



ADDITIONAL TECHNICAL INFORMATION FOR SOUR OIL AND GAS WELL EQUIPMENT

The following information will be used for the technical review of a permit to install application for **sour oil and gas well equipment**. This information is in addition to the general requirements outlined in the AQD document "Information for an Administratively Complete Permit to Install Application", Part 2 - Additional Supporting Information, Items A through F. All of the information may not be needed for each application. Also, this document may not be all inclusive. Additional information beyond that identified may be necessary to complete the technical review of any individual application. In the event a determination is made that new additional information is needed for a technical review, this document will be updated.

All referenced guidance documents are available at <http://www.deq.state.mi.us/aps> or you may contact the Permit Section at 517-373-7023.

A. Process Description

1. Describe the equipment which will be part of the facility, including all of the following: NOTE: If the application will include gas sweetening equipment, provide all of the information requested on the information sheet for a natural gas sweetening facility (available separately).
 - a) Heater treater
 - b) All tanks
 - c) Incinerator
 - d) Flare
 - e) Pipelines
 - f) Other separators
 - g) Dehydrators
2. Provide a complete hydrocarbon and sulfur analysis of the gas which will be incinerated or flared. A separate analysis must be done for each well to be served by the equipment. This analysis should be obtained during the third day or later of the testing/completion phase before a well is shut-in, pending receipt of the Permit to Install. This analysis should also contain the actual gas/oil ratio for the well.
3. Provide the following information for a flare or incinerator:
 - a) A schematic of the proposed unit, including all elements of gas flow regulation, such as a flame arrester or other valves.
 - b) A commitment that the unit will have a continuously burning pilot flame.
 - c) A description of the automatic shutdown system used in case of flame loss in the unit.
 - d) A description of the pilot fuel and pilot fuel flow rate.
 - e) The gas volume to be burned, in cubic feet per hour or day.
4. For each additional piece of fuel burning equipment at the facility, provide the same information as listed in Item 3, unless the main fuel is not sour gas and you are willing to accept a permit condition containing this restriction. If this option is chosen it should be clearly stated in the application
5. Provide a commitment that all vents and emergency relief valves will be vented to the flare, incinerator or other vapor recovery system.

B. Regulatory Discussion

The following state air pollution control regulations may be applicable. Please review these regulations carefully to determine if they apply to your process and summarize the results in the application. The Air Pollution Control Rules may be viewed and downloaded from the AQD website at: www.michigan.gov/deqair.

