

Oil And Gas Owner or Operator?

Check Your Compliance With New York's Part 203 Regulations For Oil And Gas Wells For 2023

Beginning January 1, 2023, operators of oil and gas wells in New York State had to comply with 6 NYCRR Part 203, Oil and Natural Gas Sector Regulations. The stated purposed of the new regulations were to "reduce methane (CH4), in support of CLCPA [The Climate Leadership and Community Protection Act] and reduce associated VOCs, an ozone precursor." Importantly, Part 203 required oil and natural gas well operators to submit to the Division of Air Resources a one-time baseline report for current wells by March 31, 2023. New wells have until March 31st of the following year to submit their report.

Those required to report are the "owners and operators of equipment and components that are associated with sources in the following oil and natural gas sectors:

- (1) Oil and natural gas production
- (2) Oil, condensate and produced water separation and storage
- (3) Natural gas storage
- (4) Natural gas gathering and boosting
- (5) Natural gas transmission and compressor stations
- (6) Natural gas metering and regulating stations."

Part 203's broad definitions of "condensate", "emulsion", and "natural gas" incorporates owners and operators that have production, gathering, and/or storage for other hydrocarbons, such as propane and butane, as well as other oil-derived products, such as gasoline, diesel, kerosene, naphtha, transmix, and other petrochemicals. Therefore, those involved in the oil and gas industry should contact an energy law professional to determine their status.

Specifically, Part 203 imposes two separate reporting requirements on owners and operators. The first reporting requirement is the One-time baseline report. This baseline report had to be submitted by March 31, 2023 for existing wells and by March 31st of the following year for new wells. This report must be either submitted via the survey available online <u>here</u> or via the approved excel spreadsheet format <u>here</u> and emailed to <u>Part203OilandGas@dec.ny.gov</u>. Included in the report must be "the number and type of components," such as separators, storage vessels, compressors, gas drying systems, pneumatic devices, and meter and regulating systems. Associated with this list are extensive recordkeeping requirements for reciprocating and centrifugal compressors, actuated pneumatic devices, leak detection and repair, and vapor collection system and vapor control devices. Additionally, the report should be retained for five (5) years. Finally, Subpart 203-10.3 requires that the baseline report be submitted to both the Bureau Director of Air Quality Planning and the Regional Air pollution Control Engineer in the corresponding Department Region in which the source is located.



Part 203 also imposes a Blowdown report, pursuant to Subpart 203-4.5, which requires "reporting of blowdown activity at compressor stations and transmission pipelines greater than ten thousand (10,000) standard feet cubed (scf)." Note that the report is for both planned and unplanned depressurizations. Blowdown reports can be submitted via either online survey, <u>here</u>, or via email to <u>Part2030ilandGas@dec.ny.gov</u>. Although reports may be submitted via email, this reporting option is only available until December 31, 2023. At the start of the new year, all forms will be required to be submitted via the online survey.

Oil and Gas Owners and Operators, if not already aware of these new requirements, should contact an energy law professional to learn more about the requirements, to ensure their assets comply with the latest NYDEC rules under Part 203, and to build a robust internal compliance mechanism for recordkeeping. A consultation with an energy law professional can provide the proper guidance so that vital energy infrastructure is continuously protected with New York's ever-changing energy legislation.

For more information, please contact:

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