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XC: CLAIR

5/25

Department of Environmental Protection

Marjory Stoneman Douglas Building
3900 Commonwealth Boulevard
Tallahassee, Florida 32399-3000

Lawton Chiles
Governor

Virginia B. Wetherell
Secretary

RECEIVED
MAY 25 1995
Division of Air
Resources Management

May 24, 1995

Shelley Robbins
Executive Office of the Governor
Office of Planning and Budgeting
The Capitol
Tallahassee, Florida 32399-0001

Dear Ms. Robbins:

Re: Draft Air Permit
Destin Dome Block 57 Exploration Well
Chevron U.S.A., Inc., et al.

The Department's Division of Air Resources Management has reviewed the referenced draft permit published by the Environmental Protection Agency (EPA) and offers the following comments:

*The applicant adhered to the procedures described in 40 CFR 55, Outer Continental Shelf Air Regulations.

*EPA, which is the permitting authority, has concluded that the main emissions units (a short-term flare and the diesel engines which provide power for the drilling rig, mud logging equipment, power generation, startups, and marine vessels) constitute a minor source with respect to both federal and normal state air permitting requirements.

*If regulated by the State of Florida, this source would be considered a major source because of its potential to emit at least 100 tons per year of a regulated pollutant (SO_2 and NO_X) per rule 62-213, Florida Administrative Code, "Operating Permits for Major Sources of Air Pollution." This section of the rule reflects the requirements of Title V of the Clean Air Act Amendments of 1990 (CAAAs) and will be applicable when and if EPA delegates this regulatory program to the State of Florida.

*Since the state does not have any permitting authority over the source, EPA should require submittal of a Federal Title V permit application including an accidental release plan pursuant to Section 112(r) under Title III of the 1990 CAAAs. This plan would address potential emissions of toxic hydrogen sulfide during a flame out.

*In contrast to previous permits, Chevron is requesting blanket permission to drill a succession of wells after obtaining this permit from EPA by requesting that the rig be considered a relocatable source. Actually, the rig and the well, which are the origin of the flared gas, together constitute the source and is not relocatable.

*The granting of a relocatable source permit implies a continuing activity which indicates delineation drilling as opposed to wildcat or single shot exploration drilling. The delineation of the precise extent of the formation is preliminary to likely full-field development.

*If the rig is permitted as a relocatable source, EPA and the State would lose the opportunity to assess the overall "exploration" project as it takes on the characteristics of a formation delineation effort and as the likelihood for full-field development increases. At the very least, permitting as a Title V source would afford the public the opportunity to review the changes in operation and request public hearings as the rig is moved from site to site.

*Because of the obvious intent to continue drilling regardless of the outcome of the Block 57 exploration, granting the subject permit should trigger the requirements of the National Environmental Policy Act with regard to preparation of an appropriate environmental document. An environmental assessment or environmental impact statement should address all relevant environmental impacts, such as water quality, fisheries, beaches, tourism, etc., in addition to air quality.

*If the above issues are not resolved and EPA proceeds with issuance of the permit, then we recommend the source be permitted as a one-time project.

We appreciate the opportunity to review the draft permit for this drilling proposal. If you have any questions concerning our comments, please contact Al Linero at 488-1344.

Cordially,

Lynn Griffin
Environmental Manager
Intergovernmental Programs

LG/al
cc: Deborah Parrish
Howard Rhodes

Tallahassee Democrat

File Chevron 2/14/98

PENSACOLA

Protest-free zone ordered for contested drilling rig

The rig is safe from protesters who say it's not safe for the Panhandle.

By Bill Kaczor
THE ASSOCIATED PRESS
PENSACOLA

The Coast Guard has ordered boaters to stay at least 500 meters from a rig that will drill for natural gas off the Florida Panhandle, because of fears that protesters would be a safety hazard.

The safety zone was requested by Chevron USA Inc., which last month received a permit to drill the exploratory well in the Gulf of Mexico 28 miles south of Pensacola.

"They need a 500-meter area they can quickly evacuate," said Coast Guard Lt. Verne Gifford, a marine and port safety officer in New Orleans.

