

Exhibit 28

U.S. Env'tl. Prot. Agency, Office of Solid Waste, EPA530-K-01-004, *Exemption of Oil and Gas Exploration and Production Wastes from Federal Hazardous Waste Regulations* (2002)

Exemption of Oil and Gas Exploration and Production Wastes from Federal Hazardous Waste Regulations



Introduction

This publication provides an understanding of the exemption of certain oil and gas exploration and production (E&P) wastes from regulation as hazardous wastes under Subtitle C of the Resource Conservation and Recovery Act (RCRA).

The information contained in this booklet is intended to furnish the reader with:

- A basic background on the E&P exemption.
- Basic rules for determining the exempt or non-exempt status of wastes.
- Examples of exempt and non-exempt wastes.
- Status of E&P waste mixtures.
- Clarifications of several misunderstandings about the exemption.



- Answers to frequently asked questions.
- Recommendations for sensible waste management.
- Additional sources of information.

The American Petroleum Institute (API) estimated that 149 million barrels of drilling wastes, 17.9 billion barrels of produced water and 20.6 million barrels of other associated wastes were generated in 1995 from exploration and production (E&P) operations.

Once generated, managing these wastes in a manner that protects human health and the environment is essential for limiting operators' legal and financial liabilities and also makes good business sense. Operators must also determine if the waste is subject to hazardous waste regulations. At times this determination is misunderstood and can lead to improper waste management decisions.

Drilling waste volumes are directly related to the level of drilling activity. API data show that the total footage drilled for all oil and gas wells dropped from 315.4 million feet in 1985 to 118 million feet in 1995, a decrease of 60 percent. A corresponding drop in the volume of drilling waste, from 361 million barrels in 1985, to 149 million barrels in 1995, was estimated.

On the other hand, as hydrocarbons from producing wells deplete, produced water volumes typically increase. API has estimated that the average volume of produced water increased from 6 barrels of water per barrel of oil in 1985, to 7.5 barrels of water per barrel of oil in 1995.

Prudent waste management decisions, even for nonhazardous wastes, should be based on the inherent nature of the waste. Not all waste management options are appropriate for every waste. Operators also should be familiar with state and federal regulations governing the management of hazardous and nonhazardous wastes.

The preferred option for preventing pollution is to avoid generating wastes whenever possible (source reduction). Examples include process modifications to reduce waste volumes and materials substitution to reduce toxicity.



Understanding the procedures for determining the exempt or nonexempt status of a waste is a valuable tool, especially for operators who choose to develop voluntary waste management plans. When these procedures are used in conjunction with a knowledge of the nature of the waste, the operator will be better prepared to develop site-specific waste management plans and to manage E&P wastes in a manner that protects human health and the environment.



Scope of the Exemption

In December 1978, EPA proposed hazardous waste management standards that included reduced requirements for several types of large volume wastes. Generally, EPA believed these large volume “special wastes” are lower in toxicity than other wastes being regulated as hazardous waste under RCRA. Subsequently, Congress exempted these wastes from the RCRA Subtitle C hazardous waste regulations pending a study and regulatory determination by EPA. In 1988, EPA issued a regulatory determination stating that control of E&P wastes under RCRA Subtitle C regulations is not warranted. Hence, E&P wastes have remained exempt from Subtitle C regulations. The RCRA Subtitle C exemption, however, did not preclude these wastes from control under state regulations, under the less stringent RCRA Subtitle D solid waste regulations, or under other federal regulations. In addition, although they are relieved from regulation as hazardous wastes, the exemption does not mean these wastes could not present a hazard to human health and the environment if improperly managed.

Among the wastes covered by the 1978 proposal were “gas and oil drilling muds and oil production brines.” The oil and gas exemption was expanded in the 1980 legislative amendments to RCRA to include “drilling fluids, produced water, and other wastes associated with the exploration, development, or production of crude oil or natural gas. . . .” (Geothermal energy wastes were also exempted but are not addressed by this publication.)

According to the legislative history, the term “other wastes associated” specifically includes waste materials intrinsically derived from primary field operations associated with the exploration, development, or production of crude oil and natural gas. The phrase “intrinsically derived from the primary field operations” is intended to distinguish exploration, development, and production operations from transportation and manufacturing operations.





With respect to crude oil, primary field operations include activities occurring at or near the wellhead and before the point where the oil is transferred from an individual field facility or a centrally located facility to a carrier for transport to a refinery or a refiner.

With respect to natural gas, primary field operations are those activities occurring at or near the wellhead or at the gas plant, but before the

point where the gas is transferred from an individual field facility, a centrally located facility, or a gas plant to a carrier for transport to market. Examples of carriers include trucks, interstate pipelines, and some intrastate pipelines.

Primary field operations include exploration, development, and the primary, secondary, and tertiary production of oil or gas. Crude oil processing, such as water separation, de-emulsifying, degassing, and storage at tank batteries associated with a specific well or wells, are examples of primary field operations. Furthermore, because natural gas often requires processing to remove water and other impurities prior to entering the sales line, gas plants are considered to be part of production operations regardless of their location with respect to the wellhead.

In general, the exempt status of an E&P waste depends on how the material was used or generated as waste, not necessarily whether the material is hazardous or toxic. For example, some exempt E&P wastes might be harmful to human health and the environment, and many non-exempt wastes might not be as harmful. The following simple rule of thumb can be used to determine if an E&P waste is exempt or non-exempt from RCRA Subtitle C regulations:

- ◆ Has the waste come from down-hole, i.e., was it brought to the surface during oil and gas E&P operations?
- ◆ Has the waste otherwise been generated by contact with the oil and gas production stream during the removal of produced water or other contaminants from the product?

