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October 12, 2009

Ms. Lindley Anderson
MC206
Air Quality Division
Chief Engineer's Office
Texas Commission on Environmental Quality
PO Box 13087
Austin, Texas 78711-3087

Re: Informal Comments - Texas Flare Task Force Stakeholder Group
Report as of 9/03/2009

Dear Ms. Anderson:

The Texas Oil and Gas Association (TxOGA) and the Chemical Council (TCC) have furnished comments in a separate letter dated October 12, 2009 to the Texas Commission on Environmental Quality (TCEQ) with regard to issues raised by the agency's industrial flare task force. Those comments are primarily representative of refining and chemical plant operations. TxOGA also offered separate comments on May 8, 2009 on behalf of the Upstream E&P (exploration and production) and Midstream (pipeline and gas processing) membership to TCEQ's initial Flare Task Force Stakeholder Group Report in late March. TxOGA offers the following additional comments on behalf of its member companies with Upstream and Midstream operations on the final draft Flare Task Force Stakeholder Group Report. TxOGA members produce in excess of 90 percent of Texas' crude oil and natural gas production and are responsible for a vast majority of the state's pipeline mileage.

The Upstream and Midstream segments of the oil and gas industry operate thousands of facilities in Texas, most of which have relatively low emissions and are located in rural areas. Flares at these facilities are authorized by a Permit by Rule (PBR) or Standard Permit and a large number of which are not required to be registered because they burn only "sweet" gas. These operations are not centralized, but are spread all over the state wherever there are oil and gas production sites or pipeline operations. In addition, the Upstream and Midstream segments of the industry often use temporary flares where there is a need for them (e.g., drilling sites or pipeline maintenance activities). Flare equipment in use in



Upstream and Midstream operations varies significantly in maximum flare volume, with some flares handling less than 1,000 cubic feet per day.

The TCEQ Flare Task Force Stakeholder Group was formed primarily due to flaring concerns originating from large flares in refining and chemical facilities, particularly those in non-attainment areas. TxOGA is aware that flaring concerns may not stop at non-attainment boundaries and that the TCEQ did refer to limiting some of the requirements based on geographic area and/or size. However, TxOGA recommends that the report contains more specific guidance on where these controls should and should not be applied.

TxOGA recommends that the TCEQ consider the attainment status and facility size (major source status) when developing future regulations for flares. Areas that have demonstrated compliance with the National Ambient Air Quality Standards (NAAQS) for ozone should be subject to less burdensome and less costly regulations than those areas in non-attainment. State-wide regulations broadly requiring continuous monitoring systems for flares are not justifiable in attainment areas. Although, best management practices such as routine flare stream identification, periodic monitoring and flare minimizations plans may be cost effective at major facilities, even these types of controls are typically not practical or required at minor sources (sources that are not major under Point Source Determination or non-attainment New Source Review).

“The Flare Task Force also recommends additional monitoring requirements be added to the New Source Review Permit boiler plate conditions for flares state-wide and that the adequacy of site specific flare monitoring requirements be evaluated during the permit renewal process” (page 11). TxOGA believes that additional flare requirements should not be broadly applied as “state-wide” and in the “boiler plate provisions”. As stated previously, the decisions concerning the level of flare monitoring and controls should consider the geographic area of the facility, the size of the facility, and the composition of the flared gases.

The Flare Task Force Draft Report discussed the addition of requirements for flares that qualify for authorization through 30 TAC Chapter 106 PBR by Rule and the 30 TAC Chapter 116 Standard Permits. These requirements could include monitoring the flow rate, net heating value, and/or composition of the waste gas stream” (page 15). PBR and standard permits are often used to address permitting and documenting of small emissions sources at minor sources due to their minimal impacts to the environment. The PBR rules and authorizations for small emission sources that have been developed and evaluated by the TCEQ specify specific conservative standards that must be met in order to minimize environmental impact to surrounding areas. The existing daily smoke/no smoke inspections, requirement that the flares must be designed and operated as smokeless flares, and the fact the waste streams being combusted are of high BTU content ensures the flares are operating appropriately and reducing the VOC impact on surrounding areas. The flash gas flow rates authorized under PBR from a large percentage of the storage tanks is very low, and adding an inline flow meter and gas sampling requirements would not add anything new toward the end goal of ensuring complete combustion or minimizing VOC emissions to the environment. Any amendment of the PBRs or standard permits should have provisions that exempt minor sources from the additional monitoring and control requirements. The existing requirements that flares must meet design requirements similar to 40 CFR 60.18 is sufficient for flares at minor sources.