Chevron officials were worried protesters would get in the way in case the rig had to be abandoned in an emergency, he said.

To his knowledge, Gifford said, this is the first time such a safety zone has been ordered in the gulf, although they are common off California's coast.

"We have to have the ability to protect our operation, our people and any people in the area," said Chevron environmental and safety engineer Sandi Fury in New Orleans. "So I think the request was a prudent one."

She said Chevron also sought the safety zone to prevent boats, fishing lines and nets from striking or snagging scientific equipment that will be in the water around the rig.

The rig is expected to arrive in a few weeks, but there is no firm date, Fury said. The timing depends upon when it completes a drilling project off the Mississippi coast. It then would be towed to the Panhandle site.

Opponents say it's funny how the rig turns

Environmentalists reacted with surprise and amusement to the safety zone.

"It's kind of ironic that your tax dollars are being spent to protect Chevron rather than to protect the coast," said Ann Whitfield, executive director of the Florida Public Interest Research Group in Tallahassee.

Gulf Coast Environmental Defense President Angela Bowen called it an honor, although her group had no plans to protest at the rig site.

Greenpeace also has no protests planned in the immediate future, said Steve Kretzmann, senior political analyst for the group in Washington, D.C. He said any danger would be far less than hazards the drilling poses to the environment.

Last July, the organization's oceangoing tug, M.V. Greenpeace, deployed a protest buoy at the site with the message: "NO DRILL ZONE — CLIMATE PROTECTION — COASTAL PROTECTION — POLLUTION PREVENTION."

But drilling opponents also include business people and politicians who are afraid it will spoil beaches and waters that are vital to Florida's economy as tourist attractions.

Groups say gas isn't the only Gulf hazard

Although there may be no risk of an oil spill because the site is expected to yield only natural gas, opponents contend tons of drilling muds and cuttings will cause pollution when dumped overboard.

"In the event of an accident, who knows what can happen," Whitfield said. "You are dealing with huge amounts of heavy equipment and grease and diesel. It's a hardhat-heavy industry."

Chevron officials insist materials dumped in the gulf will be safe and closely monitored by the Environmental Protection Agency. The muds will be submitted to EPA for weekly toxicity tests.

The Chevron well may pave the way for others. If it confirms indications of huge gas reserves from two earlier exploratory wells the company is prepared to put up production platforms.

~~LOGAN~~
~~HOLLADAY~~
PATTY - FILE

I N T E R O F F I C E M E M O R A N D U M

Date: 24-May-1994 08:42am EST
From: Preston Lewis TAL
LEWIS_P
Dept: Air Resources Management
Tel No: 904/488-1344
SUNCOM:

TO: Lynn Griffin TAL (GRIFFIN_L)

CC: John Brown TAL (BROWN_J)
CC: Robin Robinson PEN (ROBINSON_R @ A1 @ PNS1)

Subject: Chevron Drilling Visit on 5/23/94

On 5/23/94 Robin Robinson (DEP/NWD), Scott Davis and Stan Kukier (EPA Region IV) and I visited the Chevron (Destin Dome Block 97) gas exploratory drilling rig which was recently issued an air permit by EPA under the Outer Continental Shelf (OCS) regulations. The trip was arranged by EPA and hosted by Perry Jennings, DOI/MMS and involved traveling by helicopter from Mobile, AL to the rig and back. I made a home video of the trip to the rig and the guided tour on the rig which EPA and the NWD want copies of. The video needs to be edited before providing copies.

Is the editing and copying something that you could help us with, in order to provide the Department, as well as outside the Department, information on OCS drilling?

We were told that on 5/9/94 Lisa George (Governor's office), Jeremy Craft, Catherine Florko and Ed Garrett (DEP/Resource Management) visited the drilling rig which was also hosted by DOI/MMS.

You are probably aware that EPA requested that DEP seek delegation for the OCS regulations and we declined.

