



Common Misconceptions About Air Permitting Can Cost Companies More than Money - *How common misconceptions about air permitting for oil & gas installations can cost tens of thousands of dollars and ruin a hard earned reputation.*

It is safe to say that a large number of companies will ruin their reputation, all while trying very hard to build and maintain one, by not understanding air permitting. In such a thriving business as oil and gas production, many companies stop the permitting process after receiving approval for drilling activities from the [Railroad Commission of Texas \(RRC\)](#). What they don't know is that the [Texas Commission on Environmental Quality \(TCEQ\)](#), the state environmental agency for Texas, should be their next step in the permitting process. TCEQ plays a vital role in managing the state air quality in addition to many other media of discharge. Since September 1, 1972, when the Clean Air Act became effective, owners and operators of oil and gas sites must obtain an authorization for air emissions prior to construction of a new facility or even implementing a modification to an existing installation.

“So what!” That’s the feeling many operators have when confronted with new regulatory constraints. “What can they do to me?” Fair question, you are not going to like the answer. TCEQ has a zero tolerance policy when it comes to operating a facility without proper representation. They issue fines and penalties to violators and note in the company’s compliance history all violations. Just like an embarrassing Facebook picture (or like the scarlet letter if you don’t know what Facebook is), it follows you around for the life of the permit. Mergers and acquisitions have failed for less.

During a July 2010 records review, a gas gathering facility in Texas was issued a Notice of Violation (NOV) by the TCEQ for operating a large compressor machine for more than a year (565 days) without a permit. The company was issued a penalty of \$47,120. Though the company did not admit to the violation, an agreed order was signed by a company representative stating the company would pay the fine. This company was lucky. With continuous efforts and cooperation with the TCEQ, the penalty was eventually reduced. Despite the reduction, the agreed order will affect the company’s compliance history and be placed on the TCEQ’s list for non-compliance which means closer scrutiny in the future and a reputation that makes it harder to operate.

One simple solution to this problem perhaps is first understanding the TCEQ definition of ‘start of construction’ and the air permitting process. Construction has been defined as anything other than



site clearance or site preparation. Activities such as excavation, form erection, or steel laying pertaining to foundations upon which permit units will rest, are not allowed without prior approval of the construction permit. According to the TCEQ, “any person who plans to construct any new facility that will emit, or to modify any existing facility that emits air contaminants in Texas must obtain a state air permit before any work on the facility begins.”

Owners and operators of oil and gas facilities have various forms of authorizations to choose from. Facilities who claim a PBR must not exceed the following emission limits:

Pollutant	Emission Limit tons per year (tpy)
Volatile Organic Compound (VOC), Sulfur Dioxide (SO ₂), & Particulate Matter (PM ₁₀)	< 25
Carbon Monoxide (CO) & Nitrogen Oxides (NO _x)	< 250
Other (except carbon dioxide (CO ₂), water (H ₂ O), N, CH ₄ , CH ₂ , H, O)	< 25

In the event a facility cannot meet the emission requirements outlined in the PBR, the facility may then qualify for a standard permit provided that the total actual emission limits and other requirements are met. Facilities who claim a Standard Permit must not exceed the following emission limits:

Pollutant	Emission Limit tons per year (tpy)
Total VOC, Sulfur Dioxide (SO ₂), Carbon Monoxide (CO), Nitrogen Oxides (NO _x)	250
Particulate Matter (PM ₁₀) Particulate Matter (PM _{2.5})	15
Benzene	10.2
Hydrogen Sulfide	47

The air permit application process requires owners and operators to submit a brief process description, site process description, process diagram, plot plan or area map, emission calculations, and other additional information to determine emissions and compliance.

Generally, companies often prepare and submit permit information independently. As a result of such independent submittals, pertinent information necessary to determining applicability with state and federal rules is often omitted or calculated incorrectly. More importantly, companies are simply not applying for an air permit with the TCEQ prior to construction. A better strategy is to retain an environmental consulting firm specializing in air permitting and regulatory compliance. Any capable firm can prepare, submit, and maintain the submission of the air permit on behalf of the company.



This paper details the requirements for air permitting in the oil and gas industry beyond the RRC and the common errors made by owners and operators due to lack of knowledge. By properly applying for and obtaining the necessary permit for your company's operation, you can avoid all of the negative consequences of operating without proper representation.

In order to ensure an accurate and a timely completion of permit applications, companies should select a company which will offer a unique combination of professional services, dedication to their client's success, and possess these four characteristics: accuracy, efficiency, completeness, and dependability to deliver work that exceeds the client's expectations. It is strongly advised that companies become aware of the permit expiration date and take the necessary steps to remain in compliance with the TCEQ regulations and requirements.

The Author



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The purpose of this white paper is to inform owners and operators of facilities of the requirements for renewing air permits in a timely manner and to avoid operating without proper authorization, which will then lead to penalties and fines issued from the [Texas Commission on Environmental Quality \(TCEQ\)](#). Fenstermaker's experienced environmental and regulatory specialists strive to complete a variety of permitting work in an efficient manner. The main goal of our team members is to remain abreast of the frequently changing rules and regulations and to understand the air permitting process in order to provide exceptional service to its clients.

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Lafayette, LA, the company has over 300 team members providing professional services through multiple office and field locations across the U.S. Across all disciplines and locations, the firm's principal mission is to be a vital partner in the success of their clients, and each individual is committed to providing exceptional customer service.