6560-50-P

ENVIRONMENTAL PROTECTION AGENCY

[EPA-HQ-OAR-2016-0204; FRL-9946-70-OAR]

Proposed Information Collection Request; Comment Request; Information Collection Effort for Oil and Gas Facilities

AGENCY: Environmental Protection Agency (EPA).

ACTION: Notice.

SUMMARY: The Environmental Protection Agency (EPA) is planning to submit an information collection request (ICR), "Information Collection Effort for Oil and Gas Facilities" (EPA ICR No. 2548.01, OMB Control No. 2060-NEW) to the Office of Management and Budget (OMB) for review and approval in accordance with the Paperwork Reduction Act (PRA) (44 U.S.C. 3501 *et seq.*). Before doing so, the EPA is soliciting public comments on specific aspects of the proposed information collection as described below. This is a request for approval of a new collection of information. An Agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number.

DATES: Comments must be submitted on or before **[insert date 60 days after publication in the Federal Register]**.

ADDRESSES: Submit your comments, referencing Docket ID No. EPA-HQ-OAR-2016-0204, online using http://www.regulations.gov (our preferred method), or by mail to: EPA Docket Center (EPA/DC), Environmental Protection Agency, Mail Code 28221T, 1200

Pennsylvania Ave., NW, Washington, DC 20460.

EPA's policy is that all comments received will be included in the public docket without change including any personal information provided, unless the comment includes profanity, threats, information claimed to be Confidential Business Information (CBI) or other information whose disclosure is restricted by statute.

FOR FURTHER INFORMATION CONTACT: Ms. Brenda Shine, Sector Policies and Programs Division, Refining and Chemicals Group (E143-01), Office of Air Quality Planning and Standards, Environmental Protection Agency, Research Triangle Park, NC 27711; telephone number: (919) 541-3608; fax number: (919) 541-0246; email address: shine.brenda@epa.gov.

SUPPLEMENTARY INFORMATION: Supporting documents which explain in detail the information that the EPA will be collecting are available in the public docket for this notice. The docket can be viewed online at http://www.regulations.gov or in person at the EPA Docket Center (EPA/DC, EPA WJC West Building, Room 3334, 1301 Constitution Ave., NW, Washington, DC. The telephone number for the Docket Center is 202-566-1742. The telephone number for the public reading room is 202-566-1744. For additional information about EPA’s public docket, visit http://www.epa.gov/dockets.

Pursuant to section 3506(c)(2)(A) of the PRA, the EPA is

soliciting comments and information to enable it to: (i) evaluate whether the proposed collection of information is necessary for the proper performance of the functions of the Agency, including whether the information will have practical utility; (ii) evaluate the accuracy of the Agency's estimate of the burden of the proposed collection of information, including the validity of the methodology and assumptions used; (iii) enhance the quality, utility, and clarity of the information to be collected; and (iv) minimize the burden of the collection of information on those who are to respond, including through the use of appropriate automated electronic, mechanical, or other technological collection techniques or other forms of information technology, e.g., permitting electronic submission of responses. The EPA will consider the comments received and may amend the ICR as appropriate. The final ICR package will then be submitted to OMB for review and approval. At that time, the EPA will issue another **Federal Register** notice to announce the submission of the ICR to OMB and the opportunity to submit additional comments to OMB.

Abstract: Collectively, oil and gas facilities are the largest industrial emitters of methane in the U.S. In January 2015, as part of the Obama Administration’s commitment to addressing climate change, the EPA outlined a number of steps it plans to take to address methane and smog-forming volatile organic

compound (VOC) emissions from the oil and gas industry. Concurrently with this action, the EPA has promulgated new source performance standards (NSPS) for the oil and gas industry to achieve both methane reductions and additional reductions in VOCs (40 CFR part 60, subpart OOOOa). The EPA has also committed to require standards of performance for existing oil and gas sources. Section 111(d) of the Clean Air Act (CAA), as amended, provides a cooperative federalism approach to establishing standards of performance for existing sources. Under this approach, the EPA establishes guidelines that identify the emission performance states must require their sources to achieve, and states then submit plans for EPA review and approval, which establish standards of performance that achieve that emissions performance.

