

environmental performance of synthetic fluids. These data show lower toxicity than several of the generic fluids used as the basis for the offshore toxicity limit of 30,000 ppm (SPP). Results of laboratory and field (seabed) evaluations of the biodegradation of one synthetic fluid demonstrated good biodegradation. Case histories of field use have documented enhanced operational and environmental performance, which can include reductions in waste generated and improvement of non-water quality impacts. Laboratory data have indicated no detectable priority pollutants to be present in synthetic fluids.

In the preamble to the March 4, 1993, final Offshore Guidelines (58 FR 12496), EPA identified several issues raised by commenters for which additional information was solicited. While EPA wishes to encourage the use of less toxic drilling fluids, EPA was concerned that without a substitute for the static sheen test, it would not be possible to enforce the no free oil limit. EPA also solicited specific data concerning the toxicity of new synthetic drilling fluids. Subsequently, several industry companies have submitted additional information. EPA has reviewed this information and is conducting additional work to further evaluate the issues. This work is related to the analytical capability to identify the synthetic fluids versus diesel, mineral or crude (formation) oils which may cause a sheen when used fluids or cuttings are discharged and the toxicity of the synthetic fluids. Results of the submitted analytical methods investigations, summarized gas chromatography mass copy (GC/MS) identification of polyalphaolafin synthetic fluids. The usefulness and limitations of the methods were discussed. Use of GC equipment shows promise for detecting low concentrations of oil in synthetic fluids, e.g., less than 1 percent, but requires further evaluation. Based on the results of the initial work and work performed as part of the final Offshore Guidelines to differentiate between mineral oil and diesel oil (58 FR 12502), the "methods for the determination of Diesel, Mineral and Crude Oils in Offshore Oil and Gas Industry Discharges" (EPA 821-R-92-008) may be useful, with or without slight modifications, as an alternative or verification step to the free oil and diesel oil discharge prohibitions.

EPA solicits data on the use to-date of synthetic fluids and any data, including well logs, toxicity and analytical methods testing and in-situ seabed and water column physical, chemical and biological testing. EPA will evaluate all

submitted data, including information in the offshore rulemaking record, in order to assess the environmental and performance benefits that could be achieved by using synthetic fluids, and take those regulatory actions that may be appropriate to mitigate or eliminate barriers to using these fluids.

F. Removal Credits for Indirect Dischargers

Many industrial facilities discharge large quantities of pollutants to POTWs where their wastewaters mix with wastewater from other sources, domestic sewage from private residences and run-off from various sources prior to treatment and discharge by the POTW. Industrial discharges frequently contain pollutants that are generally not removed as effectively by treatment at the POTWs as by the industries themselves.

The introduction of pollutants to a POTW from industrial discharges may pose several problems. These include potential interference with the POTW's operation or pass-through of pollutants if inadequately treated. As discussed, Congress, in section 307(b) of the Act, directed EPA to establish pretreatment standards to prevent these potential problems. Congress also recognized that, in certain instances, POTWs could provide some or all of the treatment of an industrial user's wastewater that would be required pursuant to the pretreatment standard. Consequently, Congress established a discretionary program for POTWs to grant "removal credits" to their indirect dischargers. The credit, in the form of a less stringent pretreatment standard, allows an increased concentration of a pollutant in the flow from the indirect discharger's facility to the POTW.

Section 307(b) of the CWA establishes a three-part test for obtaining removal credit authority for a given pollutant. Removal credits may be authorized only if (1) the POTW "removes all or any part of such toxic pollutant," (2) the POTW's ultimate discharge would "not violate that effluent limitation, or standard which would be applicable to that toxic pollutant if it were discharged" directly rather than through a POTW and (3) the POTW's discharge would "not prevent sludge use and disposal by such [POTW] in accordance with section [405].* * *" Section 307(b).

EPA has promulgated removal credit regulations in 40 CFR 403.7. The United States Court of Appeals for the Third Circuit has interpreted the statute to require EPA to promulgate comprehensive sewage sludge regulations before any removal credits could be authorized. *NRDC v. EPA*, 790

F.2d 289, 292 (3rd Cir. 1986) cert. denied. 479 U.S. 1084 (1987). Congress made this explicit in the Water Quality Act of 1987 which provided that EPA could not authorize any removal credits until it issued the sewage sludge use and disposal regulations required by section 405(d)(2)(a)(ii).

Additional discussion of the availability of removal credits is contained in the Coastal Technical Development Document. This rule proposes to establish pretreatment standards for existing and new sources as zero discharge for drilling fluids and drill cuttings; produced water; well treatment, workover, and completion fluids; and deck drainage, and EPA's pretreatment regulations at 40 CFR 403.7(a)(i) limit such authorization to when the POTW demonstrates and continues to achieve consistent removal of the pollutant in accordance with 403.7(b), it is highly unlikely that removal credits would be available for these discharges.

EPA welcomes comment on when and how removal credits may be authorized for the pollutants in the circumstances of the coastal oil and gas subcategory.

XIV. Related Rulemakings

In addition to these Coastal Guidelines, EPA is in the process of developing other regulations that specifically affect the oil and gas industry. These other rulemakings, summarized below, are in the developmental stages, and have not, as yet, been proposed. EPA's offices are coordinating their efforts with the intent to monitor these related rulemakings to assess their collective costs to industry.

A. National Emission Standards for Hazardous Air Pollutants

National emission standards for hazardous air pollutants (NESHAP) are being developed for the oil and gas production industry by EPA's Office of Air Quality, Planning and Standards (OAQPS), under authority of section 112 (d) of the Clean Air Act as amended in 1990. Section 112 (d) of the Clean Air Act directs the EPA to promulgate regulations establishing hazardous air pollutant (HAP) emissions standards for each category of major and area sources that has been listed by EPA for regulation under section 112 (c). The 189 pollutants that are designated as HAP are listed in section 112 (d). For major sources, or facilities which emit 10 or more tons per year (TPY) of an individual HAP pollutant or 25 or more TPY of multiple HAPs, the air emission standards are based on "maximum achievable control technology" or MACT.