**POTPOURRI**

**Department of Environmental Quality**

**Office of Environmental Services**

**Air Permits Division**

**Contiguous or Adjacent Properties in the Oil and Natural Gas Sector**

LAC 33:III.502.A defines a *major source* as “any stationary source or any group of stationary sources that are located on one or more contiguous or adjacent properties, that are under common control of the same person (or persons under common control),” and that emits or has the potential to emit regulated air pollutants above certain thresholds. (1607Pot2)

LAC 33:III.504.K (Nonattainment New Source Review) and LAC 33:III.509.B (Prevention of Significant Deterioration) define *building, structure, facility, or installation* in similar fashion, as “all of the pollutant-emitting activities that belong to the same industrial grouping, are located on one or more contiguous or adjacent properties, and are under the control of the same person (or persons under common control).”

The terms *contiguous* and *adjacent* are not defined in the Louisiana air quality regulations. The Louisiana Department of Environmental Quality (LDEQ) currently determines if stationary sources in the oil and natural gas sector (i.e., standard industrial classification (SIC) major group 13) are “contiguous or adjacent” on a case-by-case basis as described on the LDEQ Air Permits Division’s webpage entitled “Interpretation of Contiguous for Oil & Gas Production Facilities” (http://www.deq.louisiana.gov/portal/tabid/2347/Default.aspx).

On June 3, 2016, the U.S. Environmental Protection Agency (EPA) promulgated a rule entitled “Source Determination for Certain Emission Units in the Oil and Natural Gas Sector” (81 FR 35622). According to this rule, pollutant emitting activities shall be considered adjacent if:

they are located on the same surface site; or if they are located on surface sites that are located within ¼ mile of one another (measured from the center of the equipment on the surface site) and they share equipment. Shared equipment includes, but is not limited to, produced fluids storage tanks, phase separators, natural gas dehydrators or emissions control devices. Surface site, as used in the introductory text of this definition, has the same meaning as in 40 CFR 63.761.

However, EPA did not adopt a provision requiring surface sites to be “daisy chained” for purposes of defining a single stationary source. EPA describes a series of surface sites (under common control) as being daisy chained when an individual surface site is located within ¼ mile of another surface site, but where the last surface site in the grouping is separated from the first by a much larger distance (i.e., greater than ¼ mile).

The final rule specifies that permitting authorities with EPA-approved programs, like Louisiana, are not required to adopt this definition. Nevertheless, for stationary sources in the oil and natural gas sector, LDEQ will now interpret the term *adjacent* consistent with the definitions of *major source* under 40 CFR 70.2 and *building, structure, facility, or installation* under 40 CFR 51.165(a)(1)(ii) and 40 CFR 51.166(b)(6) in order to be consistent with federal regulations. The LDEQ Air Permits Division webpage will be revised accordingly.

Questions regarding this notice may be directed to Bryan D. Johnston of the LDEQ, Air Permits Division at (225) 219-3450.

Herman Robinson

General Counsel