

DECEMBER 2017

AUTHORS

JOHN P. ENGLERT

CARRIE TONGARM

Pa. DEP Sets Early 2018 for Final Methane General Permits for Oil and Gas Drillers

SUMMARY

As part of Governor Wolf's strategy to reduce methane emissions from oil and gas sites, the Pennsylvania Department of Environmental Protection published draft final permit revisions for the new GP-5A, GP-5 and Exemption 38. When issued, the revised Exemption 38 will specify criteria for exempting existing and new or modified oil and gas exploration, development and production facilities from Plan Approval requirements, and revised GP-5 and new GP-5A will be available for facilities that are not exempt from the requirement for having a Plan Approval prior to construction. The new GP-5A permit will apply to unconventional gas wells and remote pigging stations, while the revised GP-5 will apply to natural gas compression stations, processing plants, and transmission stations.

Both GPs incorporate the most current state and federal regulatory requirements for facilities constructed or modified after the effective date.

The proposed General Permits were first published in February of 2017. The public comment period closed in June with more than 10,500 comments from advisory boards, committees, industry and environmental groups. Copies of the proposed GPs and Exemption 38 are available at <http://bit.ly/2zRXeU9>. The draft permits are set to go before the Air Quality Technical Advisory Committee on December 14, 2017. Final approval of Exemption 38 and the GPs is not expected until first quarter of 2018.

Some of the changes include:

- Reduction in the number of pages by directly referencing federal regulations for sources that do not differ from state Best Available Technology (BAT) determinations.
- BAT determinations for certain sources were revised based on comments received.
- Provisions for temporary sources were removed from GP-5A and placed under the revised Exemption 38.
- Clarification of various terms and conditions in the proposed General Permits.
- A transition period was added to manage the implementation of the General Permits.

Attorneys in the Energy Extraction practice at Saul Ewing Arnstein & Lehr will be keeping a close watch on the permit developments. Any oil and gas operator planning to operate in Pennsylvania should contact John Englert (john.englert@saul.com) for more information on how these changes will impact operations.

This Alert was written by John P. Englert, a member of the firm's Energy Extraction Practice, and Carrie Tongarm, a member of the firm's Environment and Natural Resources Practice. John can be reached at 412.209.2519 or john.englert@saul.com. Carrie can be reached at 412.209.2559 or carrie.tongarm@saul.com. This publication has been prepared by the Energy Extraction Practice for information purposes only.

The provision and receipt of the information in this publication (a) should not be considered legal advice, (b) does not create a lawyer-client relationship, and (c) should not be acted on without seeking professional counsel who have been informed of the specific facts. Under the rules of certain jurisdictions, this communication may constitute "Attorney Advertising."