

STATE OF ALASKA

FRANK H. MURKOWSKI, GOVERNOR

**DEPT. OF ENVIRONMENTAL CONSERVATION
DIVISION OF AIR QUALITY
DIRECTOR'S OFFICE**

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September 21, 2005

Ken Donajkowski
Vice President Health Safety & Environment
ConocoPhillips Alaska, Inc.
P.O. Box 100360
Anchorage, AK 99510-0360

original: R. Poter
copy: Steve De A.

K. W.
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Re: Letter of July 25, 2005 VOC Emissions from Well Construction Activity

Dear Mr. Donajkowski:

Your letter of July 25, 2005 asked me to confirm that all temporary, pre-production emissions from well construction activities are construction phase emissions that are not subject to PSD avoidance limits under the Clean Air Act.

After completing our research, we agree that the well flow back emissions you described that occur prior to the well being placed into production should be considered construction phase emissions. Emissions from this activity are similar to boilout emissions for new steam generators- which EPA guidance has previously considered to be "construction phase emissions." Construction phase emissions are not to be included in the calculations to determine if the source is subject to PSD review. Consequently, it is not appropriate to limit these emissions for the purpose of avoiding classification as a major source or major modification and the subsequent PSD review.

Condition 9 of the current Alpine permit 489CP09 contains a VOC avoidance limit for PSD permit applicability. Based upon our research, the division is now deciding that the VOC emissions from well flow back events are to no longer be counted toward compliance with these limits.

Please note that construction phase emissions would be subject to air quality construction permitting if the permanent stationary source being constructed is a new major source or major modification. In such a case, the construction phase emissions would not be counted to determine permit applicability, but would be regulated under the final permit to ensure compliance with BACT and the NAAQS. This, however, is not the case in permit 489CP09 Revision 1.

We appreciate your intent to use VOC capture mechanisms where production lines exist and a flare where they don't. We also understand that you have decided to participate in EPA's Natural Gas STAR program and we applaud your efforts to combust VOC gases or avoid their occurrence in order to minimize releases of green house gases. We intend to undertake a slope-wide reconnaissance of the well flow back activities in the future and to share your best management

Clean Air

practices of avoiding or combusting the gases with the hope of encouraging similar VOC management among all operators.

Sincerely,

A handwritten signature in cursive script, appearing to read "Tom Chapple".

Tom Chapple
Director

cc: Jim Baumgartner, APP, Juneau
Jack Coutts, APP