



west virginia department of environmental protection

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ENGINEERING EVALUATION / FACT SHEET

BACKGROUND INFORMATION

Application No.: R13-3022
Plant ID No.: 017-00044
Applicant: EQT Production Company
Facility Name: OXF-45 Pad
Location: Doddridge County
NAICS Code: 213111
Application Type: Construction
Received Date: November 16, 2012
Engineer Assigned: Steve R. Pursley, PE
Fee Amount: \$1,000.00
Date Received: December 27, 2012
Complete Date: January 23, 2013
Due Date: April 23, 2013
Applicant Ad Date: November 20, 2012
Newspaper: *The Herald Record*
UTM's: Easting: 515.9 km Northing: 4,332.2 km Zone: 17
Description: Well production support equipment

DESCRIPTION OF PROCESS

EQT Production Company (EQT) has submitted a permit application for the after-the-fact construction and operation of a natural gas production facility primarily consisting of Three (3) 8,820-gallon condensate storage tanks (S001 through S003), and one (1) 0.013 mmBtu/hr natural gas-fired thermoelectric generator (S004). Truck loading of condensate will also take place at the site. The facility began operation in November 2008. The well pad consists of one well.

When in production, raw gas from the well passes through a separator where the condensate is removed from the gas and sent to one of three storage tanks. Gas passing through the separator will be sent to pipeline for transportation.

From the storage tanks, condensate is loaded into trucks for removal from the site. Emissions from the truck loading are uncontrolled but the permit will require mitigation by using pipe racks and submerged fill methods. The thermoelectric generator is used to provide small amounts of electricity for switching/monitoring purposes when the facility is unable to generate sufficient solar power.

SITE INSPECTION

A site inspection of the facility was performed by the writer on December 11, 2012. To get to the well pad from Charleston take I-77 north to exit 176. Go east on US Route 50 approximately 36.3 miles. Take a right on Sunnyside Road (Co. Rt. 50/30). Go approximately 3.1 miles and turn right on Oxford Road (Co. Rt. 21). Then go approximately 5.3 miles and turn left on Taylor Drain Rd (Co. Rt. 19). Travel approximately 4.1 miles and veer right on Sugar Run (Co Rt. 52)/Brushy Fork (Co. Rt. 7/18) (Note that there is no sign at the split)). Go approximately 1.2 miles and take a left on Straight Fork (Co. Rt. 5/23) (Note the only sign is a homemade sign nailed on a tree). Take Straight Fork for approximately 1.5 miles and the access road is on the left. Take the access road 0.2 miles and turn left onto another access road. Take that access road 0.3 miles and you arrive at the pad. GPS coordinate taken at the site indicate 39° 8.38' North and 80° 48.9' West. The nearest residence is located at the intersection of Straight Fork Road and the Access Road, approximately 0.4 miles from the Pad.

The following is a picture of the X F - well - d k e n t h e y o f e s p e c n :



fol ng p i o f O 45 pa t a o n d a t h i n t i o

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ESTIMATE OF EMISSIONS BY REVIEWING ENGINEER

EQT included in Attachment N of the permit application air emissions calculations for the equipment and processes at the OXF-45 natural gas production facility. The following will summarize the calculation methodologies used by EQT to calculate the potential-to-emit (PTE) of the proposed facility.

Gas-Fired Thermoelectric Generator

Criteria Pollutant emissions from the thermoelectric generator (E005) were based on the emission factors provided for natural gas combustion as given in AP-42 (AP-42 is a database of emission factors maintained by USEPA) Section 1.4. Emissions of Greenhouse Gases (GHGs) were based on Tables C-1 and C-2 of 40 CFR 98 - Federal GHG Reporting Rule.

Hourly emissions were based on the maximum design heat input (MDHI) of the unit and annual emissions were based on an annual operation of 8,760 hours. A heat content of the gas of 1,050 Btu/scf was used in the calculations.

Storage Tanks

Working and breathing emissions from the four condensate/produced water storage tanks were based on the TANKS 4.09d program as provided under AP-42, Section 7. Emissions from flashing in the tanks were calculated using CHEMCAD - a chemical process simulation software. Input and summary sheets for both programs were included in the permit application. An aggregate annual throughput of 141,000 gallons of condensate/liquid was used in the calculations for storage tanks S01-S03. These numbers are based on maximum historic data with a safety factor of 1.2.