If the answer to either question is yes, then the waste is likely considered exempt from RCRA Subtitle C regulations. It is important to remember that *all* E&P wastes require proper management to ensure protection of human health and the environment.



Exempt and Non-Exempt Wastes

In its 1988 regulatory determination, EPA published the following lists of wastes that were determined to be either exempt or non-exempt. These lists are provided as examples of wastes regarded as exempt and non-exempt and should not be considered to be comprehensive. The exempt waste list applies only to those wastes generated by E&P operations. Similar wastes generated by activities other than E&P operations are not covered by the exemption.



Exempt E&P Wastes

- Produced water
- Drilling fluids
- Drill cuttings
- Rigwash
- Drilling fluids and cuttings from offshore operations disposed of onshore
- Geothermal production fluids
- Hydrogen sulfide abatement wastes from geothermal energy production
- Well completion, treatment, and stimulation fluids
- Basic sediment, water, and other tank bottoms from storage facilities that hold product and exempt waste
- Accumulated materials such as hydrocarbons, solids, sands, and emulsion from production separators, fluid treating vessels, and production impoundments
- Pit sludges and contaminated bottoms from storage or disposal of exempt wastes
- Gas plant dehydration wastes, including glycol-based compounds, glycol filters, and filter media, backwash, and molecular sieves
- Workover wastes
- Cooling tower blowdown
- Gas plant sweetening wastes for sulfur removal, including amines, amine filters, amine filter media, backwash, precipitated amine sludge, iron sponge, and hydrogen sulfide scrubber liquid and sludge
- Spent filters, filter media, and backwash (assuming the filter itself is not hazardous and the residue in it is from an exempt waste stream)
- Pipe scale, hydrocarbon solids, hydrates, and other deposits removed from piping and equipment prior to transportation
- Produced sand
- Packing fluids
- Hydrocarbon-bearing soil
- Pigging wastes from gathering lines
- Wastes from subsurface gas storage and retrieval, except for the non-exempt wastes listed on page 11
- Constituents removed from produced water before it is injected or otherwise disposed of
- Liquid hydrocarbons removed from the production stream but not from oil refining

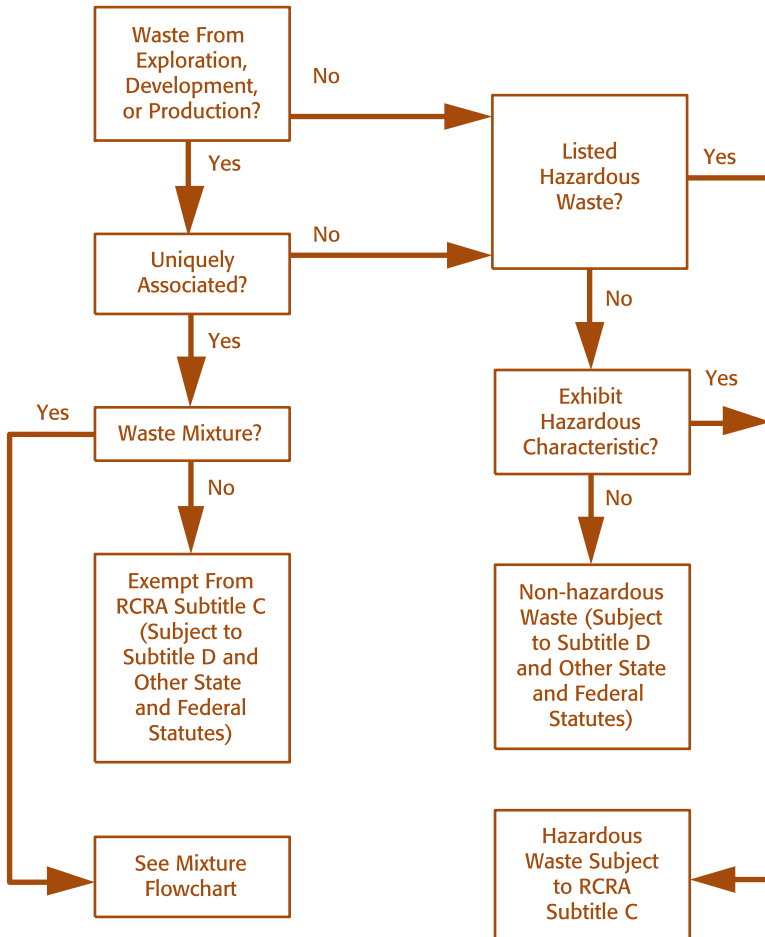
- Gases from the production stream, such as hydrogen sulfide and carbon dioxide, and volatilized hydrocarbons
- Materials ejected from a producing well during blowdown
- Waste crude oil from primary field operations
- Light organics volatilized from exempt wastes in reserve pits, impoundments, or production equipment

Non-Exempt Wastes

- Unused fracturing fluids or acids
- Gas plant cooling tower cleaning wastes
- Painting wastes
- Waste solvents
- Oil and gas service company wastes such as empty drums, drum rinsate, sandblast media, painting wastes, spent solvents, spilled chemicals, and waste acids
- Vacuum truck and drum rinsate from trucks and drums transporting or containing non-exempt waste
- Refinery wastes
- Liquid and solid wastes generated by crude oil and tank bottom reclaimers ¹
- Used equipment lubricating oils
- Waste compressor oil, filters, and blowdown
- Used hydraulic fluids
- Waste in transportation pipeline related pits
- Caustic or acid cleaners
- Boiler cleaning wastes
- Boiler refractory bricks
- Boiler scrubber fluids, sludges, and ash
- Incinerator ash
- Laboratory wastes
- Sanitary wastes
- Pesticide wastes
- Radioactive tracer wastes
- Drums, insulation, and miscellaneous solids

¹ Although non-E&P wastes generated from crude oil and tank bottom reclamation operations (e.g., waste equipment cleaning solvent) are non-exempt, residuals derived from exempt wastes (e.g., produced water separated from tank bottoms) are exempt. For a further discussion, see the Federal Register notice, Clarification of the Regulatory Determination for Waste from the Exploration, Development, and Production of Crude Oil, Natural Gas and Geothermal Energy, March 22, 1993, Federal Register Volume 58, Pages 15284 to 15287.