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION IV

345 COURTLAND STREET, N.E.
ATLANTA, GEORGIA 30365

OCS-FL-001

PERMIT TO CONSTRUCT AND OPERATE UNDER THE OUTER CONTINENTAL SHELF AIR REGULATIONS (STATEMENT OF BASIS)

Pursuant to and in accordance with the provisions of Section 328 of the Clean Air Act, as amended, 42 United States Code § 7627 et seq., and the regulations promulgated thereunder at title 40, part 55 of the Code of Federal Regulations, as amended,

Chevron U.S.A. Production Company, Inc.
935 Gravier Street
New Orleans, Louisiana 70112

is hereby authorized to construct and operate an Outer Continental Shelf source at the following location:

Destin Dome Block 97

Surface Coordinates: 29.51'57.9" North Latitude
87.20'07.7" West Longitude

Upon completion of this authorized construction and upon initial start-up, this Outer Continental Shelf source shall be operated in accordance with the emission limitations, sampling requirements, monitoring requirements, and other conditions set forth in the attached General Conditions (Part I) and Specific Conditions (Part II).

This permit shall become effective 30 days from the date of the service of notice for this permit decision.

If construction does not begin within eighteen months after the effective date of this permit, or if construction is discontinued for a period of eighteen months or more, or if construction is not completed within a reasonable time, this permit shall expire and authorization to construct shall become invalid.

This authorization to construct and operate shall not relieve the owner or operator of the responsibility to comply fully with all applicable provisions of Federal and State law.

JAN - 5 1994
Date Signed

Patrick M Tobin
Patrick M. Tobin
Acting Regional Administrator

PERMITTEE:
Chevron U.S.A. Production Company, Inc.
935 Gravier Street
New Orleans, Louisiana 70112

PERMIT NUMBER: OCS-FL-001
PROJECT: Destin Dome Block 97

This permit will authorize the construction and operation of one exploratory, natural gas drilling rig. The exploratory well will be drilled to a depth of approximately 25,300 feet to determine the hydrocarbon potential of the Block (Destin Dome Block 97). Proposed activities include the drilling of the well, to be performed utilizing a jackup type drilling rig, testing of the hydrocarbon formation (if determined to exist), and suspension of the well. The equipment to be used on this rig will include three main diesel engines for electric power, each with a rated power output of 1,650 brake-horsepower (Model EMD-645-E8). The marine vessel engines will be the Detroit Diesel 12V-645 (Model 12V-71TI) 550 brake-horsepower for the crewboat and the Caterpillar 16 cylinder 1,125 brake-horsepower (Model D399) for the supply boat and the utility boat. Proposed emission controls for the main engines will be through engine retardation. Proposed emission controls for the marine vessels will be through a fixed number of trips to the offshore facility by the vessels and through the use of engines equipped with turbocharging and intercooling. The fuel to be burned in the diesel engines on the main rig and the vessels will be fuel oil with a maximum sulfur content of 0.5%, by weight.

Documents contained in the Administrative Record for the draft Outer Continental Shelf air permit are as follows:

1. Air Permit Application and Notice of Intent for Outer Continental Shelf Destin Dome Block 97 from Chevron to EPA Region IV, May 14, 1993
2. Letter from EPA Region IV to Chevron, June 15, 1993
3. Technical Supplement, Air Permit Application Destin Dome Block 97, from Chevron to EPA Region IV, June 24, 1993
4. Letter from Florida DEP to EPA Region IV, July 16, 1993
5. Letter from EPA Region IV to Florida DEP, July 29, 1993
6. Letter from EPA Region IV to U.S. Fish & Wildlife Service, Air Quality Branch, July 30, 1993
7. Letter from EPA Region IV to U.S. Fish & Wildlife Service, Regional Director, July 30, 1993
8. Letter from EPA Region IV to National Park Service, Air Quality Division, July 30, 1993
9. Letter from EPA Region IV to Breton National Wildlife Refuge, July 30, 1993
10. Letter from Chevron to EPA Region IV, August 16, 1993
11. Letter from U.S. Fish & Wildlife Service to EPA Region IV, August 17, 1993
12. Letter from EPA Region IV to Chevron, August 18, 1993
13. Letter from Chevron to EPA Region IV, August 30, 1993

14. Letter from EPA Region IV to Chevron, September 30, 1993

I. GENERAL CONDITIONS:

1. The terms, conditions, requirements, limitations and restrictions set forth in this permit are "permit conditions" and are binding and enforceable pursuant to section 328 of the Clean Air Act, as amended, and 40 C.F.R. Part 55, as amended. The permittee is placed on notice that EPA will review this permit periodically and may initiate enforcement action for any violation of these conditions.