Truck Loading

Air emissions from condensate truck loading operations occur as fugitive emissions generated by displacement of vapors when loading trucks. The emission factor used to generate the VOC emissions is based on AP-42 Table 5.2-1. Note that this table refers to splash loading. However, the permit will require submerged fill loading. Since submerged fill loading will result in lower emissions, the truck loading emissions should be considered very conservative. Additionally, worst-case annual emissions were based on a maximum loading rate of 141,000 gal/year of condensate. As no maximum hourly pumping rate was provided, hourly emissions were based on 1,000 hours of loading per year.

Fugitives

EQT based their fugitive equipment leak calculations on emission factors taken from the document EPA-453/R-95-017 - "Protocol for Equipment Leak Emission Estimates." Emission factors were taken from Table 2-4 and no control efficiency, as based on a Leak Detection and Repair (LDAR) protocol, was applied. Emissions of Greenhouse Gases (GHGs) were based on Subpart W of 40 CFR 98 - Federal GHG Reporting Rule.

Emissions Summary

Based on the above estimation methodology, which is determined to be appropriate, the PTE of the OXF-45 natural gas production facility is given in the following tables:

Table 1: Facility-Wide Aggregate Hourly (lb/hr) Criteria Pollutant PTE Summary.

Source	CO	NO _x	PM ⁽¹⁾	SO ₂	VOCs	HAPs
Generator	0.01	0.01	0.01	0.01	0.01	0.01
Tanks	--	--	--	--	2.27	0.10
Fugitive Emissions (component leaks)	--	--	--	--	0.18	0.01
Truck Loading ⁽²⁾	--	--	--	--	0.38	--
Facility-Wide Totals →	0.01	0.01	0.01	0.01	2.84	0.12

(1) Conservatively, all particulate matter emissions are assumed to be less than 2.5 microns. Includes condensables.

(2) As a maximum hourly pump rate (and related maximum trucks per hour) was not provided, hourly emissions based on 1,000 hours/year.

Table 2: Facility-Wide Aggregate Annual (tpy) Criteria Pollutant PTE/GHG Summary.

Source	CO	NO _x	PM ⁽¹⁾	SO ₂	VOCs	HAPs	CO ₂ e
Generator	0.01	0.01	0.01	0.01	0.01	0.01	6.64
Tanks	--	--	--	--	9.93	0.41	33.07
Fugitive Emissions (component leaks)	--	--	--	--	0.77	0.02	93.51
Truck Loading	--	--	--	--	0.19	--	--
Facility-Wide Totals →	0.01	0.01	0.01	0.01	10.90	0.44	133.2

(1) Conservatively, all particulate matter emissions are assumed to be less than 2.5 microns. Includes condensables.

Table 3: Facility-Wide Aggregate Annual (tpy) HAP PTE Summary⁽¹⁾.

Source	Hexane	Benzene	Toluene	Trimethyl pentane	Xylene	Total HAPs
Generator	--	--	--	--	--	--
Tanks	0.38	0.01	0.01	--	--	0.41
Fugitive Emissions	0.01	--	--	0.01	--	0.02
Truck Loading	--	--	--	--	--	--
Facility-Wide Totals⁽²⁾	0.39	0.01	0.01	0.01	0.00	0.43

(1) As the PTE of all individual HAPs is less than 10 TPY and the PTE of total HAPs is less than 25 TPY, the OXF-415 natural gas production facility is defined as a minor source of HAPs for purposes of 40 CFR 61, 40CFR63, and Title V.

(2) Totals may be slightly higher than Table 2 due to rounding.

REGULATORY APPLICABILITY

The proposed EQT natural gas production facility is subject to substantive requirements in the following state and federal air quality rules and regulations: 45CSR2, and 45CSR13. Each applicable rule (and ones that have reasoned non-applicability), and EQT’s compliance therewith, will be discussed in detail below.