Exempt/Non-Exempt Wastes



Mixing Wastes

Mixing wastes, particularly exempt and non-exempt wastes, creates additional considerations. Determining whether a mixture is an exempt or non-exempt waste requires an understanding of the nature of the wastes prior to mixing and, in some instances, might require a chemical analysis of the mixture. Whenever possible, avoid mixing non-exempt wastes with exempt wastes. If the non-exempt waste is a listed or characteristic hazardous waste, the resulting mixture might become a non-exempt waste and require management under RCRA Subtitle C regulation. Furthermore, mixing a characteristic hazardous waste with a non-hazardous or exempt waste for the purpose of rendering the hazardous waste non-hazardous or less hazardous might be considered a treatment process subject to appropriate RCRA Subtitle C hazardous waste regulation and permitting requirements.

NOTE: In a policy letter dated September 25, 1997, EPA clarified that a mixture is exempt if it contains exempt oil and gas exploration and production (E&P) waste mixed with non-hazardous, non-exempt waste. Mixing exempt E&P waste with non-exempt characteristic hazardous waste, however, for the purpose of rendering the mixture non-hazardous or less hazardous, could be considered hazardous waste treatment or impermissible dilution.

Below are some basic guidelines for determining if a mixture is an exempt or non-exempt waste under the present mixture rule.

- ◆ **A mixture of an exempt waste with another exempt waste remains exempt.**

Example: A mixture of stimulation fluid that returns from a well with produced water results in an exempt waste.

- ◆ **Mixing a non-hazardous waste (exempt or non-exempt) with an exempt waste results in a mixture that is also exempt.**

Example: If non-hazardous wash water from rinsing road dirt off equipment or vehicles is mixed with the contents of a reserve pit containing only exempt drilling waste, the wastes in the pit remain exempt regardless of the characteristics of the waste mixture in the pit.

- ◆ **If, after mixing a non-exempt characteristic hazardous waste with an exempt waste, the resulting mixture exhibits any of the same hazardous characteristics as the hazardous waste (ignitability, corrosivity, reactivity, or toxicity), the mixture is a non-exempt hazardous waste.**

Example: If, after mixing non-exempt caustic soda (NaOH) that exhibits the hazardous characteristic of corrosivity in a pit containing exempt waste, the mixture also exhibits the hazardous characteristic of corrosivity as determined from pH or steel corrosion tests, then the entire mixture becomes a non-exempt hazardous waste.

Example: If, after mixing a non-exempt solvent containing benzene with an exempt waste also containing benzene,

the mixture exhibits the hazardous characteristic for benzene, then the entire mixture becomes a non-exempt hazardous waste.

- ◆ **If, after mixing a non-exempt characteristic hazardous waste with an exempt waste, the resulting mixture does not exhibit any of the same characteristics as the hazardous waste, the mixture is exempt. Even if the mixture exhibits some other characteristic of a hazardous waste, it is still exempt.**

Example: If, after mixing non-exempt hydrochloric acid (HCl) that only exhibits the corrosive characteristic with an exempt waste, the mixture does not exhibit the hazardous characteristic of corrosivity but does exhibit some other hazardous characteristic such as toxicity, then the mixture is exempt.

Example: If, after mixing a non-exempt waste exhibiting the hazardous characteristic for lead with an exempt waste exhibiting the characteristic for benzene, the mixture exhibits the characteristic for benzene but not for lead, then the mixture is exempt.

- ◆ **Generally, if a listed hazardous waste² is mixed with an exempt waste, regardless of the proportions, the mixture is a non-exempt hazardous waste.**

Example: If any amount of leaded tank bottoms from the petroleum refining industry (listed as waste code K052) is mixed with an exempt tank bottom waste, the mixture is considered a hazardous waste and is therefore non-exempt.