2. This permit is valid only for the specific processes and operations applied for and indicated in the drawings or exhibits, as submitted. Any unauthorized deviation from these drawings, exhibits, specifications, or conditions of this permit may constitute grounds for revocation and enforcement action by EPA.

3. The issuance of this permit does not convey any vested rights or any exclusive privileges. Neither does it authorize any injury to public or private property or any invasion of personal rights, nor any infringement of federal, state, or local laws or regulations. This permit is not a waiver of or approval of any other EPA permit that may be required for other aspects of the total project which are not addressed in this permit.

4. This permit conveys no title to land or water, does not constitute Federal or State recognition or acknowledgment of title, and does not constitute authority for the use of submerged lands, except as herein provided and the necessary title or leasehold interests have been obtained from the United States of America.

5. This permit does not relieve the permittee from liability for harm or injury to human health or welfare, animal, or plant life, or property caused by the construction or operation of this permitted source, or from penalties therefore; nor does it allow the permittee to cause pollution in contravention of Federal statutes and EPA rules, unless specifically authorized by an order from EPA.

6. The permittee shall properly operate and maintain the facility and systems of treatment and control (and related appurtenances) that are installed and used by the permittee to achieve compliance with the conditions of this permit, as required by EPA rules. This provision includes the operation of backup or auxiliary facilities or similar systems when necessary to minimize or prevent emissions in achieving compliance with the conditions of the permit and when required by EPA rules.

7. The permittee, by accepting this permit, specifically agrees to allow authorized EPA and Florida Department of Environmental Protection (Florida DEP) personnel, upon presentation of credentials or other documents as may be required by law and at reasonable times, access to the premises where the permitted activity is located or conducted to:

(a) Have access to and copy any records that must be kept under conditions of the permit;

(b) Inspect the facility, equipment, practices, or operations regulated or required under this permit; and

(c) Sample or monitor any substances or parameters at any location reasonably necessary to assure compliance with this permit or EPA rules.

Reasonable time may depend on the nature of the concern being investigated.

8. If, for any reason, the permittee does not comply with or will be unable to comply with any condition or limitation specified in this permit, the permittee shall immediately provide EPA with the following information:

(a) A description of and cause of noncompliance; and

(b) The period of noncompliance, including dates and times; or, if not corrected, the anticipated time the noncompliance is expected to continue, and steps being taken to reduce, eliminate, and prevent recurrence of the noncompliance. The permittee shall be responsible for any and all damages which may result and may be subject to enforcement action by EPA for penalties or for revocation of this permit.

Except as provided for in this permit, nothing in this permit shall be construed to relieve the permittee from civil or criminal penalties for noncompliance.

9. In accepting this permit, the permittee understands and agrees that all records, notes, monitoring data and other information relating to the construction or operation of this permitted source which are submitted to EPA may be used by EPA as evidence in any enforcement case involving the permitted source arising under Federal Statutes, EPA rules, or rules enforceable by EPA.

10. The permittee agrees to comply with changes in EPA rules and

Federal Statutes after a reasonable time for compliance; provided, however, the permittee does not waive any other rights granted by Federal Statutes or EPA rules.

11. This permit is transferable only upon EPA approval in accordance with 40 C.F.R. Part 55, as amended (Reference Rule 17-4.120, Florida Administrative Code, as applicable). The permittee shall be liable for any non-compliance of the permitted activity until the transfer is approved by EPA.

12. This permit or a copy thereof shall be kept at the work site of the permitted activity. Chevron shall notify all other owners and operators, contractors, and the subsequent owners and operators associated with emissions from the source, of the conditions of this permit.

13. This permit also constitutes:
( ) Determination of Best Available Control Technology (BACT)
( ) Determination of Prevention of Significant Deterioration (PSD)
( ) Compliance with New Source Performance Standards (NSPS)
( ) Compliance with National Emissions Standards for Hazardous Air Pollutants (NESHAPS)
(X) None of the above are applicable

14. The permittee shall comply with the following:

(a) Upon request, the permittee shall furnish all records and plans required under EPA rules. During enforcement actions, the retention period for all records will be extended automatically unless otherwise stipulated by EPA.

