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Oil and Gas Alert: Ohio EPA Issues a Final General Permit for Oil and Gas Well Sites

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On February 1, 2012, the Ohio EPA issued its final general permit for oil and gas production sites. The general permit covers equipment used for production activities at Marcellus or Utica/Point Pleasant shale wells in Ohio. The general permit does not impact drilling and completion activities because they are temporary in nature. Nor does the general permit impact existing traditional wells that were vertically completed in the various production zones.

The general permit covers several aspects of the production process including: glycol dehydration units, natural gas-fired spark ignition internal combustion engines, diesel-fired compression ignition internal combustion engines, water and/or petroleum liquid flash/storage tanks, combustor/flare and ancillary equipment leaks. For each emissions unit, the general permit provides specific operations limitations and emission limits for various pollutants. Along with these limits, the general permit prescribes monitoring, testing and reporting requirements for each emission unit.

The final general permit no longer covers unpaved roadways. The Ohio EPA determined that its existing general permits for unpaved roadways were sufficient to cover oil and gas well sites and parking areas. Thus, operators will need to file for the appropriate general permit for its unpaved roadways and parking areas in addition to applying for a general permit to cover its oil and gas production equipment.

Now that the general permit is final, all of the companies that sent letters of intent to be covered by the general permit must submit their applications within thirty (30) days. For all of the other wells that will need a general permit, the applicant must receive the general permit before connecting utilities to any of the equipment covered by the general permit. Ohio EPA anticipates that it will be able to issue final general permits within a few weeks of receiving the application. Once the final general permit is issued for a site, the applicant will have to pay permit fees which will be \$2,300 for an oil and gas general permit and around \$200 for an unpaved roadway general permit.

While the general permit will serve as an effective tool to expedite air permitting at Marcellus/Utica well sites, it may not be available in every instance. If any of the equipment that will be used at a well site fails to meet the requirements of the general permit, the applicant will need to file a separate permit to install application for that equipment.

Finally, it is also important to note that the general permit does not cover mid-stream facilities. The equipment and processes at those facilities will most likely need air permits prior to construction of the facilities depending upon the amount and nature of the emissions involved.

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