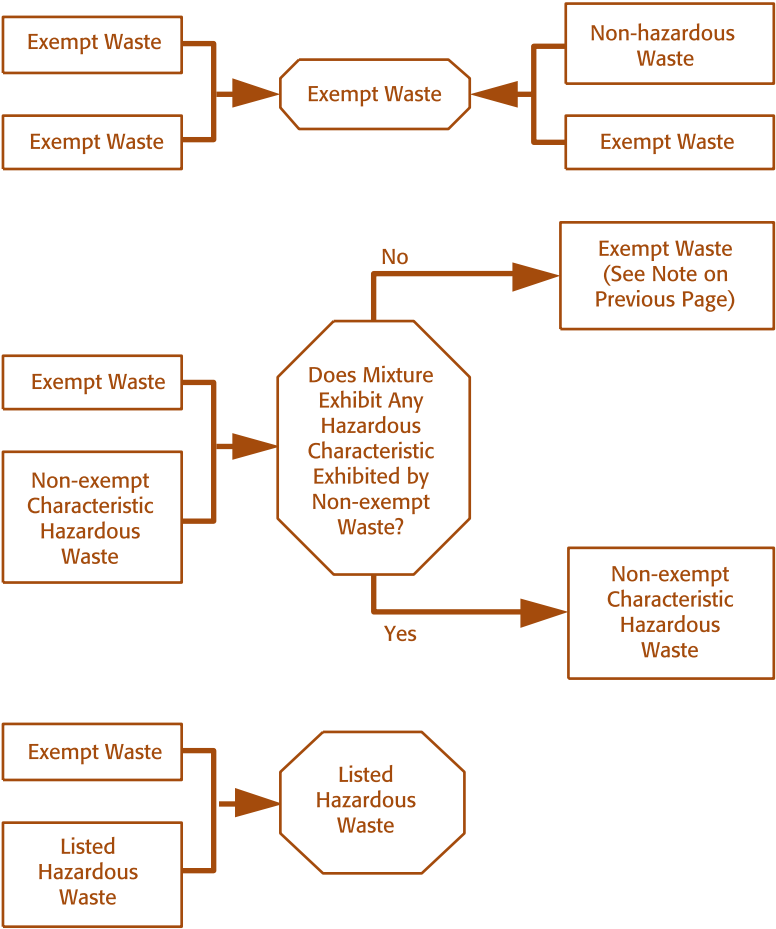
² Listed hazardous wastes are those wastes listed as hazardous in the Code of Federal Regulations under Subpart D of 40 CFR Part 261.

It is also important to emphasize that a mixture of an exempt waste with a listed hazardous waste generally becomes a non-exempt hazardous waste regardless of the relative volumes or concentrations of the wastes. However, if the listed hazardous waste was listed solely for one or more of the characteristics of ignitability, corrosivity, or reactivity, then a mixture of this waste with an exempt waste would only become non-exempt if the mixture exhibits the characteristic for which the hazardous waste was listed (i.e., if the mixture is ignitable, corrosive, or reactive).

Similarly, if a mixture of an exempt waste with a non-exempt characteristic hazardous waste exhibits any of the same hazardous waste characteristics as the hazardous waste, or if it exhibits a characteristic that would not have been exhibited by the exempt waste alone, the mixture becomes a non-exempt hazardous waste regardless of the relative volumes or concentrations of the wastes. In other words, for any of these scenarios, the wastes could become non-exempt even if only one barrel of hazardous waste were mixed with 10,000 barrels of exempt waste.

NOTE: The act of mixing a hazardous waste with an exempt waste may be subject to RCRA regulations affecting hazardous waste treatment, including the need for a permit (unless the unit or process is otherwise exempt). Moreover, the waste may still be subject to the 40 CFR 268 Land Disposal Restrictions (LDR) regulations (as applicable), including the prohibition of dilution as a substitute for adequate treatment.

Possible Waste Mixtures and Their Exempt and Non-Exempt Status



Common Misunderstandings

An incomplete understanding of the hazardous waste regulations can result in misinterpretations of the regulatory status of various wastes. The following are common misunderstandings that arise with the RCRA Subtitle C exemption and hazardous waste determinations.

Misunderstanding: All wastes located at E&P sites are exempt.

Fact: All wastes located at E&P sites are not necessarily exempt. To be considered an exempt waste, the waste must have been generated from a material or process uniquely associated with the exploration, development, and production of crude oil and natural gas. For example, a solvent used to clean surface equipment or machinery is not exempt because it is not uniquely associated with exploration, development, or production operations. Conversely, if the same solvent were used in a well, it would be exempt because it was generated through a procedure that is uniquely associated with production operations.



Misunderstanding: All service company wastes are exempt.

Fact: Not all service company wastes are exempt. As with all oilfield wastes, only those wastes generated from a material or process uniquely associated with the exploration and pro-

duction of oil and gas are considered exempt. The previous example of solvents used for cleaning equipment and machinery would also apply in this case—the solvent is not an exempt waste.



Misunderstanding: Unused products are exempt.

Fact: Unused products, if disposed of, are not exempt, regardless of their intended use, because they have not been used and therefore are not uniquely associated with the exploration or production of oil and gas. When unused products become waste (e.g., they are disposed of), they are subject to RCRA Subtitle C hazardous waste regulations if they are listed or exhibit a hazardous characteristic.



Misunderstanding: All exempt wastes are harmless to human health and the environment.

Fact: Certain exempt wastes, while excluded from RCRA Subtitle C hazardous wastes control, might still be harmful to human health and the environment if not properly managed. The exemption relieves wastes that are uniquely associated with the exploration and production of oil and gas from regulation as hazardous wastes under RCRA Subtitle C but does not indicate the hazard potential of the exempt waste. Additionally, some of these wastes might still be subject to state hazardous or non-hazardous waste regulations or other federal regulations (e.g., hazardous materials transportation regulations and National Pollutants Discharge Elimination System (NPDES) or state discharge regulations) unless specifically excluded from regulation under those laws.

Misunderstanding: Any mixture of a non-exempt hazardous waste with an exempt waste becomes an exempt waste.

Fact: Not all mixtures of a non-exempt hazardous waste with an exempt waste become exempt wastes. Generally, a mixture of a listed hazardous waste with an exempt waste becomes a non-exempt hazardous waste.

