

The hydrocarbons extracted from the well usually consist of a combination of oil, gas, and brines (produced water). These fluids are initially directed from the wellhead to a separation facility where gas and oil are separated out and either treated further or sent directly offsite for sales, and the produced waters undergo further separation to remove as much oil as possible from the water.

The separation facilities, or production facilities, consist of the treatment equipment and storage tanks that process the produced fluids. Production facilities may be configured to service one well, or as central facilities which service multiple satellite wells, also known as tank batteries or gathering centers.

Coastal production facilities can be located over water or on land. Production facilities located over water exist in generally two types of configurations: (1) Individual deep water multi-well platforms or; (2) central facilities supported on barges or wooden or concrete pilings that service multiple satellite wells in shallow water. Production facilities on land may service satellite wells in any combination of locations. The type of configuration is an important factor when examining costs of installing pollution control equipment.

Multi-well platforms, such as those found in the Gulf of Mexico offshore region, are not commonly found in the coastal region of the Gulf of Mexico. Based on an earlier mapping effort of all oil and gas wells, EPA determined that there are only four structures owned and operated by four different operators in the coastal Gulf of Mexico region that

can be classified as multi-well platforms. However in the Gulf coastal areas, many single wellheads are located throughout the coastal waters, serviced by gathering centers located on-land or on platforms. Although there are some exceptions, in most cases those located on land can be accessed by car or truck (land-access) while those facilities located over water must be accessed by boat or barge (water-access). An analysis of the EPA 1993 Coastal Oil and Gas Questionnaire data results indicates that approximately 34 percent of the production facilities in the Gulf of Mexico are land accessed, and 66 percent are water-accessed facilities. (See Section V.B for description of the Questionnaire). This distinction is important when estimating regulatory compliance costs and impacts as described in sections VI and VIII. On the other hand, all coastal structures in Cook Inlet, Alaska are deep water multi-well platforms, all accessible only by water (or air) transportation.

Depending on operational preference or regulatory requirements, many of the coastal production facilities do not discharge produced water and thus, would not incur costs due to this rulemaking.

B. Location

Coastal oil and gas activities are located on water bodies inland of the inner boundary of the territorial seas. These water bodies include inland lakes, bays and sounds, as well as saline, brackish, and freshwater wetland areas. Although the definition includes water bodies even in all inland U.S. states, EPA knows of no existing operations other than those in certain

states bordering the coast. Thus, at this time, the coastal oil and gas operations are located only in coastal states.

Current coastal oil and gas activity exists along the Gulf of Mexico coastal states of Texas, Louisiana, Alabama and Florida, in San Pedro Bay, California and also in Alaska's Cook Inlet and the North Slope areas. The majority of Gulf Coast activity takes place in Texas and Louisiana. There, coastal oil and gas operations exist in a number of topographical situations including bays, sounds, lakes, and wetlands. Coastal oil and gas activity in Alabama is located in Mobile Bay; and a small number of wells are also located in wetlands along the west coast of Florida.

Coastal oil and gas activity in California exists behind the barrier island that forms San Pedro Bay (in Long Beach Harbor). There, four man-made islands have been constructed solely for the purpose of oil and gas extraction.

Roughly one third of all the coastal oil and gas production activity exists in Alaska. Deep water platforms exist in the northern part of Cook Inlet. In addition, operations resembling onshore activities (as opposed to deep water platforms) are located on the tundra wetlands of Alaska's North Slope.

C. Activity

Table 2 summarizes the number of producing wells and annual drilling activities for the coastal subcategory and the number of producing facilities that would incur costs (those still discharging after the projected final date of July 1996) due to this rulemaking, by geographic locations.

TABLE 2.—PROFILE OF COASTAL OIL AND GAS INDUSTRY

Coastal location	Region	Number of producing wells (1992)	Number of production facilities (1992)	Number of production facilities that would incur costs under this rule	Annual drilling activity	Number of operators that would incur costs under this rule
Gulf of Mexico	TX & LA	4675	853	216	686	122
	AL, FL	56	ND ¹	0	7	0
Alaska	Cook Inlet	237	8	8	8	5
	North Slope	2085	12	0	161	0
California	Long Beach Harbor	586	4	0	7	0
	Total	7639	877	224	869	127

¹ Not determined.

Eight hundred and seventy seven (877) production facilities listed in Table 1 are currently discharging produced water in the coastal areas of

Texas (TX), saline and brackish coastal waters of Louisiana (LA), and the Cook Inlet of Alaska. All coastal production facilities in Mississippi (MS), Alabama

(AL), Florida (FL), the North Slope, and California do not discharge treated produced water, but rather inject it either for disposal or for waterflooding.