(b) The permittee shall hold at the Chevron offices of the Gulf of Mexico Production Business Unit in New Orleans, Louisiana, records of all monitoring information (including all calibration and maintenance records and all original strip chart recordings for continuous monitoring instrumentation) required by the permit, copies of all reports required by this permit, and records of all data used to complete the application for this permit. These materials shall be retained at least three years from the date of the sample, measurement, report, or application unless otherwise specified by EPA rule.

(c) Records of monitoring information shall include:

1. the date, exact place, and time of sampling or

measurements;

2. the person responsible for performing the sampling or measurements;

3. the dates analyses were performed;

4. the person responsible for performing the analyses;

5. the analytical techniques or methods used;

6. the results of such analyses.

15. When requested by EPA, the permittee shall within a reasonable time furnish any information required by law which is needed to determine compliance with the permit. If the permittee becomes aware that relevant facts were not submitted or were incorrect in the permit application or in any report to EPA, such facts or information shall be corrected promptly.

16. All correspondence required to be submitted by this permit to the permitting agency shall be mailed to:

Chief
Air Enforcement Branch
Air, Pesticides, and Toxics
Management Division
U.S. EPA Region IV
345 Courtland Street NE
Atlanta, Georgia 30365
(ATTN: Southern Compliance Unit)

17. This Outer Continental Shelf source shall comply with all requirements of 40 C.F.R. Part 55, as amended, and all permits issued pursuant to this part for this source. Failure to do so shall be considered a violation of section 111(e) of the Clean Air Act, as amended.

18. All enforcement provisions of the Clean Air Act, as amended, including, but not limited to, the provisions of section 113, 114, 120, 303, and 304 of the Clean Air Act, shall apply to this Outer Continental Shelf source.

19. If this Outer Continental Shelf source is ordered to cease operation of any piece of equipment due to enforcement action taken by EPA, the shutdown will be coordinated by the enforcing agency with the Minerals Management Service (MMS) and the U.S. Coast Guard to

assure that the shutdown will proceed in a safe manner. No shutdown action will occur until after consultation with these agencies, but in no case will initiation of the shutdown be delayed by more than 24 hours.

II. SPECIFIC CONDITIONS:

1. The maximum allowable emissions from this Outer Continental Shelf source shall not exceed the emission rates listed in Tables 1, 2, 3, 4, and 5.

2. Chevron shall notify EPA of any occurrence of any emissions in excess of limits specified in Condition Number 1 above; such notification shall be forwarded to EPA in writing in a timely fashion and in each instance no later than ten (10) days from the date of such occurrence. The notification shall include an estimate of the resultant emissions and narrative report of the cause, duration and steps taken to correct the problem and avoid a recurrence. Chevron shall contemporaneously send a copy of all such reports to:

Bureau of Air Regulation
Florida Department of Environmental
Protection
Twin Towers Office Building
2600 Blair Stone Road
Tallahassee, Florida 32399-2400

and

Minerals Management Service
U.S. Department of the Interior
Gulf of Mexico OCS Region
New Orleans District
1201 Elmwood Park Boulevard
New Orleans, Louisiana 70123-2394

3. Vessels must maintain the trip schedule as set out in the permit application (and supplement thereof). The maximum number of trips to be taken by the crewboat shall be 200 round trips, the supply boat shall be 80 round trips, and the utility boat shall be 3 round trips.

4. This approval shall become void if construction is not begun within eighteen (18) months after receipt of approval or if construction once initially begun is discontinued for a period of eighteen (18) months. If construction is not completed within a reasonable time, this permit shall expire and authorization to

construct shall become invalid.

5. As approved and conditioned by this permit any construction or exploratory operation, including equipment operations and maintenance, of the Outer Continental Shelf source shall be in accordance with the data, specifications, and assumptions included with the application (and supplement thereof) which resulted in this permit.

