



**pennsylvania**  
DEPARTMENT OF ENVIRONMENTAL PROTECTION



Office of Waste, Air, Radiation & Remediation

# Implementation of Permit Exemption Criteria Category No. 38

**Tuesday Oct. 7, 2014**

Tom Corbett, Governor

Dana Aunkst, Acting Secretary

# Exemption Category No. 38

- For conventional wells, unconventional wells, wellheads and all other associated equipment such as non-road engines, storage vessels/tanks, flaring activities finalized on Aug. 10, 2013.

# Exemption Category No. 38

- Sources at the natural gas well sites are exempted from the permitting requirements only if the owner or operator meets all applicable requirements established in Exemption Criteria Category No. 38. The owner or operator must also comply with all applicable federal requirements.
- The owner or operator of sources not meeting the provisions of Category No. 38 may submit an RFD form to the DEP.

# Exemption Category No. 38

Sources	Requirements to be eligible for exemption
Flowback	<ul style="list-style-type: none"> <li>• Capture and send to gathering line or flaring if no other option (95% destruction efficiency).</li> <li>• Green Completion after 1/1/2015.</li> <li>• Comply with 40 CFR OOOO.</li> </ul>
Fugitive Leaks	<ul style="list-style-type: none"> <li>• LDAR using FLIR or other DEP approved detection devices.</li> <li>• Initial inspection within 60 days.</li> <li>• Annually thereafter.</li> <li>• Leaks must be repaired within 15 days. Leak is considered repaired if CH<sub>4</sub> is less than 2.5% and VOC less than 500 PPM or no visible leak using optical imaging camera.</li> </ul>
Storage Tanks/Storage Vessels or other Equipment (e.g. truck load-out)	<ul style="list-style-type: none"> <li>• Limit facility wide total VOC emissions to less than 2.7 tons per year.</li> <li>• If not, install controls capable of achieving VOC emission reduction of 95% or greater.</li> <li>• Storage Tanks/Storage Vessels comply with 40 CFR OOOO.</li> </ul>
Non-road Engines	<ul style="list-style-type: none"> <li>• EPA's Part 89 Tier 1-Tier 4 requirements.</li> <li>• Retain copy of certification from Manufacturer.</li> <li>• Submit a statement confirming each Non-Road engine (identify) is in compliance with Part 89 standards.</li> </ul>
Flaring Activities	<ul style="list-style-type: none"> <li>• All permanent flaring must be enclosed combustion device including enclosed flaring.</li> <li>• Flaring operations must be designed and operated in accordance with 40 CFR 60.18.</li> </ul>
Stationary IC Engines	<ul style="list-style-type: none"> <li>• Combined facility NO<sub>x</sub> emissions must be less than 100 lbs/hr, 1000 lbs/day, 2.75 tons per ozone season, and 6.6 tons per year on a 12-month rolling basis.</li> </ul>

# Compliance Demonstration

The owner or operator is required to demonstrate compliance with all exemption criteria using any generally accepted model or calculation methodology within 180 days after the well completion or installation of a source.

# Compliance Demonstration

## Specific Compliance Demonstration Requirements were discussed on:

- Aug. 10, 2013 Comment and Response Document
- April 8, 2014: In DEP's presentation at Quarterly Oil & Gas Industry Meeting.
- April 28, 2014: During Conference call between DEP and MSC.
- May 8, 2014: In letters sent to MSC, PIOGA, and API.
- May 14, 2014: During DEP's presentation at AWMA Conference.
- July 30, 2014: During DEP's presentation at DCNR Shale Gas Advisory Group Meeting.

# Implementation FAQ

- DEP has posted Frequently Asked Questions (FAQ) about GP-5 and Exemption No. 38.
- The FAQ provides a clear explanation of the applicability and requirements of Exemption No. 38 and answers questions often posed by applicants.
- The FAQ was initially posted on the DEP's website on Dec. 27, 2013 and is updated when additional questions are raised.

# Implementation Instructions

- DEP has developed Implementation Instructions for inspectors and owners or operators of well pads to consistently implement the provisions of Category No. 38.
- The document provides detailed information regarding compliance with each exemption criteria and specific documents required to be submitted to demonstrate compliance with each criteria.
- The Implementation Instructions document has been posted on DEP's website since June 24, 2014 and is updated as necessary.



# CDR Issues Encountered

- Of all Compliance Demonstration Reports (CDR) received by the DEP, approximately 3% of them were found to be adequate.
- Twenty-six wells sites owned by four owners or operators failed to submit any CDR within 180 days of well completion.
- DEP sent deficiency letters to the owners or operators who submitted inadequate CDRs and granted additional time to comply.
- DEP sent Notices of Violations (NOV) to 26 well site owners or operators who did not submit a CDR within 180 days of well completion.



**pennsylvania**  
DEPARTMENT OF ENVIRONMENTAL PROTECTION



Office of Waste, Air, Radiation & Remediation

**Naishadh Bhatt**  
**Chief, Technical Support Section**  
**Division of Permits**  
**Bureau of Air Quality**  
**nabhatt@pa.gov**  
**717.787.2856**