

Today's January 29th Oil & Gas Workgroup Call was the fourth held with interested O&G Stakeholders, the purpose being to bring participants up to date with the progress on the WRAP/IPAMS Phase III O&G Emission Inventory Project, and to discuss other Air Quality issues surrounding O&G field activities. The call had over 30 participants from State Air Agencies, Tribal Representatives, Federal Land Managers, EPA, Environmental Interest Groups and O&G Industry representatives.

This date we heard an Overview of the Phase III from the project contractor, Environ. We then reviewed a summary of the results for current 2006 and mid-term 2012 future inventories from the second basin inventory that has been completed, the Piceance in western Colorado. It was encouraging that there was intense and healthy dialogue about these Piceance Basin reports this date. The problem was that the WRAP Staff was overly optimistic about how much material could be covered on this call, and we "over booked" the agenda with too many issues. Consequently, we had to postpone our discussions of the Mobile Source O&G Emissions Pilot Project, the EPA Source Sector Strategies program and the future direction of the O&G Workgroup under Co-Chairs direction.

The **next Conference Call of this O&G Workgroup** to discuss these postponed issues was scheduled for **Tuesday, February 10, 2009 at 1 PM Mountain Time**. Participants will call in to the WRAP Conference number at 1-866-206-0240, using Access Code 323375. The agenda and materials for this February 10th call are available on the WRAP Calendar Notice at: <http://www.wrapair.org/cal/calendar.php?op=view&id=964>

Phase III Emission Inventory Project Piceance Basin Discussions: As noted above, Environ Staff first gave an Overview of the Phase III Project, and then began a more detailed summary of the results obtained for the Piceance Basin in western Colorado. Environ's presentation is available on the January 29th WRAP Calendar Notice at:

<http://wrapair.org/cal/calendar.php?op=view&id=933>

These Piceance Basin inventory Reports are posted on the WRAP website, accessed from the "Phase III Inventories" link from the "Oil & Gas Workgroup" page at:

http://www.wrapair.org/forums/ogwg/PhaseIII_Inventory.html

Regarding the baseline 2006 Piceance inventory the basin showed 12,390 TPY of NO_x, primarily from drill rigs and compressor engines. The VOC total was 27,464 TPY, with the biggest contributors being completion venting, condensate tanks and glycol dehydrators. Compared with the other completed Phase III Basin, the Denver-Julesburg, Piceance had about 40% lower NO_x and ? lower VOC's. While there are likely multiple reasons for these differences, the lower NO_x levels probably are attributed to "cleaner" compressor engines and drill rigs used in the Piceance than the older D-J Basin, while the lower VOC's can probably mostly be attributed to lower condensate/oil content in the Piceance reservoirs. There were slightly higher SO₂ and PM emissions from Piceance, due probably to deeper wells and associated longer drilling time (diesel drill rigs are the biggest sources of these two pollutants). Questions were raised and it was confirmed that the Phase III surveys did take into account emission controls, that the reports do identify those sources which were permitted in the Colorado database as compared to unpermitted sources.

Some skepticism was expressed at the mid-term 2012 future projections, which showed gas production peaking in the next couple of years, before dropping off. After considering "on-the-books" regulations, Phase III emissions of NO_x and VOC's both fall in 2012 in the two heaviest Piceance producing counties of Garfield and Rio Blanco. Aaron Worstell of the BLM wanted to know why Environ didn't use BLM's "Reasonably Foreseeable Development" (RFD) future scenarios. It was explained that the Phase III effort encompassed the absolute latest information available from the producers, and that all future predictions are inherently speculative. BLM RFD's typically look at the maximum possible development, while the Phase III work is an attempt to look at other restrictions which may limit that future production. And Environ did note that the

further out predictions go, the more speculative they become. Although not finalized, the methodologies used to predict the far future year 2018 emissions will likely use more of the BLM's RFD projections and broader estimates made by the federal Energy Information Administration.

It was emphasized that IPAMS does want to provide as clear an explanation of the methodologies used in this Phase III inventory effort as possible, and they do want Stakeholders to be comfortable with those methodologies such that the final results are widely accepted and used. There will be feedback to IPAMS about Stakeholder concerns which will be considered, but the WRAP cannot ask the contractor to change methodologies outside IPAMS direction. And because there are different questions to be posed by different inventory users (e.g./ maximum possible development for BLM leasing and regulatory decisions versus more realistic actual development for air quality assessment), the future year inventories may not be able to satisfy all needs. Some mechanism might have to be established for establishing a range of possible impacts, and Stakeholder input is welcomed for such deliberations.

Environ closed with an estimate of the Project schedule. The Uinta Basin results are very close to done, and are likely to be available shortly (weeks). The San Juan North and South Basins baseline and mid-term is expected in the next couple of months. Wyoming basin surveys are out, but results will most likely not be available until mid-summer. The Montana and North Dakota basin surveys won't go out until sometime in February, with results expected on approximately the same schedule as Wyoming in mid-summer. The 2018 long term projections will be the last pieces of this project and are not expected until the end of Summer '09. Because of the uncertain timing of getting survey responses back, the closing date for the final report has been drifting, and the Workgroup will be informed on future calls of revisions to the release schedules.