45CSR13: *Permits for Construction, Modification, Relocation and Operation of Stationary Sources of Air Pollutants, Notification Requirements, Administrative Updates, Temporary Permits, General Permits, and Procedures for Evaluation*

The construction of the OXF-45 natural gas production facility has a potential to emit a regulated pollutant in excess of six (6) lbs/hour and ten (10) TPY and, therefore, pursuant

to §45-13-2.24, the facility is defined as a “stationary source” under 45CSR13. Pursuant to §45-13-5.1, “[n]o person shall cause, suffer, allow or permit the construction . . . and operation of any stationary source to be commenced without . . . obtaining a permit to construct.” Therefore, EQT is required to obtain a permit under 45CSR13 for the construction and operation of the natural gas production facility.

As required under §45-13-8.3 (“Notice Level A”), EQT placed a Class I legal advertisement in a “newspaper of general circulation in the area where the source is . . . located.” The ad ran on November 20, 2012 in *The Herald Record* and the affidavit of publication for this legal advertisement was submitted on December 21, 2012.

45CSR22 *Air Quality Management Fee Program*

The facility is not subject to any NSPS, MACT or NESHAP. Additionally, the facility is defined as a minor source under 45CSR30. Therefore the facility is not subject to 45CSR30 and will pay its annual fees through the Rule 22 program.

Non Applicability Determinations

45CSR14: *Permits for Construction and Major Modification of Major Stationary Sources of Air Pollution for the Prevention of Significant Deterioration.*

The facility-wide potential-to-emit of the OXF-45 natural gas production facility (see Table 3 above) is below the levels that would define the source as “major” under 45CSR14 and, therefore, the construction evaluated herein is not subject to the provisions of 45CSR14.

Classifying multiple facilities as one “stationary source” under 45CSR13, 45CSR14, and 45CSR19 is based on the definition of “Building, structure, facility, or installation” as given in §45-14-2.13 and §45-19-2.12. The definition states:

“Building, Structure, Facility, or Installation” means all of the pollutant-emitting activities which belong to the same industrial grouping, are located on one or more contiguous or adjacent properties, and are under the control of the same person (or persons under common control). Pollutant-emitting activities are a part of the same industrial grouping if they belong to the same “Major Group” (i.e., which have the same two (2)-digit code) as described in the Standard Industrial Classification Manual, 1987 (United States Government Printing Office stock number GPO 1987 0-185-718:QL 3).

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OXF-45 shares the same SIC code as several other well pads owned by EQT in the area. Therefore, the potential classification of the OXF-45 facility as one stationary source any other facility depends on the determination if these stations are considered “contiguous or adjacent properties.”

"Contiguous or Adjacent" determinations are made on a case by case basis. These determinations are proximity-based, and it is important to focus on this and whether or not it meets the common sense notion of one stationary source. The terms "contiguous" or "adjacent" are not defined by USEPA. Contiguous has a dictionary definition of being in actual contact; *touching along a boundary or at a point*. Adjacent has a dictionary definition of not distant; nearby; *having a common endpoint or border*.

The OXF-45 natural gas production facility is not located contiguous with, or directly adjacent to any other EQT facility. As noted in an email from EQT to the writer, no other facilities are within 0.4 miles.

40 CFR 60 Subpart Kb Standards of Performance for Volatile Organic Liquid Storage Vessels (Including Petroleum Liquid Storage Vessels) for Which Construction, Reconstruction, or Modification Commenced After July 23, 1984

Pursuant to §60.110b, 40 CFR 60, Subpart Kb applies to “each storage vessel with a capacity greater than or equal to 75 cubic meters (m³) that is used to store volatile organic liquids (VOL) for which construction, reconstruction, or modification is commenced after July 23, 1984.” The largest storage tanks located at the OXF-45 facility are each 8,820 gallons, or 34 m³. Therefore, Subpart Kb does not apply to any of the storage tanks.

40 CFR 60, Subpart OOOO Standards of Performance for Crude Oil and Natural Gas Production, Transmission and Distribution

Subpart OOOO applies to facilities that commence construction, reconstruction, or modification after August 23, 2011 (October 15, 2012 for well completions). Since the OXF-45 pad began operation in November of 2008 it is not subject to the requirements of Subpart OOOO.

