

Texas Natural Gas Flaring and Venting Regulations

The U.S. Department of Energy's Office of Fossil Energy (FE) 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 exploration, production, processing, transportation, and storage operations. This fact sheet was created by FE to inform stakeholders on state-level production and regulatory activity regarding natural gas flaring and venting. FE's research portfolio includes efforts to reduce methane (and other hydrocarbon) 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 (primarily) methane release during midstream gas processing and transportation. Intermittent flaring that occurs as a result of routine well testing, production facility process shutdowns, or facility and pipeline infrastructure maintenance, are normal aspects of safe oil and natural gas production. Increases in domestic oil and natural gas production have resulted in significant infrastructure buildouts, however, natural gas pipeline capacity constraints have led to regional increases in the flaring of associated gas in some unconventional plays (e.g., Permian Basin in Texas and New Mexico and Bakken Shale in North Dakota) in order to enable oil production.

Texas Producing Plays and Basins

Texas has several basins (Figure 1) with combined potential gas resources totaling nearly 500 trillion cubic feet (Tcf). According to the U.S. Energy Information Administration (EIA), proved reserves are 17.33 billion barrels of oil and 115.25 Tcf of natural gas (2017). The Permian Basin, the most prolific oil-producing basin in the United States, has an estimated tight oil recoverable-resource potential of 20–75 billion barrels. Texas is also home to one of the most established natural gas shale plays, the Barnett Shale, which contains 19.2 Tcf of proved reserves. There are also substantial proved reserves



Figure 1: Texas producing basins with major unconventional oil and gas plays outlined. *Source: EIA*

in the Eagle Ford Shale Play (<u>27.4 Tcf</u>) and the Haynesville Shale (<u>13 Tcf</u>). Texas accounts for more than <u>25 percent of U.S.</u> <u>marketed natural gas production</u>, making it the leading natural gas producer among the states.

Key Regulations Associated with Flaring and Venting

The Railroad Commission of Texas (RRC) and the Texas Commission on Environmental Quality (TCEQ) are responsible for establishing standards and enforcing regulations for oil and natural gas exploration and production. RRC broadly regulates oil and natural gas production while TCEQ regulates air emissions and water pollution. RRC has jurisdiction over permitting of flaring

	2013	2014	2015	2016	2017	2018
Crude Oil Production (Average Thousand Barrels/Day)	2,541	3,172	3,444	3,178	3,487	4,432
Natural Gas Gross Withdrawals and Production (Average MMcf/Day)	22,700	23,200	24,083	22,325	21,890	24,138
Natural Gas Gross Withdrawals and Production (Vented and Flared) (MMcf/Day)	209	247	312	241	277	N/A
Natural Gas Gross Withdrawals and Production (Oil Wells) (MMcf/Day)	3,197	4,268	4,940	4,605	5,087	N/A
Natural Gas and Gas Producing Oil Wells (Thousands)	237.9	246.5	238.4	232.8	229.9	N/A

Texas Oil and Natural Gas Statistics (EIA)

MMcf - Million cubic feet

* All numbers are for Onshore activity

2017 ranking among 32 U.S. oil and natural gas producing states — Oil: 1 Natural Gas: 1

operations with respect to prevention of waste of natural resources.

Upstream oil and gas operations that typically require air emissions permits from TCEQ may be eligible for authorization through a standard air quality permit for oil and gas facilities, a new source review permit, or a specific air permit by rule for projects in the 15 counties located over the Barnett Shale. TCEQ addresses the control of natural gas flaring and venting in the State Air Quality Implementation Plan adopted in 2004 and approved by the U.S. Environmental Protection Agency in 2006. Pursuant to the Texas Air Quality State Implementation Plan (SIP), the regulation entitled 30 TAC 115.720-115.729: Vent Gas Control) is part of Chapter 115, Control of Air Pollution from Volatile Organic Compounds. This policy requires that the owner or operator of each affected flare or vent gas stream adhere to reporting and record-keeping requirements, including the development and implementation of a Quality Assurance Plan.

As outlined in Texas Administrative Code (Statewide Rule 32, Title 16, Part <u>1, Chapter 3 §3.32</u>), well operators are allowed to flare during tests for well potential. The regulations depend upon the duration of the gas release. All gas

releases lasting less than 24 hours may be vented to the air, unless flaring is necessary for safety reasons (contact RRC District Office for verification). RRC requires well operators to apply for permits in order to flare for more than 10 days following well completion, as well as for most shortterm requests. If the RRC approves the application, then it will grant a 45-day flare permit. Operators must provide additional documentation for an extension beyond the 45 days. The RRC reports that operators make extension requests most often when they are awaiting completion of pipeline construction. The RRC also reports that most requests for flaring permits are related to flaring casing head gas from oil wells.

Texas Agency Points of Contact

Texas Railroad Commission: Oil and Gas Division; Engineering Unit

Contact the RRC Engineering Unit with any questions about the RRC permitting process for venting/flaring of casing head gas and well gas pursuant to Statewide Rule 32.

Website: <u>http://www.rrc.state.tx.us/</u>

Email: <u>Terry.Edwards@rrc.state.tx.us</u>

Phone: 512-463-6785

Texas Commission on Environmental Quality: Air Permits Division; Permit by Rule Section

Contact the TCEQ regarding industrial air permitting requirements in Texas.

Website: <u>https://www.tceq.texas.gov/</u>

Email: <u>airperm@tceq.texas.gov</u>

Phone: 512-239-1250

Visit <u>energy.gov/fe/state-natural-gas-</u> <u>flaring-and-venting-regulations</u> for a digital version of this fact sheet that includes hyperlinks to information sources.

U.S. DEPARTMENT OF ENERGY FOSSI OFFICE OF OIL & NATURAL GAS For more information, visit: fossil.energy.gov