While a great deal of information is available on the oil and gas industry and has to date provided a strong technical foundation to support the Agency's recent actions, the EPA is now seeking more specific information that would be of critical use in addressing CAA section 111(d). Taking into account the large number of sources that a national regulation development effort would need to consider, and the potential for taking a different approach to addressing co-located existing sources than was taken with new and modified sources, the EPA requires information that will enable the development of effective

standards for this entire industry under CAA section 111(d). For new sources, the CAA requires that standards apply to each new affected facility upon startup. Conversely, without information allowing for development of a pathway for phasing in standards, existing source standards will likely apply to all regulated units at approximately the same time. Currently there are hundreds of thousands of pieces of equipment across the country in all kinds of different situations and configurations. To determine how to efficiently and effectively address emissions from this volume of sources in a timely, but administrable manner, we need more comprehensive information that will improve our understanding of what emission controls are being used (and perhaps shared) in the field, how those are configured, the difficulty of replacing or upgrading controls, how much time will be needed to retrofit, what the likely costs of retrofitting are, whether electricity or generating capacity is available, and how often sites are staffed or visited. Such information will, for example, allow us to ascertain if there are effective ways for affected facilities at well sites, or other co-located facilities, to share emission controls, how to balance the level of emission reductions with administering a program of this size, and potential phase in opportunities. Additional information will also support the Agency’s effort to explore proposing standards for new and modified units not

currently covered by NSPS OOOOa. Specifically, before proposing standards the EPA must assure that it has adequate information to determine "the best system of emission reduction which (taking into account the cost of achieving such reduction and any nonair quality health and environmental impact and energy requirement) the Administrator determines has been adequately demonstrated," (BSER) as well as the "degree of emission limitation achievable through the application of" such system. Currently, the EPA collects information on the greenhouse gas (GHG) emissions from oil and gas facilities under 40 CFR part 98, subpart W, of the Greenhouse Gas Reporting Program (GHGRP). However, the GHGRP does not collect information on design, performance, and costs of emission controls. Such information is necessary to evaluate the scope, design, and potential impact of future standards of performance for existing oil and gas facility sources. There are also differences in the definition of "facility" in the GHGRP for oil and gas production facilities as compared to the way we have defined facility under our regulations. As previously stated, "the EPA's definition of 'facility' for purposes of 40 CFR part 98 in no way impacts the 'facility' definition for similar sources under existing CAA programs." 80 FR 64262, 64271. Additionally, certain states have moved forward with their own rules and have developed information needed for their own purposes, but this information

is not sufficient for a national rulemaking. Thus, it is necessary to collect specific information from oil and gas production facilities both for existing sources and sources not covered by the standards of performance for new and modified sources to understand the number of affected facilities and to estimate the facility-level impacts of potentially implementing existing source standards of various designs.

There will be two parts to the information collection. Part 1, referred to as the operator survey, is specifically designed to obtain information from onshore oil and gas production facilities to better understand the number and types of equipment at production facilities. Part 1 seeks to collect facility-level information (e.g., facility name, location, contact information, and number of wells, tanks, and compressors) using the definition of facility commonly employed when permitting new and existing sources (i.e., all buildings, equipment, structures, and other stationary equipment that are located on one or more contiguous or adjacent properties and that are under common ownership or control). Part 1 will be sent to all known operators of oil and gas production wells and will allow the Agency to obtain the information necessary to identify and categorize all potentially affected oil and gas production facilities. The operators will complete the Part 1 survey, including providing equipment counts for all production

facilities that they operate with the exception of facilities selected to complete Part 2. Part 1 is not expected to contain any CBI. This operator survey may be submitted either electronically or through hard copy responses. The submission requires the owner or operator to certify that the information being provided is accurate and complete.

Part 2, referred to as the detailed facility survey, will be sent to selected oil and gas facilities across the different industry segments. Specifically, these industry segments include onshore production, gathering and boosting, processing, compression/transmission, pipeline, natural gas storage, and liquefied natural gas (LNG) storage and import/export facilities. This ICR will not collect information from offshore production facilities or from local natural gas distribution facilities. Due to the large number of potentially affected facilities, Part 2 uses a statistical sampling method considering each industry segment (and groupings of facilities in the production segment) to be separate sampling populations. Thus, a statistically significant number of facilities within each industry segment (or "population") will be required to complete the Part 2 detailed facility survey.