Also, a mixture of a hazardous waste that exhibits one of the characteristics of a hazardous waste (ignitability, corrosivity, reactivity, or toxicity) with an exempt waste, becomes a non-exempt characteristic hazardous waste if the mixture exhibits one of the same hazardous characteristics as the original hazardous waste. Conversely, if the mixture does not exhibit one of the same hazardous characteristics of the hazardous waste, the mixture becomes a non-hazardous exempt waste.

Remember, mixing a non-exempt hazardous waste with an exempt waste for the purpose of rendering the hazardous waste non-hazardous or less hazardous may be considered a treatment process and must be conducted in accordance with applicable RCRA Subtitle C regulations.



Misunderstanding: A waste exempt from RCRA Subtitle C regulation is also exempt from state and other federal waste management regulations.

Fact: The exemption applies only to the federal requirements of RCRA Subtitle C. A waste that is exempt from RCRA Subtitle C regulation might be subject to more stringent or broader state hazardous and non-hazardous waste regulations and other state and federal program regulations. For example, oil and gas exploration and production wastes are subject to regulation under the Clean Air Act (CAA), Clean Water Act (CWA), Safe Drinking Water Act (SDWA), and Oil Pollution Act of 1990 (OPA).

Frequently Asked Questions

EPA receives calls on a regular basis requesting answers to questions related to the E&P exemption. The most common questions and answers are listed below.

Q: Are RCRA-exempt wastes also exempt under other federal laws?

A: Not necessarily. Unless specifically excluded from regulation under other federal laws, RCRA-exempt wastes might still be subject to regulation under authorities other than RCRA.



Q: What is the benefit of the RCRA exemption if the operator is still liable for cleanups under RCRA?

A: Although the operator might still be liable for cleanup actions under RCRA for wastes that pose an imminent and substantial endangerment to human health and the environment, the RCRA exemption does allow the operator to choose a waste management and disposal option that is less stringent and possibly less costly than those required under RCRA Subtitle C. The operator,

however, should make every effort to choose the proper management and disposal procedures for a particular waste to avoid the need for later cleanup action.



Q: When is a waste considered “uniquely associated with” exploration and production operations?

A: A waste is “uniquely associated with” exploration and production operations if it is generated from a material or procedure that is necessary to locate and produce crude oil or natural gas. Also, a waste is “uniquely associated with” exploration and production operations if it is generated from a material or procedure that only occurs during the exploration and production of crude oil or natural gas. A simple rule of thumb for identifying “uniquely associated wastes” is whether the waste came from downhole or otherwise was generated in contact with the oil or gas production stream for the purpose of removing water or other contaminants from the well or the product.



Q: Are wastes generated from a transportation pipeline considered exempt wastes under RCRA Subtitle C?

A: No. The RCRA Subtitle C exemption only applies to wastes generated from the exploration, development, and production (i.e., primary field operations) of crude oil or natural gas. Hence, wastes generated from the transportation of crude oil or natural gas are not RCRA-exempt.



Q: Do exempt wastes lose their exempt status if they undergo custody transfer and are transported offsite for disposal?

A: No. Custody transfer is used to define the endpoint of production operations for crude oil and applies only to the change in ownership of the product (e.g., crude oil). Exempt wastes maintain their exempt status even if they undergo custody transfer and are transported off-site for disposal or treatment.



Q: Are all wastes generated at facilities that treat or reclaim exempt wastes also exempt?

A: No. The exemption applies only to those wastes derived from exempt wastes, not to additional wastes generated by the treatment or reclamation of exempt wastes. For example, if a treatment facility uses an acid in the treatment of an exempt waste, any waste derived from the exempt waste being treated is also exempt but the spent acid is not.



Q: When does transportation begin?

A: For crude oil, transportation begins at the point of custody transfer of the oil or, in the absence of custody transfer, after the endpoint of production separation and dehydration. Storage of crude oil in stock tanks at production facilities is considered part of the production separation process, not transportation, and is

included in the exemption. For natural gas, transportation begins at the point where the gas leaves the facility after production separation and dehydration at the gas plant. Natural gas pipelines between the gas well and the gas plant are considered to be part of the production process, rather than transportation, and wastes that are uniquely associated with production that are generated along such a pipeline are exempt.

EPA periodically issues interpretive letters regarding the oil and gas exemption. One such letter was in response to a request for clarification of the exempt or non-exempt status of wastes generated at natural gas compressor stations. In some regions, such as the Appalachian states, natural gas might not require sweetening or extensive dehydration. Therefore, the gas generally does not go to a gas plant but is carried from the wellhead to a main transmission line and, in some cases, directly to the customer. Compressor stations are located as needed along the pipelines that run between the wellhead and the main transmission line or the customer to maintain pressure in the lines. The Agency has taken the position that these compressor stations (in the absence of gas plants, and handling only local production) should be treated the same as gas plants, and that wastes generated by these compressor stations are exempt. On the other hand, compressor stations located along main gas transmission lines are considered to be part of the transportation process, and any wastes generated by these compressor stations are non-exempt.

Sensible Waste Management

Sensible waste management begins with “good housekeeping.” Prudent operators design E&P facilities and processes to minimize potential environmental threats and legal liabilities. EPA promotes sensible waste management practices through a number of joint efforts with organizations such as API, individual states, and the Interstate Oil and Gas Compact Commission (IOGCC). The following waste management suggestions have been compiled from publications produced by these organizations as well as from literature available from industry trade associations, trade journals, and EPA.