6. Compliance with emission limitations shall be demonstrated by source tests and a program of emission monitoring as described below:

a. Compliance Demonstration:

(1) NO_x compliance testing shall be conducted within thirty (30) days after achieving the maximum production rate at which the OCS source will be operated, but not later than sixty (60) days after initial start-up of the project. Compliance with the NO_x emission limitation for the drilling rig main diesel engines shall be determined using one of the following methods: (a) Stack testing using Method 20 while the engine is operating at a load of at least 75% of full load; or (b) Chevron may certify that retardation of the injection timing to four (4°) degrees after top dead center has been accomplished on the main engines as described in the application. If an independent manufacturer's representative or mechanic is used to make or confirm the settings, Chevron shall obtain a written statement from the manufacturer's representative or mechanic and include it with certification to EPA.

(2) Compliance with the fuel sulfur content limitation of 0.5% by weight shall be determined by one of the following methods: (a) Obtaining a representative sample of each fuel delivery and analyzing the samples for sulfur content using ASTM D129-64 (Reapproved 1978), ASTM D4057-81, ASTM D1552-83, ASTM D2622-87, or ASTM D1266-87, or (b) Chevron may obtain a certification of the sulfur content from the fuel supplier for each delivery providing the certification indicates that the sulfur content has been determined by one of the ASTM methods listed above. Certifications for fuel sulfur content shall be sent to EPA quarterly.

(3) Compliance with the total NO_x emissions limit of specific condition 1 shall be determined by keeping records of (a) the daily hours of operation and fuel oil consumption in gallons for each of the drilling rig

engines, (b) the daily sum total fuel oil consumption in gallons for the crewboat, supply boat, and utility boat, and (c) the daily and cumulative total number of trips completed by the crewboat, supply boat, and utility boat.

b. Monitoring

(1) A log shall be maintained to record operating problems and maintenance performed on the diesel generating equipment.

(2) The SO_2 emission rate from the flare shall be calculated from the volume and H_2S content of the gas burned. Gas flow rates shall be measured continuously with a flow meter that has an accuracy of 2.0 percent of the upper range and flow meters shall be calibrated using the following ASME codes, as appropriate: ASME MFC-3M-1989 with September 1990 Errata (Measurement of Fluid Flow in Pipes Using Orifice, Nozzle, and Venturi); ASME MFC-4M-1986 (Reaffirmed 1990) (Measurement of Gas Flow by Turbine Meters); ASME MFC-6M-1987 with June 1987 Errata (Measurement of Fluid Flow in Pipes Using Vortex Flow Meters); ASME MFC-7N-1987 (Reaffirmed 1992) (Measurement of Gas Flow by Means of Critical Flow Venturi Nozzles); or any other standard method approved by the Administrator. Gaseous fuel flow rates measured at actual temperature and pressure shall be corrected to standard conditions (68°F and 29.92 inches of mercury). Samples of the gas burned shall be collected on an hourly basis and shall be analyzed for H_2S content with the use of a Draegger colorimetric tube indicator. Three tubes will constitute one hourly sample. If Draegger tubes of the specific range required during sampling are not available, samples of gas burned shall be collected on an hourly basis and analyzed for H_2S content using one of the following methods: the Tutwiler procedure described in 40 C.F.R. Section 60.648; ASTM E-260 (General Gas Chromatography Procedures); or any other standard method approved by the Administrator.

7. EPA and the Florida DEP shall be notified of the commencement of construction date, the begin actual construction date (if different from the commencement of construction date), and the initial start-up date within thirty (30) days of the date of their occurrence.

8. Within 45 days from the end of each calendar quarter, a report detailing the previous three month's activities shall be provided to EPA and the Florida DEP. The report must list all data required by

condition of this permit, including data required by specific condition 6, and the daily and cumulative emissions of SO_2 from the flare.

9. Nothing contained within this permit shall be construed to allow the violation of any applicable State or Federal regulation or rule.

10. If any condition herein is determined to be invalid, all other conditions shall remain in force.

11. This Outer Continental Shelf source and the equipment permitted herein shall operate for a maximum of 280 days, from the date of initial start-up.

