



Department of Environmental Quality



To protect, conserve and enhance the quality of Wyoming's environment for the benefit of current and future generations.

Dave Freudenthal, Governor

John Corra, Director

January 11, 2010

Rebecca Spurgin
Acting Field Office Manager
Pinedale BLM
PO Box 768
Pinedale, WY 82941

RE: Liquids Gathering System Equivalent Emission Reduction

Dear Ms. Spurgin:

The Pinedale Anticline Record of Decision (ROD) describes a requirement that Ultra, Shell and Questar install a liquids gathering system (LGS). It goes on to describe requirements for operators other than Ultra, Shell and Questar:

"Within 1 year of the signing of this ROD or at such time as production occurs, all other PAPA operators will be required to demonstrate, and within a subsequent one year period implement, a reduction in VOCs comparable to that obtained by the liquids gathering system as approved by the BLM AO. Installation of a liquids gathering system will meet this requirement. Operators not installing a liquids gathering system must demonstrate a comparable reduction in VOCs (ROD, p. 28)."

Companies required to demonstrate and implement a reduction in VOCs comparable to LGS include Anschutz, Newfield and Yates. The Air Quality Division (AQD) defined these reductions for each company in a memorandum dated July 17, 2009. The resulting estimated reduction in VOCs comparable to that obtained by the installation of an LGS for Anschutz would be 1.7 tons per year. For Newfield, the reduction would be 11.7 tons per year, and for Yates, the reduction would be 7.1 tons per year. The AQD recommended that these required reductions be treated as "Offsets Required", in accordance with the Interim Policy on Demonstration of Compliance with WAQSR Chapter 6, Section 2(c)(ii) for sources in Sublette County (Interim Policy), dated July 21, 2008.

Anschutz, Newfield and Yates were asked to submit a letter by September 2009 acknowledging this requirement and describing ways in which they would meet this requirement. Newfield submitted a letter to the AQD, dated September 10, 2009, which is included as Attachment 1. This letter acknowledges that AQD will treat the required 11.7 tons of VOC emission reductions as "Offsets Required." They also include measures they plan to take to achieve this reduction, including control of pneumatic heat trace pumps and reduction in vehicle miles traveled due to the proposed installation of a pipeline for the transport of produced water from select Newfield locations. The AQD believes that

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Newfield's plan for achieving the required reduction in VOCs is sound, and that this satisfies our recommended approach for demonstrating compliance with the LGS Equivalent Emission Reduction requirement contained in the ROD.

Yates submitted a letter through their consultant, Gene George & Associates, to the Pinedale Field Office dated September 22, 2009 and supplemental information was submitted via e-mail on September 28, 2009. This information is included as Attachment 2. Yates' letter describes measures they plan to take to achieve emission reductions to satisfy this requirement. The plan outlined by Yates contains measures that the AQD deems to be acceptable options for permit modifications, which could be used to generate offset credits and balance their offsets spreadsheet.

Anschutz has implemented a program that includes Leak Detection and Repair (LDAR), which is described in the attached letter dated August 18, 2009 (Attachment 3). The AQD is evaluating permit applications received from Anschutz to determine if this is an acceptable mechanism for generating offset credits.

Please let me know if I can answer any questions.

Regards,



David A. Pinley
Administrator
Air Quality Division

cc: Kelly Bott
Mike Stoll
Merry Gamper, BLM
Lauren McKeever, BLM