West Virginia Natural Gas Flaring nt and Venting Regulations

The U.S. Department of Energy's Office of Fossil Energy and Carbon Management (FECM) supports research and development of technologies that can reduce the volume of natural gas (e.g., methane) flared or vented (released) into the atmosphere during crude oil and natural gas production, processing, transportation, and storage operations. Methane is a potent greenhouse gas (GHG) and minimizing its release across the oil and natural gas supply chain is critical to the realization of a net GHG benefit and reducing climate and environmental impacts of carbon-based fuels. This fact sheet was created by FECM to inform stakeholders on state-level production and regulatory activities, as they relate to natural gas flaring and venting. FECM's research portfolio includes efforts to reduce natural gas flaring through the application of improved technologies to capture and utilize small volumes of natural gas at remote locations, as well as technologies to reduce methane release during upstream production operations, as well as midstream natural gas processing and transportation. While flaring activities in the prolific unconventional shale plays have steadily increased between 2011-2019 due to higher oil production levels and natural gas pipeline takeaway capacity constraints, this trend took a sharp downturn since 2020 as a result of significant decline in demand for oil. Other factors include federal and state regulatory efforts to reduce methane emissions, companies taking voluntary actions and measures to minimize flaring of associated natural gas, and additional pipeline projects connecting sources of supply and consumption.

West Virginia Producing Plays and Basins

According to the U.S. Energy Information Administration (EIA), West Virginia's proved reserves are 169 million barrels of oil and 38.46 trillion cubic feet (Tcf) of natural gas (2020). In 2016, the Potential Gas Committee reported that the "most likely" recoverable shale gas resource for the entire Appalachian Basin is estimated to be 858.7 Tcf, with 27.6 Tcf in non-shale gas resource. These resources are contained within the Marcellus Shale, the Utica Shale, and the Devonian (Ohio) Shale (Figure 1).

The Marcellus Shale extends from New York State in the north to southwestern West Virginia, and it is the most productive natural gas play in the Appalachian Basin. The Marcellus currently produces in four



Figure 1: Appalachian Basin and Pennsylvania major unconventional gas plays outlined. *Source: EIA*

states: Pennsylvania, West Virginia, Ohio, and New York. The Marcellus formation ranges in depth from 100–9,900 feet and primarily produces gas in northeast Pennsylvania but becomes more liquid

rich in less thermally mature areas of southwestern Pennsylvania, West Virginia, and southeastern Ohio. According to the U.S. Geological Survey (USGS), the Marcellus Shale play contains about 84 Tcf of natural gas and 3.4 billion barrels of natural gas liquids (both undiscovered, technically recoverable). However, the Institute for Energy Research has estimated that the Marcellus could hold as much as 500 Tcf of recoverable resource.

The <u>Utica Shale</u> is a stacked play underlying the Marcellus that includes both the Utica formation and the underlying Point Pleasant formation. The most productive areas of the Point Pleasant formation are located in eastern Ohio and western Pennsylvania. The Utica extends over 115,000 square miles and the Point Pleasant slightly

West Virginia Oil and Natural Gas Statistics (EIA)

	2015	2016	2017	2018	2019	2020	2021
Crude Oil Production (Average Thousand Barrels/Day)	31.7	20.9	24	34.7	47	52	52
Natural Gas Gross Withdrawals and Production (Average MMcf/Day) *	3,603	3,783	4,149	4,854	5,904	7,083	7,565
Natural Gas Gross Withdrawals and Production (Vented and Flared) (MMcf/Day)	West Virginia does not maintain a database with the total permitted amount of gas flared statewide.						
Natural Gas Gross Withdrawals and Production (Oil Wells) (MMcf/Day)	5.5	3.5	2.1	2	2	<1	N/A
Natural Gas and Gas Producing Oil Wells (Thousands)	51.5	55.4	54	50	51.6	50.6	N/A

MMcf - million cubic feet

2021 ranking among 32 U.S. oil and natural gas producing states — Oil: 12 Natural Gas: 5

less, of which about 75% is prospective. The <u>Utica play</u> could hold technically recoverable volumes of 782 Tcf of natural gas and nearly 2 billion barrels of oil. <u>EIA estimates</u> that proved reserves of 6.4 Tcf for the Utica play (2017).

The Devonian (Ohio) Shale is a shallower formation that extends across the Appalachian Basin, including parts of eastern Ohio, West Virginia, Kentucky, and Pennsylvania. This low-pressure shale has produced gas since the late 1800s, and large numbers of marginal gas wells continue to produce at low rates. Western Pennsylvania, western Ohio, and northern West Virginia also produce limited amounts of crude oil from shallow formations.

West Virginia Key Regulations Associated with Flaring and Venting

The West Virginia Department of Environmental Protection's <u>Division of Air Quality</u> is responsible for enforcing regulations associated with natural gas flaring, and its <u>Office of Oil and Gas</u> enforces oil and gas exploration, drilling, storage, and production more broadly. The state regulations are guided by the West Virginia Code, Chapter 22, Articles 5 and 18 and Legislative Rules 45CSR Series 6 and 13. Per <u>West Virginia Code 22-6-31</u>, the Office of Oil and Gas requires that oil and gas producers submit a <u>Plan of</u>

Operation for the Flaring of Natural Gas to report the purpose of flaring, volume of gas to be flared, hours per day of flaring, etc.

Legislative Rule 45 Series 13 (45CSR13),

entitled Permits for Construction, Modification, Relocation and Operation of Stationary Sources of Air Pollutants requires permits for permanent flaring and venting and outlines procedures and criteria for obtaining necessary permits. West Virginia Legislative Rule 45, Series 6, entitled Control of Air Pollution from Combustion of Refuse, provides that any incinerator must obtain a permit prior to construction. Section 6 (45-6-6) outlines the conditions that describe which flares and flare stacks may be exempt from the preconstruction permit required by 45CSR13. Exempt flares must meet the following criteria: are used for maintenance and repair of natural gas pipelines; are temporary (active for less than 30 days cumulatively or on-site for less than 10 days); and are low in emission volume (not to exceed threshold amounts as defined in 45CSR13). Exempt flares must have sufficient monitoring results that will be recorded to confirm compliance with relevant state emissions rules and national ambient air quality standards. While the Division of Air Quality does permit flares and limits the amount of gas that can be flared, the office does not maintain a database that tracks the amount of gas flared statewide.

West Virginia State Points of Contact

West Virginia Department of Environmental Protection: Division of Air Quality

Contact the Division of Air Quality's Compliance and Enforcement section to learn more about air quality monitoring and permitting.

Website: https://dep.wv.gov/daq/Pages/default.aspx

Email: James.F.Jarrett@wv.gov

Phone: 304-549-2461

West Virginia Department of Environmental Protection: Division of Oil and Gas

Contact the Division of Oil and Gas Compliance and Enforcement section to learn more about natural gas flaring and venting regulations.

Website: https://dep.wv.gov/oil-and-gas/ Pages/default.aspx

Email: <u>James.A.Martin@wv.gov</u> Phone: 304-926-0499, ext. 41101

Visit https://www.energy.gov/fecm/findyourstate-natural-gas-flaring-and-venting-regulations-fact-sheets-state for a digital version of this fact sheet that includes hyperlinks to information sources.