Developing an appropriate sampling size for the onshore production industry is complicated by the number of factors that could impact the types of processes or equipment present at the

site and the magnitude of emissions from these sources. Therefore, the Agency considered further stratification of the production industry segment into separate populations based on differences in the type of well (oil or natural gas, vertical or horizontal drilling, or further distinctions based on gas-to-oil ratio), the type of formation, and the production basin. At this time, the Agency has limited information on means to characterize individual facilities or wells by formation type or well drilling type (vertical versus horizontal wells). However, the Agency does have estimates of the number of wells in a given basin and has estimates of the gas-to-oil ratio (GOR), from which we designate well type for nearly all wells. Therefore, the Agency considered two options for establishing different populations within the production segment: Option 1, which is based on the well type using GOR ranges, and Option 2, which is based on regional groupings of basins.

Option 1, which considers populations based on well types, defines the following five populations based on GOR:

1. Heavy Oil (GOR ≤ 300 standard cubic feet per barrel, scf/bbl)
2. Light Oil (300 < GOR ≤ 100,000 scf/bbl)
3. Wet Gas (100,000 < GOR ≤ 1,000,000 scf/bbl)
4. Dry Gas (GOR > 1,000,000 scf/bbl)
5. Coal Bed Methane.

Most of these well type categories have historical significance, such as the GOR of 300 scf/bbl included in the applicability of the Oil and Gas NSPS requirements for well completions (40 CFR part 60, subpart OOOOa) and the GOR of 100,000 scf/bbl delineation between oil and gas wells used in the U.S. Emissions Inventory for GHG Sources and Sinks. The delineation between "wet" and "dry" gas wells was developed for this ICR to gain information on "wet" gas wells because these gas wells have been found to have higher VOC content and, as such, are of particular interest in this information collection effort.

Option 2, which considers regional groupings of basins, defines the following five populations based on basins (geological provinces) defined by the American Association of Petroleum Geologists:

1. East: Basins 100 to 190
2. South: Basins 200 to 290 and Basin 400
3. Midwest: Basins 300 to 395
4. West Texas: Basins 405 to 440
5. West: Basins 445 to 895.

Option 1 (populations based on well type) will ensure that a statistically significant number of each well type is sampled. This is important because there are fewer wet gas wells and coal bed methane gas wells than heavy oil, light oil, or dry gas

wells. However, because of the differences in the number of wells within each population, analyses using the data must use these classifications (or weighting factors) to develop nationwide assessments. The regional populations are more similar to each other in terms of the number of wells in each region, but weighting factors would still be required to perform nationwide assessments separate from these defined regions.

Based on a desire to have no more than a 10-percent error (i.e., +/- 10 percent) in the estimate of an average value at a 95-percent confidence interval and 90-percent power to differentiate an effect size of 0.2, the target number of samples required for large populations was determined to be 385 (additional detail regarding the determination of the target sample size using the statistical sampling approach is provided in Part B of the Supporting Statement for this ICR, which is included in Docket ID No. EPA-HQ-OAR-2016-0204 at http://www.regulations.gov). Consequently, because the number of production facilities in each population is relatively large compared to the target sample size, the overall costs of the two survey options for production facilities are nearly identical. We are specifically requesting comment on these two options for developing population categories within the production industry. We recognize that other alternatives may be viable, such as defining the entire production industry as one population and

developing sampling requirements based on the accuracy and precision needed to characterize any subcategory of the production population that represents, for example, 20 percent of the total production wells. In this example, 1,925 (5×385) samples from the production population would be required. All respondents would have equal weight, so analyses could be conducted without having to consider weighting factors, but analyses for categories of wells with less than 20 percent of the population would have less accuracy and precision. As there are many potential factors to consider for the production population, we also request comment on other potential methods to define populations of production wells in order to adequately characterize the various potentially important differences in production facilities.