Suggested E&P Waste Management Practices

- Size reserve pits properly to avoid overflows.
- Use closed loop mud systems when practical, particularly with oil-based muds.
- Review material safety data sheets (MSDSs) of materials used, and select less toxic alternatives when possible.
- Minimize waste generation, such as by designing systems with the smallest volumes possible (e.g., drilling mud systems).
- Reduce the amount of excess fluids entering reserve and production pits.
- Keep non-exempt wastes out of reserve or production pits.
- Design the drilling pad to contain stormwater and rig-wash.
- Recycle and reuse oil-based muds and high density brines when practical.
- Perform routine equipment inspections and maintenance to prevent leaks or emissions.
- Reclaim oily debris and tank bottoms when practical.
- Minimize the volume of materials stored at facilities.
- Construct adequate berms around materials and waste storage areas to contain spills.
- Perform routine inspections of materials and waste storage areas to locate damaged or leaking containers.
- Train personnel to use sensible waste management practices.



Sources of Information

Resource Conservation and Recovery Act (RCRA)

RCRA regulates hazardous waste generators, hazardous waste transporters, and hazardous waste treatment, storage, and disposal facilities (TSDFs). RCRA encourages environmentally sound methods for managing commercial and industrial waste, as well as household and municipal waste.

RCRA Resources:

- 40 CFR Parts 260 to 279
- RCRA Call Center: 800 424-9346 or Washington, DC Area Local 703 412-9810 or TDD 800 553-7672 or TDD Washington, DC Area Local 703 412-3323 Fax: 703 308-8686
- Internet access: <www.epa.gov/epaoswer/other/oil/index.htm>

Clean Water Act (CWA)

The Water Pollution Control Act, commonly known as the Clean Water Act (CWA), is the Federal program designed to restore and maintain the integrity of the nation's surface waters. CWA controls direct discharges to surface waters (e.g., through a pipe) from industrial processes or stormwater systems associated with an industrial activity. It also regulates indirect discharges, or discharges to publicly owned treatment works (POTWs) through a public sewer system, by requiring industrial facilities to pretreat their waste before discharging to a public sewer.

CWA Resources:

- 40 CFR Parts 100-129 and 400-503
- EPA Office of Water: 202 260-5700
- State water authority, regional EPA office, and local POTW
- Internet access: <www.epa.gov/ow/>

Oil Pollution Prevention (Spill Prevention, Control and Countermeasures Regulations)

Spill prevention, control and countermeasures (SPCC) regulations promulgated pursuant to the CWA are designed to protect our nation's waters from oil pollution caused by oil spills that could reach the navigable waters of the United States or adjoining shorelines. The regulations apply to non-transportation-related facilities with a specific aboveground or underground oil storage capacity that, due to its location, can be reasonably expected to discharge oil into the navigable waters of the United States.

SPCC Regulations Resources:

- 40 CFR Part 112
- RCRA Call Center: 800 424-9346
- Internet Access: <www.epa.gov/oilspill/index.htm>

Discharge of Oil

The section of the CWA regulations commonly known as the “sheen rule” provides the framework for determining whether a facility or vessel responsible for an oil spill must report the spill to the federal government. These rules require oil spills that may be “harmful to the public health or welfare” to be reported to the National Response Center. Usually, oil spills that cause a sheen or discoloration on the surface of a body of water, violate applicable water quality standards, and cause a sludge or emulsion to be deposited beneath the surface of the water or on adjoining shorelines, must be reported.

Discharge of Oil Regulations Resources:

- 40 CFR Part 110
- RCRA Call Center: 800 424-9346
- Internet Access: <www.epa.gov/oilspill/index.htm>
- Reporting discharges to the National Response Center:
800 424-8802.

Oil Pollution Act (OPA)

OPA of 1990 amended the CWA, and provided new requirements for contingency planning by government and industry under the National Oil and

Hazardous Substances Pollution Contingency Plan. OPA also increased penalties for regulatory noncompliance, broadened the response and enforcement authorities of the federal government, and preserved state authority to establish laws governing oil spill prevention and response.

OPA Resources:

- Internet Access: <www.epa.gov/oilspill/index.htm>

Safe Drinking Water Act (SDWA)

SDWA mandates that EPA establish regulations to protect human health from contaminants present in drinking water. Under the authority of the SDWA, EPA developed national drinking water standards and created a joint federal/state system to ensure compliance with these standards. EPA also regulates underground injection of liquid wastes through the Underground Injection Control (UIC) program under the SDWA. The UIC program regulates five classes of injection wells to protect underground sources of drinking water.

SDWA Resources:

- 40 CFR Parts 141-143 (SDWA); 40 CFR Parts 144-148 (UIC)
- SDWA Hotline: 800 426-4791
- State oil and gas regulatory authority.
- Internet Access: <www.epa.gov/ogwdw>

Clean Air Act (CAA)

CAA regulates air pollution. It includes national emission standards for new stationary sources within particular industrial categories. It also includes the National Emission Standards for Hazardous Air Pollutants (NESHAPs), which are designated to control the emissions of particular hazardous air pollutants (HAPS). NESHAPs specific to oil and gas production were promulgated in 1999.

The CAA includes a Risk Management Program. This program requires stationary sources with more than a threshold quantity of a regulated substance (designated in the regulations) to develop and implement a risk management program (RMP). The RMP must include a hazard assessment, a prevention program, and an emergency response program.

CAA Resources:

- 40 CFR Parts 50-99
- Control Technology Center, Office of Air Quality, Planning and Standards (OAQPS), EPA, General Information: 919 541-0800; Publications: 919 541-2777
- RCRA Call Center (CAA §112(r) questions): 800 424-9346
- Internet Access: <www.epa.gov/oar/oaq_caa.html>
- Oil and Gas Production NESHAPs Rule: <www.epa.gov/ttn/uatw/oilgas/oilgaspg.html>

The Emergency Planning and Community Right-to-Know Act (EPCRA)

EPCRA was designed to improve community access to information about potential chemical hazards and to facilitate the development of chemical emergency response plans by State and local governments. EPCRA regulations establish four types of reporting obligations for facilities that store or manage certain chemicals above specified quantities.

