

Major sources within the coastal oil and gas subcategory have been identified by OAQPS as stand alone glycol dehydrators, tank batteries, gas plants, and offshore production platforms. In most cases, OAQPS believes that, in order to be a major source, a coastal production facility must have glycol dehydrators located on-site: a production facility alone may not produce enough emissions to be classified as a major source.

EPA plans to propose MACT standards for the oil and gas industry by June 1995 and promulgate them by June 1996. OAQPS estimates that the total cost of these standards will be \$13 million. Offshore production platforms are under the jurisdiction of the Minerals Management Service and thus, are not affected by these MACT Standards. EPA solicits information regarding the percentage of coastal oil and gas operations that will be impacted by this rule.

2. Area of Review Requirements for Injection Wells

The Safe Drinking Water Act of 1974 (SDWA) charges EPA with protecting underground sources of drinking water (USDWs). As part of this mandate, EPA developed a program, known as the Underground Injection Control Program (UIC), to regulate the underground injection of produced water, and promulgate regulations concerning the construction, operation, and closure of Class II injection wells. Such regulations were originally promulgated in 1980 (45 FR 42500, June, 24, 1980).

As a result of a recent 5-year study on the effectiveness of these regulations, EPA concluded that more detailed minimum national standards, than those promulgated in 1980, are necessary to prevent endangerment of USDWs.

EPA is currently in the process of developing such national standards that would establish:

- * A minimum national standard for well construction,

- * More frequent mechanical integrity testing when the construction of a well does not meet that minimum standard, and

- * A requirement for Area of Review studies for wells located in areas where USDWs are subject to significant risk of indirect flow via improperly constructed or abandoned wells.

The schedule for proposal and promulgation of this rulemaking is not specified. Early estimates are that these UIC requirements would cost less than \$50 million per year for the entire U.S. oil and gas industry for the first 5 years after promulgation, and are expected to decrease after 5 years.

It is not known at this time what percentage of this cost will be incurred by the coastal oil and gas industry. EPA solicits comment regarding this.

3. Spill Prevention, Control, and Countermeasure

EPA's Oil Pollution Prevention regulation at 40 CFR part 112, otherwise known as the Spill Prevention, Control, and Countermeasure (SPCC) regulation was promulgated in 1973 under section 311 (j) of the CWA. The SPCC regulation applies to all oil extraction and production facilities that have an oil storage capacity above certain thresholds (*i.e.* an overall aboveground oil storage capacity greater than 1,320 gallons or greater than 660 in a single container, or an underground oil storage capacity of greater than 42,000 gallons) and are located such that a discharge could reasonably be expected to reach U.S. waters. EPA estimates that there are approximately 435,000 SPCC-regulated facilities. Approximately 3,000 of these facilities are either coastal or offshore facilities.

Under the SPCC regulations, facility owners or operators are required to prepare and implement written SPCC plans that discuss conformance with procedures, methods, and equipment and other requirements to prevent discharge of oil and to contain such discharges.

On July 1, 1994, (59 FR 34070, July 1, 1994) EPA issued a final rule for certain onshore facilities to prepare, submit to EPA, and implement plans to respond to a worst case discharge of oil to meet section 4202(a) of the Oil Pollution Act (OPA). EPA is in the process of developing requirements to meet Section 420.2(a) of OPA specifically for coastal facilities (Note: Coastal and offshore facilities in the SPCC program are collectively referred to as "offshore". However, this current rulemaking is specifically with respect to facilities landward of the inner boundary of the territorial seas, and that are not onshore.) These regulations will, among other things, require that owners or operators of all coastal facilities prepare and submit to the Federal government a plan for responding to a worst case discharge of oil.

EPA plans to propose these requirements by 1995, and promulgate them by 1996. Costs to the industry to comply with these requirements are as yet unknown. EPA solicits information regarding the storage capacities of coastal oil production facilities to determine the percentage of this industry under the Coastal Oil and Gas subcategory that would be affected by the SPCC regulations.

XV. Solicitation of Data and Comments

EPA encourages public participation in this rulemaking and invites comments on any aspect of these proposed regulations. The EPA asks that comments address any perceived deficiencies in the record of this proposal and that suggested revisions or corrections be supported by data where possible. The preceding parts of this notice identify specific areas where comments are solicited. In addition, EPA particularly requests comments and information on the following:

(1) Combining the Onshore and Coastal Subcategories

EPA's proposed coastal rule requires zero discharge for all drilling fluids and cuttings, as well as zero discharge for all produced waters except from Cook Inlet operations. Because the effluent limitations for the onshore subcategory of the oil and gas industry require zero discharge for all oil and gas wastes (44 FR 22069, April 13, 1979), EPA is considering the appropriateness of combining these two subcategories for regulation of the major wastestreams. Combining the subcategories would not only simplify the rule itself but, could result in reduction of administrative burden in permit development, and facility location determination; EPA solicits comment on the appropriateness of combining these two subcategories.

XVI. Background Documents

The basis for this regulation is detailed in two major documents, each of which is supported in turn by additional information and analyses in the rulemaking record. EPA's technical foundation for the regulation is detailed in the Development Document for Proposed Effluent Limitations Guidelines and Standards for the Coastal Subcategory of the Oil and Gas Extraction Point Source Category. EPA's economic analysis is presented in the Economic Impact Analysis of Proposed Effluent Limitations Guidelines and Standards for the Coastal Subcategory of the Offshore Oil and Gas Industry. These documents are available from the Office of Water Resource Center. (See ADDRESSES) The public record for this rulemaking is available for review at EPA's Water Docket. (See ADDRESSES)

Appendix A to the Preamble— Abbreviations, Acronyms, and Other Terms Used in This Document

Act—Clean Water Act.
Agency—Environmental Protection Agency.
BADCT—The best available demonstrated control technology, for new sources under section 306 of the Clean Water Act.