

under BAT. Proposed BAT for coastal facilities in Cook Inlet would limit the discharge of oil and grease in produced water to a daily maximum of 42 mg/l and a thirty day average of 29 mg/l. EPA is proposing to prohibit discharges of produced water from all coastal subcategory operations under NSPA, PSNS, and PSES. BCT limits for produced waters in all coastal regions (including Cook Inlet) would be set equal to the current BPT limitations, which limit the discharge of oil and grease to a daily maximum of 72 mg/l and a thirty day average of 48 mg/l.

BCT for treatment, workover and completion fluids is proposed to be set equal to current BPT limits prohibiting discharges of free oil, with compliance to be determined by use of the static sheen test. EPA is co-proposing two options for BAT and NSPS limitations for treatment, workover and completion fluids. Option 1 would require no discharge of free oil and prohibit discharges of freshwaters of Texas and Louisiana. This option reflects current practice. Option 2 would require the same limitations as the preferred option for produced water. This option would require for BAT that discharges of treatment, workover and completion fluids would be prohibited in all coastal areas except Cook Inlet. In Cook Inlet, these discharges would be required to meet a daily maximum oil and grease limitation of 42 mg/l and a 30 day average of 29 mg/l. Option 2 would require zero discharge of these fluids everywhere for NSPS. EPA proposes zero discharge as PSES, and PSNS for treatment, workover and completion fluids.

BPT, BCT, BAT, NSPS, PSES and PSNS are being proposed for produced sand and would prohibit all discharges of this wastestream. The only BPT effluent limitations guidelines being proposed today are for produced sand which is the only wastestream for which BPT limits have not been previously promulgated.

BCT, BAT, and NSPS limits being proposed for deck drainage would be set equal to current BPT limits prohibiting discharges of free oil, with compliance to be determined by use of the visual sheen test. EPA is proposing zero discharge for PSES and PSNS for deck drainage because collection and capture of this wastestream is technically impractical in many situations (as discussed later in Section VI.D.) such that its direction to POTW's would rarely if ever occur. EPA also believes that combining this wastestream with municipal treatment facilities that may already be at full capacity should not be encouraged.

BCT is being proposed for domestic wastes as equal to BPT (which is no discharge of floating solids) with an additional requirement prohibiting the discharge of garbage. BAT is being proposed for domestic wastes to prohibit discharge of foam. NSPS is being proposed for domestic wastes as equal to BCT and no discharge of foam and no discharge of garbage. No pretreatment standards are being established for domestic wastes.

BCT and NSPS limitations for sanitary wastes are being proposed as equal to the current BPT effluent limitations guidelines. Sanitary waste effluents from facilities continuously manned by ten (10) or more persons would contain a minimum residual chlorine content of 1 mg/l, with the chlorine level maintained as close to this concentration as possible. Coastal facilities continuously manned by nine or fewer persons or only intermittently manned by any number of persons must comply with a prohibition on the discharge of floating solids. BAT is not being developed for sanitary wastes because no toxic or nonconventional pollutants of concern have been identified in this waste stream. No pretreatment standards are being established for sanitary wastes.

Compliance with these proposed limitations would result in a yearly decrease of 4.3 billion pounds of toxic, nonconventional and conventional pollutants in produced water, from zero to 23 million pounds of toxic nonconventional and conventional pollutants in drilling fluids and drill cuttings (depending on the option considered), and zero to 3.9 million pounds of toxic, nonconventional, and conventional pollutants in treatment, workover, and completion fluids (depending on the option considered).

EPA expects a variety of human health, and environmental benefits to result from these reductions in effluent loadings. In particular, the benefits include: Relief to coastal waters which support spawning grounds, nurseries and habitats for commercial and recreational fisheries; Reducing documented aquatic "dead zone" impacts; reduction of potential cancer risks to anglers from consuming seafood contaminated by produced water radionuclides; and reducing potential exposure of endangered species to toxic contaminants. This proposal will result in total benefits ranging from \$3.2 to \$230 million (in 1990 \$'s) due to reduced cancer risks and increased recreational values of wetlands.

Since the inception of the project in 1994, there have been periodic meetings with the industry and several trade

associations, including the Louisiana and Texas Independent Oil and Gas Associations (TIOGA and LIOGA) and American Petroleum Institute (API) to discuss progress on the rulemaking. The Agency also has met with the Natural Resources Defense Council (NRDC) to discuss progress on this rulemaking. Because all of the facilities affected by this proposal are direct discharges, the Agency did not conduct an outreach survey of POTWs.

The Agency also held a public meeting on July 19, 1994. The purpose of the meeting was to present the project status and discuss the technical options under consideration for this proposal. Representatives from industry trade associations, individual industry companies, state regulatory authorities, the U.S. Department of Energy and Interior (Minerals Management Service) and the Sierra Club Legal Defense Fund attended.

The Agency will continue this process of consulting with state, local, and other affected parties after proposal in order to further minimize the potential for unfunded mandates that may result from this rule. These proposed requirements, when promulgated, will be implemented via the existing regulatory structure and no additional burden is expected.

### *C. The EPA Region VI Coastal Oil and Gas Production NPDES General Permits*

EPA's Region VI has recently published final NPDES General permits regulating produced water and produced sand discharges to coastal waters in Louisiana and Texas (60 FR 2387, Jan. 9, 1995). The permits prohibit the discharge of produced water and produced sand derived from the coastal subcategory to any water subject to EPA jurisdiction under the Clean Water Act.

Much of the industry covered by today's proposed rulemaking is also covered by these General permits. However, a significant difference between the permits and this proposal is that the permits do not cover produced water discharges derived from the Offshore subcategory wells into the main deltaic passes of the Mississippi River, or to the Atchafalaya River below Morgan City including Wax Lake Outlet. The rulemaking being proposed today would cover these discharges (see the discussion below entitled "C. Preventing the Circumvention of Effluent Limitations Guidelines and New Source Performance Standards").

Due to the close proximity of the timing of the publication of the Region 6 permits and this proposal, this preamble presents the costs and impacts of today's rulemaking as if the Region VI