EPCRA Resources:

- 40 CFR Parts 350-372
- RCRA Call Center: 800 424-9346
- Internet Access: <www.epa.gov/opptintr/tri/> and <www.epa.gov/swercepp>

Comprehensive Environmental Response Compensation, and Liability Act (CERCLA or Superfund)

Superfund authorizes EPA to respond to releases, or threatened releases, of hazardous substances that might endanger public health, welfare, or the environment. It also grants EPA the authority to force parties responsible for environmental contamination to clean it up or to reimburse response costs incurred by EPA. CERCLA also contains hazardous substance release reporting regulations that require facilities to report to the National Response Center (NRC) any release of a hazardous substance that exceeds the specified quantity for that substance.

CERCLA Resources:

- 40 CFR Parts 300-399
- RCRA Call Center: 800 424-9346

- Internet Access: <www.epa.gov/superfund>

Toxic Substances Control Act (TSCA)

TSCA allows EPA to collect data on chemicals to evaluate, assess, mitigate, and control risks that might be posed by their manufacture, processing, and use. Facilities are required to report information as necessary to allow EPA to develop and maintain this inventory.

TSCA Resources:

- 40 CFR Parts 702-799
- TSCA Hotline: 202 554-1404
- Internet Access: <www.epa.gov/internet/opptsfrs/home/oppsim.htm>

Other EPA Information Resources

Office of Solid Waste

Industrial and Extractive Wastes Branch

1200 Pennsylvania Avenue, NW.

Mail Code 5306W

Washington, DC 20460

RCRA Call Center: 800 424-9346 or

Washington, DC Area Local 703 412-9810 or

TDD 800 553-7672 or TDD Washington, DC

Area Local 703 412-3323 Fax: 703 308-8686

Internet access: <www.epa.gov/epaoswer/hotline>

The RCRA Call Center is a publicly accessible service that provides up-to-date information on several EPA programs. Please note that the Center cannot provide regulatory interpretations. It also processes requests for relevant publications and information resources.

Office of Emergency and Remedial Response, Oil Spill Program

1200 Pennsylvania Avenue, NW.

Washington, DC 20460

Oil Spill Program Information Line: 800 424-9346

Internet access: <www.epa.gov/oilspill/>

The Office of Emergency and Remedial Response (OERR) manages the Superfund and Oil Spill programs.

National Response Team

c/o U.S. EPA

1200 Pennsylvania Avenue, NW.

Washington, DC 20460

Telephone: 800 424-8802

Fax: 202 260-0154

Internet access: <www.nrt.org>

The National Response Team and the Regional Response Teams are the federal component of the National Response System (NRS), the federal government's coordinated mechanism for emergency response to discharges of oil and releases of chemicals. The NRT is chaired by the U.S. EPA with the United States Coast Guard serving as Vice Chair. The National Response Center (800 424-8802) is the sole federal point of contact for reporting oil and chemical spills.

Other Federal Agencies

U.S. Department of Interior

U.S. Bureau of Land Management

Fluid Minerals Group

1849 C Street, Room 406-LS

Washington, DC 20240

Telephone: 202 452-5125

Fax: 202 452-5124

Internet access: <www.blm.gov/nhp/300/wo310/>

The Bureau of Land Management's (BLM's) management of fluid minerals includes overseeing the production and conservation of oil and gas, geothermal energy, and helium. BLM is responsible for leasing oil and gas resources on all federally owned lands, including those lands managed by other federal agencies. This includes about 564 million acres of federal minerals estate, or about 28 percent of all lands within the United States. Additionally, BLM is responsible for the review and approval of all permits and licenses to explore, develop, and produce oil and gas and geothermal resources on both Federal and Indian lands.

U.S. Fish and Wildlife Service
Division of Environmental Quality
4401 North Fairfax Drive, Suite 322
Arlington, VA 22203
Telephone: 703 358-2148
Internet access: <contaminants.fws.gov>

The U.S. Fish and Wildlife Service is the main federal agency dedicated to protecting wildlife and their habitat from pollution's harmful effects. Specialists in the Environmental Contaminants Program focus on detecting toxic chemicals; addressing their effects; preventing harm to fish, wildlife and their habitats; and removing toxic chemicals and restoring habitat when prevention is not possible. These specialists are experts on oil and chemical spills, pesticides, water quality, hazardous materials disposal and other aspects of pollution biology.

U.S. Department of Energy

Office of Natural Gas & Petroleum Technology,
Office of Fossil Energy
1000 Independence Ave. SW - Forrestal Building
Washington, DC 20585
Telephone: 202 586-6503
Fax: 202 586-5145
Internet access: <www.fe.doe.gov/programs_oilgas.html>

The Department of Energy's (DOE's) Office of Natural Gas and Petroleum Technology is responsible for the gas and oil exploration and production program, natural gas storage and delivery, downstream petroleum processing, and environmental and regulatory analysis programs for oil and natural gas operations, and natural gas import/export authorizations.

Other Information Resources

American Petroleum Institute

1220 L Street, NW.
Washington, DC 20005
Telephone: 202 682-8000
Internet access: <www.api.org>

The American Petroleum Institute (API) is the national trade association representing over 400 companies involved in oil and gas exploration, production, transportation, refining, and marketing. API represents its members in addressing public policy and regulatory issues. API also sponsors research, collects statistics, conducts workshops, and develops standards and recommended practices for industry equipment and operations.