1. State of Michigan, Department of Environmental Quality, Act 451 of 1994, Natural Resources and Environmental Protection Act, Part 55 Air Pollution Control and the following promulgated rules:
 - a) Rules 215 and 216 apply to an existing facility which has a current Renewable Operating Permit (ROP). A Permit to Install issued for the installation of new equipment or modifications to existing equipment is incorporated into an ROP pursuant to Rules 215 and 216.
 - b) Rule 220 applies to a major source and/or a major modification at a source which is located in a non-attainment area. A non-attainment area is one where the National Ambient Air Quality Standards (NAAQS) are not being met. Rule 220 requires compliance with the lowest achievable emission rate (LAER) and an emission reduction (offset) for each non-attainment air contaminant emitted in significant quantities as defined by Rule 119(e). However, a source may choose to “net out” of the requirements of Rule 220. Refer to “Guidelines for a Netting Demonstration” for additional detailed information.
 - c) If the process or equipment was installed or modified after April 17, 1992, Rules 224 – 230 apply. Rule 224 requires the application of Best Available Control Technology for toxics (T-BACT) for all non VOC toxic air contaminants (TACs). T-BACT does not apply to emissions of VOCs. Rule 225 limits the emission impacts of TACs and requires a demonstration that the proposed emission of each TAC complies with a health-based screening level. Compliance can be demonstrated using any of three methods described in Rule 227(1) including the use of computerized dispersion modeling. Refer to “Guidelines for Conducting a Rule 224 T-BACT Analysis,” “TACs-Demonstrating Compliance with Rule 225,” and “Dispersion Modeling Guidance” for additional detailed information.
 - d) If the process or equipment was installed or modified after August 1, 1979, Rule 702 applies. This rule requires Best Available Control Technology (BACT) for new sources of volatile organic compounds (VOCs). Refer to “Instructions for Conducting a BACT Analysis” for additional detailed information.
 - e) Rule 403 specifies emission limitations for oil and natural gas producing or transporting facilities and natural gas processing facilities.
 - f) Rule 901 prohibits emissions of an air contaminant in quantities that cause either a) injurious effects to human health or safety, animal life, plant life of significant economic value, or property; or b) unreasonable interference with the comfortable enjoyment of life and property.
2. Federal Prevention of Significant Deterioration (PSD), 40 CFR Part 52.21. The federal PSD regulations apply to a major source and/or a major modification at a source which is located in an attainment area. An attainment area is one where all the NAAQS are being met. However, as with the non-attainment permitting, a source subject to the PSD regulations may choose to “net out” of the requirements. Refer to “Federal PSD Requirements,” “Instructions for Conducting a BACT Analysis,” and “Guidelines for a Netting Demonstration” for additional detailed information.
 - The Clean Unit test is an alternate method for determining PSD applicability. It encourages industries to invest in control equipment by providing greater operational flexibility after the control equipment is installed. Refer to “Federal PSD Requirements” and the “PSD Workbook” which is available on the Internet at <http://www.deq.state.mi.us/aps/downloads/permits/PSD%20Workbook.pdf>.
3. The PSD increments (40 CFR 52.21 (c)) and the NAAQS (40 CFR 52.21(d)) apply to all sources throughout the United States, regardless of size. Compliance with these air quality standards can be demonstrated using computerized dispersion modeling. An applicant for a PSD permit is required to submit PSD increment modeling for PM-10, SO₂ and NO_x, and NAAQS modeling for PM-10, SO₂, NO_x, CO, Ozone, and Lead as part of the application. Modeling for sources not subject to PSD may be done by the AQD. Refer to “Dispersion Modeling Guidance” for additional detailed information.
4. Federal Standards of Performance for New Stationary Sources (NSPS), 40 CFR, Part 60, Subpart KKK, Onshore Natural Gas Processing; Equipment Leaks of VOC.
5. Federal National Emission Standards For Hazardous Air Pollutants (NESHAP), 40 CFR, Part 63, Subpart HH, Oil & Natural Gas Production

C. Control Technology Analysis

1. Rule 702 BACT applies to all sources of VOCs proposed to be installed within the State of Michigan. A Rule 702 BACT analysis is very similar to a PSD top-down BACT analysis. Michigan's air pollution control rules also define BACT as an emission limit. Rule 702 BACT should be applied on a flexible grouping of equipment – subdivisions of emission units and/or groupings of emission units – as long as it is logical to do so. Logical means that the principles on which the groupings (or subdivisions) are made are consistent with federal guidance and sound engineering practices. Refer to "Instructions for Conducting a BACT Analysis" for additional detailed information.
2. Best Available Control Technology for Toxics (T-BACT) means the maximum degree of emission reduction which the Department determines is reasonably achievable for each process that emits toxic air contaminants (TACs) taking into account energy, environmental and economic impacts, and other costs. T-BACT does not apply to VOCs. The analysis must be specific to the process and the TACs subject to a T-BACT review. T-BACT limits can be expressed as an emission limit, control equipment requirements, and/or work practice standards. Refer to "Guidelines for Conducting a Rule 224 T-BACT Analysis" for additional detailed information.
3. Lowest achievable emission rate (LAER) applies to a major source and/or a major modification at a source located in a non-attainment area. Currently the only two pollutants which may be subject to LAER in Michigan are VOCs and NOx. LAER is defined as the lowest emission limitation contained in any State Implementation Plan (SIP) or the lowest emission limitation achieved in practice. Such an emission limit is presumed to be LAER for that source class and category. If an applicant proposes to meet this presumptive LAER, no site-specific control technology determination will be necessary. When an applicant believes the presumptive LAER limit is not achievable, a site-specific determination is required. This determination should include consideration of raw material changes, process changes, and add-on control equipment. The cost of these changes is not considered. Raw material and process changes should be evaluated through technology transfer (i.e., the likelihood that such a change will transfer from one industry to another), based on the manufacture of similar products or use of similar raw materials or fuels. Add-on controls should be evaluated based on the physical and chemical characteristics of the pollutant-bearing exhaust stream.

F. Site Description and Process Equipment Location Drawings

1. Provide a scaled site plan of the area showing the location of the facility and all residents within one-half mile of the facility.
2. List the names, addresses and telephone numbers (telephone numbers are optional) of all residents indicated on the area map, and non-resident land owners within the same one-half mile area.