

EPA FINALIZES RULE ON SPCC AMENDMENTS

For the last 5 or 6 years, the EPA has been working on revisions to the Spill Prevention, Control and Countermeasure rules. On December 5, 2008, EPA finalized amended SPCC requirements. The final rule becomes effective on February 3, 2009, with a compliance date of July 1, 2009.

Venture Engineering & Construction's (Venture's) process and environmental staff of evaluated the new rule and offer the following analysis as a guideline for what this means for our oil & gas customers.

In general, the new rule contains some attempts to provide flexibility, but the new alternatives seem to require an operator to jump through many hoops with additional record keeping, inspections and various other requirements that operators will have trouble with.

Also, the final regulations contains language that could evolve into still more requirements, targeted to bring a large number of natural gas operations under the plan with the definition of produced water. Previously, the limited amount of oil contained in the produced water from gas wells would not have triggered it, but adding water in the new rule will undoubtedly trigger SPCC plan requirements.

The amendments revise the definition of a production facility. "Production facility" means all structures; piping or equipment used in the production, extraction, recovery, lifting, stabilization, separation or treating of oil (including condensate) and associated storage or measurement and are located in an oil or gas field, at a facility. Consolidation of facilities within a single geographic field is allowed, but not required.

The amendments exclude oil production facilities from sized secondary containment requirements for loading/unloading racks since these facilities are not typically found at production sites. The rule is intended for other facilities that have equipment meeting EPA's definition, such as refineries or distribution terminals. Loading/unloading activities will remain subject to general secondary containment requirements.

The amendments provide an alternative for flowlines and intra-facility gathering lines at oil production facilities for contingency planning in lieu of all secondary containment requirements, while establishing more prescriptive requirements for flowline/intra-facility gathering line maintenance programs.

The new rule exempts produced water containers when an engineer certifies, as part of the SPCC plan, that based on the efficiency of the oil/water separator used, the contents of a produced water container, if completely discharged, would not contain oil amounts that might be harmful. The capacity of the exempted containers will not be counted in the oil storage capacity.

For those produced water containers that cannot meet the exemption criteria, the operator has the option to apply general secondary containment and corrective action in lieu of sized secondary containment when an engineer describes them in the SPCC plan and certifies that a practice is established to remove the amount of free-phase oil from the produced water container on a scheduled and routine basis. These containers are counted toward the aggregate storage capacity. Both options require certification and are not amendments that can be self-certified.

Finally, prior SPCC amendments have provided the option for self-certification by operators of qualified facilities that store 10,000 gallons of oil or less and meet other qualifying criteria. The new amendment designates a subset of qualified facilities as Tier 1 qualified facilities (no individual aboveground storage capacity greater than 5,000 gallons) where an operator can choose to complete a self-certified SPCC plan template. All other qualified facilities are designated as Tier II qualified facilities, and cannot be self-certified.

The above, we believe, are the key take-ways from the 89 pages that encompass the final rule. To reiterate the final rule becomes effective on February 3, 2009 with a compliance date of July 1, 2009.

If you need further assistance with understanding the new rules, or with help in preparing and/or certifying an SPCC plan under the new rules, Venture's environmental engineering staff are equipped to help out.

For more information on Venture Engineering & Construction, please visit our website at www.ventureengr.com, or call us at 412-231-5890, and reference "New SPCC plan requirements."