

5.0 REGULATORY COMPLIANCE

The proposed project would be conducted under the terms of all existing and future permits, licenses, and requirements. Key Federal and State requirements associated with the proposed project are identified in this section.

5.1 Federal Requirements

- Clean Air Act, as specified at 40 CFR, Part 70 - Title V Operating Permits

Any major new or modified stationary sources having a potential to emit more than 100 tons/year of any regulated air pollutant is required to obtain a permit to operate. The authority to issue permits is delegated to the state where the state has submitted, and received Federal approval for, its Title V operating permit program.

- Clean Air Act Amendments of 1990 (CAAA), Title III (Hazardous Air Pollutants)

The CAAA required EPA to develop a listing of all categories and subcategories of major emission sources and area sources for 189 listed hazardous air pollutants and to subsequently establish emission standards for those categories and subcategories based on application of "maximum achievable control technology", or MACT. MACT standards require controlling emissions to at least the level achieved by the best controlled similar emission sources.

A major source is defined as any stationary source or group of stationary sources located within a contiguous area and under common control that emits or has the potential to emit (considering controls) in the aggregate 10 tons per year or more of any hazardous air pollutant or 25 tons per year or more of any combination of hazardous air pollutants. An area source was defined as any source of emissions of hazardous air pollutants that was not a major source. A new source was defined as any stationary source the construction or modification of which was commenced after regulations establishing an emission standard for that source are proposed.

- National Emission Standards for Hazardous Air Pollutants (NESHAP) applicable to the Oil and Natural Gas industry as specified at 40 CFR 63.760 *et seq.*

EPA promulgated the NESHAP for the oil and natural gas production industry on June 17, 1999. The new emission standards define the MACT for controlling hazardous air emissions from the Oil and Natural Gas industry, and this rule, accordingly, is sometimes referred to as the ONG MACT. The rule was targeted to cover large sources for HAPs within the industry category, and requires controls on certain glycol dehydration units and condensate storage tanks. It also imposes requirements for repairing equipment leaks at natural gas processing plants. Affected facilities (those defined as a "major source" under the NESHAP) have three years to come into compliance.

Based on the final design submitted by the Industrial Participant, the proposed project would not be subject to the requirements of the ONG MACT. Whether the ONG MACT requirements could become applicable to the proposed project at some point in the future would depend on the operation of the facility. Glycol dehydration units that process less than 3 MMCFD on an annual average are exempt from the MACT requirements. Should gas production from the vents be more productive than anticipated, MACT requirements could apply and would have to be re-evaluated by the Industrial Participant.

5.2 State Requirements

- 45 CSR 13 - Permits for the Construction, Modification, Relocation, and Operation of Stationary Sources of Air Pollutants, Notification Requirements, Temporary Permit, General Permit, and Procedures for Evaluation

Expected emissions of oxides of nitrogen would exceed 100 tons per year triggering a requirement for a Title V Operating Permit. The WVDEP-DAQ issued a permit (R13-21-2148) to the industrial participant for the construction of the facility..

- 45 CSR 14 - Permits for the Construction and Major Modification of Major Stationary Sources of Air Pollution for the Prevention of Significant Deterioration

Projects located in an area in attainment with the NAAQS for a criteria pollutant and which would be a major new source for the criteria pollutant are subject to New Source Review requirements. Monongalia County is in attainment with the NAAQS for all criteria pollutants. Northwest Fuel has elected to be permitted as a "synthetic minor source" under WVDEP-DAQ rules. As a

synthetic minor source, the project would limit - under a federally-enforceable permit - the emission of oxides of nitrogen to less than 250 tons/year, the threshold that would trigger a New Source Review and the requirements of 45 CSR 14. As a synthetic minor source, the proposed project is not subject to the Prevention of Significant Deterioration requirements.

- 22 - 21 - Coal bed Methane Wells and Units

Under the subject regulations, a *“Coal bed methane well” means any hole or well sunk, drilled, bored, or dug into the earth for the production of coal bed methane for consumption or sale, including a gob well. Coal bed methane is defined as “...gas which can be produced from a coal seam, the rock or other strata in communication with a coal seam, a mined-out area or a gob well.”* Under section 22-21-6, it is unlawful for any person to commence, operate, deepen or stimulate any coal bed methane well, to conduct any horizontal drilling of a well commenced from the surface for the purpose of commercial production of coal bed methane, or to convert any existing well, vent hole, or other hole to a coal bed methane well, including in any case site preparation work which involves any disturbance of land, without first securing from the chief [of the Office of Oil and Gas of the Division of Environmental Protection] a permit pursuant to this article. The proposed project would convert two existing ventilation boreholes (vents 29 and 30) to commercial production. Additionally, a new coal bed methane well would be drilled on the Parrish Shaft site. Northwest Fuel would need to obtain a permit to drill the new well on the Parrish Shaft site. Permits would also be needed before converting Vents 29 and 30 to coal bed methane wells from their current status as mine ventilation boreholes.

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