date of availability of the gas gathering line;
 - dd. Whether the nearest or contracted gas gathering system has capacity to accept the anticipated gas to be produced at the location at the time of application; and
 - ee. Alternatives to flaringOptions for beneficial use of natural gas that are alternatives to Flaring during production operations prior to connection to gas gathering lines, including, but not limited to: onsite use, natural gas liquid processing, electrical power generation, gas to liquid, reinjection for enhanced oil recovery, or other options.
 - iv. For a Wildcat (Exploratory) Well or if the Operator anticipates conducting a Production Evaluation or Productivity Test, a description of the planned Production Evaluation or Productivity Test and any issues related to the Operator's ability to connect to a gas gathering line.
 - v. Any anticipated safety risks that will require the Operator to allow gas to escape, rather than being captured during drilling operations, pursuant to Rule 903.b.(2).
 - vi. A description of operational best practices that will be used to minimize venting during active and planned maintenance allowed pursuant to Rule 903.d.(1).B.
 - vii. Procedures the Operator will employ to reduce the frequency of Well liquids unloading events.
 - viii. Anticipated volumes of liquids and gas production and a description of how separation equipment will be sized to optimize gas capture.
- (2) **Verification.**- Operators will verify that their facility has been connected to a gathering line by submitting a Form 10, Certificate of Clearance pursuant to Rule 219.
- (3) **Compliance.** -If an Operator does not connect its facility to a gathering line or otherwise put gas to beneficial use as described in the Operator's Form 2A or Gas Capture Plan, the Director may require the Operator to shut in a Well until it is connected to a gathering line or the gas is put to beneficial use. The Operator may request a Commission hearing pursuant to Rule 503.ag.(10), however, the Well will remain shut in until the Commission's hearing occurs.