TOXICITY OF NON-CRITERIA REGULATED POLLUTANTS

This section provides an analysis for those regulated pollutants that may be emitted from the OXF-45 natural gas production facility and that are not classified as “criteria pollutants.” Criteria pollutants are defined as Carbon Monoxide (CO), Lead (Pb), Oxides of Nitrogen (NO_x), Ozone, Particulate Matter (PM), Particulate Matter less than 10 microns

(PM₁₀), Particulate Matter less than 2.5 microns (PM_{2.5}), and Sulfur Dioxide (SO₂). These pollutants have National Ambient Air Quality Standards (NAAQS) set for each that are designed to protect the public health and welfare. Other pollutants of concern, although designated as non-criteria and without national concentration standards, are regulated through various federal programs designed to limit their emissions and public exposure. These programs include federal source-specific Hazardous Air Pollutants (HAPs) standards promulgated under 40 CFR 61 (NESHAPS) and 40 CFR 63 (MACT). Any potential applicability to these programs were discussed above under REGULATORY APPLICABILITY.

The majority of non-criteria regulated pollutants fall under the definition of HAPs which, with some revision since, were 188 compounds identified under Section 112(b) of the Clean Air Act (CAA) as pollutants or groups of pollutants that EPA knows or suspects may cause cancer or other serious human health effects. EQT included the following HAPs as emitted in substantive amounts in their emissions estimate: Benzene, n-Hexane, Toluene, and Trimethylpentane. The following table lists each HAP's carcinogenic risk (as based on analysis provided in the Integrated Risk Information System (IRIS)):

Table 4: Potential HAPs - Carcinogenic Risk

HAPs	Type	Known/Suspected Carcinogen	Classification
n-Hexane	VOC	No	Inadequate Data
Benzene	VOC	Yes	Category A - Known Human Carcinogen
Toluene	VOC	No	Inadequate Data
Trimethylpentane	VOC	No	Inadequate Data

All HAPs have other non-carcinogenic chronic and acute effects. These adverse health effects may be associated with a wide range of ambient concentrations and exposure times and are influenced by source-specific characteristics such as emission rates and local meteorological conditions. Health impacts are also dependent on multiple factors that affect variability in humans such as genetics, age, health status (e.g., the presence of pre-existing disease) and lifestyle. As stated previously, *there are no federal or state ambient air quality standards for these specific chemicals*. For a complete discussion of the known health effects of each compound refer to the IRIS database located at www.epa.gov/iris.

AIR QUALITY IMPACT ANALYSIS

The estimated maximum emissions from the proposed OXF-45 natural gas production

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facility are less than applicability thresholds that would define the proposed facility as a "major stationary source" under 45CSR14 and, therefore, no air quality impacts modeling analysis was required. Additionally, based on the nature of the proposed construction, modeling was not required under 45CSR13, Section 7.

MONITORING OF OPERATIONS

The following substantive monitoring, compliance demonstration, and record-keeping requirements (MRR) shall be required:

- For the purposes of demonstrating compliance with maximum limit for the aggregate production of condensate/liquids from the wells set forth in 4.1.2 of the draft permit, EQT shall be required to monitor and record the monthly and rolling twelve month total of condensate/liquids (in gallons) produced in the wells. Monitoring and recording the monthly and rolling twelve month total of condensate/liquids (in gallons) unloaded from the storage tanks can be used to show compliance with this requirement.

PERFORMANCE TESTING OF OPERATIONS

The following substantive performance testing requirements shall be required:

- Within sixty (60) days of the issuance date of the draft permit, EQT shall be required to perform, or have performed, an analysis to determine the constituent properties of the condensate (testing done previous to permit issuance deemed to be appropriate by the Director shall be accepted). The analysis shall, at a minimum, include the same components as the analysis used to calculate storage tank emissions in Permit Application R13-3022. Where applicable, if the analysis shows average constituent properties that, when used to calculate emissions in the same manner as submitted in Permit Application R13-3022, result in emissions that are greater than the levels that define a "modification" under 45CSR13, EQT shall be required to, within thirty (30) days of receiving the results of the analysis, submit to the Director an appropriate permit application to increase emissions.

RECOMMENDATION TO DIRECTOR

Information supplied in the application indicates that compliance with all applicable regulations will be achieved. Therefore it is the recommendation of the writer that permit R13-3022 for the construction of a natural gas production facility near West Union, Doddridge County, be granted to EQT Production Company.

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Steven R. Pursley, PE
Engineer

January 31, 2013

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