Part 2 will collect detailed unit-specific information on emission sources at the facility and any emission control devices or management practices used to reduce emissions. Most of the information requested under Part 2 is expected to be available from company records and would not require additional measurements to be performed. However, selected data elements must be completed based on actual component equipment counts (specifically, pneumatic device counts and equipment leak component counts) or measurement data (specifically, separator/storage vessel flash analyses). If this information is

not directly available for a facility, the respondent will be required to collect and report this information (count equipment components and/or sample and analyze tank feed streams) as part of this information collection. Part 2 is expected to include information that oil and gas facilities consider to be confidential and the survey must be completed and submitted electronically via the EPA's Electronic Greenhouse Gas Reporting Tool (e-GGRT).

The data collected throughout this process will be used to determine the number of potentially affected emission sources and the types and prevalence of emission controls or emission reduction measures used for these sources at existing oil and gas facilities, among other purposes. This information may also be used to fill data gaps, to evaluate the emission and cost impacts of various regulatory options, and to establish appropriate standards of performance for oil and gas facilities.

If OMB approves this ICR, respondents will be required to respond under the authority of section 114 of the CAA. The EPA anticipates issuing the CAA section 114 letters by October 30, 2016. These letters would require the owner/operator of an oil and gas facility to complete the Part 1 survey within 30 days of receipt of the survey, and would require facilities to complete the Part 2 survey with 120 days of receipt.

The Agency has reviewed the draft surveys applying the

confidentiality determination methods established for data reporting under the GHGRP as a model, as well as the policy notice entitled "Disclosure of Emission Data Claimed as Confidential Under Sections 110 and 114(c) of the Clean Air Act (56 FR 7042, February 21, 1991.) The EPA has developed proposed determinations of the data elements in the surveys that may be considered CBI. These proposed determinations are included in the information being supplied for public review and comment in Docket ID No.EPA-HQ-OAR-2016-0204 at http://www.regulations.gov. Confidentiality designations will be made according to the provisions set forth in title 40, Code of Regulations part 2, subpart B -- Confidentiality of Business Information. Any information subsequently determined to constitute a trade secret will be protected under 18 U.S.C. 1905.

Form Numbers: Production Operator Survey (Part 1); Detailed Facility Survey (Part 2).

Respondents/affected entities: Respondents affected by this action are owners/operators of oil and natural gas facilities. Part 1 of this ICR is specifically requesting information for facilities in the onshore petroleum and natural gas production industry segment. Part 2 of this ICR is specifically requesting information for facilities in the following industry segments: onshore petroleum and natural gas production, onshore petroleum and natural gas gathering and boosting, onshore natural gas

processing, onshore natural gas transmission compression, onshore natural gas transmission pipelines, underground natural gas storage, LNG storage and LNG import and export equipment. The ICR is not requesting information for the offshore petroleum and natural gas production industry segment or from the natural gas (local) distribution industry segment.

Respondent's obligation to respond: The information collection in Parts 1 and 2 is being conducted by the EPA's Office of Air and Radiation pursuant to section 114 of the CAA, to assist the Administrator of the EPA in developing emissions standards for oil and natural gas facilities pursuant to the CAA.

Estimated number of respondents: The estimated number of respondents for Part 1 is 22,500 operators representing approximately 698,800 facilities (total). The estimated number of respondents for Part 2 is 3,385.

Frequency of response: This is a one-time survey.

Total estimated burden: The estimated industry burden is 116,438 hours for Part 1 and 111,485 hours for Part 2. Therefore, the cumulative industry burden for all parts of this ICR is estimated to be 227,923 hours. The estimated cumulative Agency burden to administer this ICR (all parts) is 17,947 hours. Burden is defined at 5 CFR 1320.03(b).

T*otal estimated cost:* The estimated costs for the oil and natural gas industry is $16,476,182 for Part 1 and $23,673,312

for Part 2. The resulting total industry costs for all parts of this ICR is estimated to be $40,149,494, which includes $11,302,500 in operating and maintenance (O&M) costs to cover mailing hard copies of Part 1 responses and contracting services for storage vessel feed material flashing analyses as part of Part 2 responses. The estimated cumulative Agency costs to administer this ICR (all parts) is $960,793, which includes $144,618 in O&M costs to send certified CAA section 114 letters to all respondents selected for Part 1 and Part 2 surveys with electronic return receipt.

Changes in Estimates: This is a new ICR, so this section does not apply.

Dated: May 12, 2016.

Peter Tsirigotis, Director,
Sector Policies and Programs Division,
Office of Air Quality Planning and Standards.

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