Interstate Oil and Gas Compact Commission

P.O. Box 53127

Oklahoma City, OK 73152-3127

Telephone: 405 525-3556

Fax: 405 525-3592

E-mail: iogcc@iogcc.state.ok.us

Internet access: www.iogcc.state.ok.us

Founded by six states in 1935, the Interstate Oil and Gas Compact Commission (IOGCC) was established to control unregulated petroleum overproduction and resulting waste. "Since that time, states have established effective regulation of the oil and natural gas industry through a variety of IOGCC programs designed to gather and share information, technologies and regulatory methods."

Ground Water Protection Council

13208 N. MacArthur

Oklahoma City, OK 73142

Telephone: 405 516-4972

Fax: 405 516-4973

Internet access: www.gwpc.org

The Ground Water Protection Council is an organization whose members consist of state and federal ground water agencies, industry representatives, environmentalists, and concerned citizens. Since it includes state Underground Injection Control (UIC) program directors, it is the best source of data on Class II well injection issues.

National Governors' Association

Emergency Management and Oil Spill Prevention and
Response Project

Hall of States

444 North Capitol Street, NW.

Washington, DC 20001-1512

Telephone: 202 624-5300

Internet access: <www.nga.org>

The National Governors' Association's project on oil spill prevention, preparedness, and response offers states an opportunity to share their experiences and coordinate with the federal agencies involved in oil spill prevention and response. This program facilitates the exchange of information on successful state programs among state and federal emergency managers. NGA works with U.S. EPA to coordinate and promote state oil spill prevention programs by holding workshops, summarizing successful state oil programs, and establishing ongoing workgroups to discuss oil spill topics.

Publications

Title: "Report to Congress: Management of Wastes from the Exploration, Development, and Production of Crude Oil, Natural Gas, and Geothermal Energy," U.S. EPA, December 1987, NTIS Publication No. PB 88-146212.

Available from: National Technical Information Service, 5285 Port Royal Road, Springfield, VA 22161, 703 487-4650.



Title: "Regulatory Determination for Oil and Gas and Geothermal Exploration, Development, and Production Wastes," July 6, 1988, Federal Register Volume 53, Pages 25446 to 25459.

Available from: RCRA Call Center, Washington, DC, 800 424-9346

Internet access: <www.epa.gov/epaoswer/other/oil/index.htm>



Title: “Clarification of the Regulatory Determination for Wastes from the Exploration, Development, and Production of Crude Oil, Natural Gas and Geothermal Energy,” March 22, 1993, Federal Register Volume 58, Pages 15284 to 15287.

Available from: RCRA Call Center, Washington, DC, 800 424-9346

Internet access: <www.epa.gov/epaoswer/other/oil/index.htm>



Title: Associated Wastes Reports: “Crude Oil Tank Bottoms and Oily Debris,” “Completion and Workover Wastes,” “Dehydration and Sweetening Wastes.”

Available from: EPA Office of Solid Waste

Internet access: <www.epa.gov/epaoswer/other/oil/execrep.htm>



Title: “Profile of the Oil and Gas Extraction Industry”

Available from: EPA Office of Enforcement and Compliance Assurance

Internet access: <es.epa.gov/oeca/sector/index.html#oilgasex>



Title: “Environmental Guidance Document: Waste Management in Exploration and Production Operations,” API Bulletin E5, Second Edition, February 1997.

Available from: American Petroleum Institute, c/o Global Engineering Documents, 15 Inverness Way E., Englewood, CO 80112, 800 854-7179

Internet access: <www.api.org/cat>



Title: “Guidelines for Commercial Exploration and Production Waste Management Facilities,” (Order Number G0004), March 2001.

Available from: American Petroleum Institute, c/o Global Engineering Documents, 15 Inverness Way E., Englewood, CO 80112, 800 854-7179

Internet access: <www.api.org/ehs/CommFac>



Title: “Environmental Engineering for Exploration and Production Activities,” Monograph Volume 18.

Available from: Society of Petroleum Engineers, P.O. Box 833836, Richardson, TX 75083-3836, 972 952-9393

E-mail: books@spe.org

Internet access: [<www.spe.org>](http://www.spe.org)



Title: “Suggested Procedure for Development of Spill Prevention Control and Countermeasure Plans,” API Bulletin D16, Second Edition, August 1, 1989.

Available from: American Petroleum Institute, c/o Global Engineering Documents, 15 Inverness Way E., Englewood, CO 80112, 800 854-7179

Internet access: [<www.api.org/cat>](http://www.api.org/cat)



Title: “Onshore Oil and Gas Production Practices for Protection of the Environment,” API Recommended Practice 51, Third Edition, February 2001.

Available from: American Petroleum Institute, c/o Global Engineering Documents, 15 Inverness Way E., Englewood, CO 80112, 800 854-7179

Internet access: [<www.api.org/cat>](http://www.api.org/cat)



Title: “Revised Guidelines for Waste Minimization in Oil and Gas Exploration and Production.”

Available from: Interstate Oil and Gas Compact Commission, P.O. Box 53127, Oklahoma City, OK 73152-3127, 405 525-3556

Internet access: [<www.iogcc.state.ok.us>](http://www.iogcc.state.ok.us)





United States
Environmental Protection Agency
Office of Solid Waste (5305W)
Washington, DC 20460

Official Business
Penalty for Private Use \$300
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www.epa.gov/osw