PERMITTEE:
Chevron U.S.A. Production Company, Inc.
935 Gravier Street
New Orleans, Louisiana 70112

PERMIT NUMBER: OCS-FL-001
PROJECT: Destin Dome Block 97

EMISSION LIMITS
DESTIN DOME BLOCK 97

TABLE 1 - MAIN ELECTRIC POWER ENGINES

POLLUTANT	LIMITATION		BASIS
CO	47.58 lb/hr	69.69 tons	Emission Factor
NO_x	131.57 lb/hr	192.70 tons	EPA Method 20 or Certification of Manufacturer's Specifications
PM/PM_{10}	1.74 lb/hr	2.56 tons	Emission Factor
SO_2	19.50 lb/hr	28.56 tons	0.5% Sulfur Fuel Oil, ASTM Test Method Certification
VOC	4.59 lb/hr	6.72 tons	Emission Factor
As	1.57E-04 lb/hr	2.30E-04 tons	Emission Factor
Be	9.36E-05 lb/hr	1.37E-05 tons	Emission Factor
F	1.22E-03 lb/hr	1.78E-03 tons	Emission Factor
Pb	3.33E-04 lb/hr	4.88E-04 tons	Emission Factor
Hg	9.36E-05 lb/hr	1.37E-05 tons	Emission Factor
H_2SO_4	1.49 lb/hr	2.19 tons	Emission Factor
Visible Emissions	20% Opacity		EPA Method 9

TABLE 2 - CRANE LOGGING AND AUXILIARY DIESEL ENGINES

POLLUTANT	LIMITATION		BASIS
CO	3.96 lb/hr	2.06 tons	Emission Factor
NO_x	18.17 lb/hr	9.42 tons	Emission Factor
PM/PM_{10}	0.26 lb/hr	0.14 tons	Emission Factor
SO_2	3.00 lb/hr	1.56 tons	0.5% Sulfur Fuel Oil, ASTM Test Method Certification
VOC	0.53 lb/hr	0.27 tons	Emission Factor
As	1.61E-05 lb/hr	1.25E-06 tons	Emission Factor
Be	9.60E-06 lb/hr	7.46E-06 tons	Emission Factor
F	1.25E-04 lb/hr	9.72E-05 tons	Emission Factor
Pb	3.42E-05 lb/hr	2.66E-05 tons	Emission Factor
Hg	9.60E-06 lb/hr	7.46E-06 tons	Emission Factor
H_2SO_4	0.15 lb/hr	0.12 tons	Emission Factor
Visible Emissions	20% Opacity		EPA Method 9

TABLE 3 - WELL TESTING FLARE

POLLUTANT	LIMITATION		BASIS
CO	353.46 lb/hr	12.82 tons	Emission Factor
NO_x	64.96 lb/hr	2.36 tons	Emission Factor
PM/PM_{10}	9.55 lb/hr	0.35 tons	Emission Factor
SO_2	5216.9 lb/hr	189.2 tons	Emission Factor
VOC	133.7 lb/hr	4.85 tons	Emission Factor
Visible Emissions	20% Opacity		EPA Method 9

TABLE 4 - TOTAL VESSEL EMISSIONS
(CREWBOAT, SUPPLY BOAT, UTILITY BOAT, HELICOPTER)

POLLUTANT	LIMITATION	BASIS
CO	6.35 tons	Emission Factor
NO_x	33.79 tons	Emission Factor
PM/PM_{10}	1.77 tons	Emission Factor
SO_2	7.36 tons*	Emission Factor
VOC	3.45 tons	Emission Factor

* All vessel fuel oil will contain a maximum of 0.5% sulfur content, by weight

TABLE 5 - TOTAL OCS SOURCE EMISSIONS

POLLUTANT	EMISSIONS (TONS)
Carbon Monoxide	90.91
Nitrogen Oxides	238.27
Particulate Matter (PM_{10})	4.81
Sulfur Dioxide	226.68
Volatile Organic Compounds	15.29
Arsenic	2.3125E-04
Beryllium	2.116E-05
Fluoride	1.8772E-03
Lead	5.146E-04
Mercury	2.116E-05
Sulfuric Acid Mist	2.31

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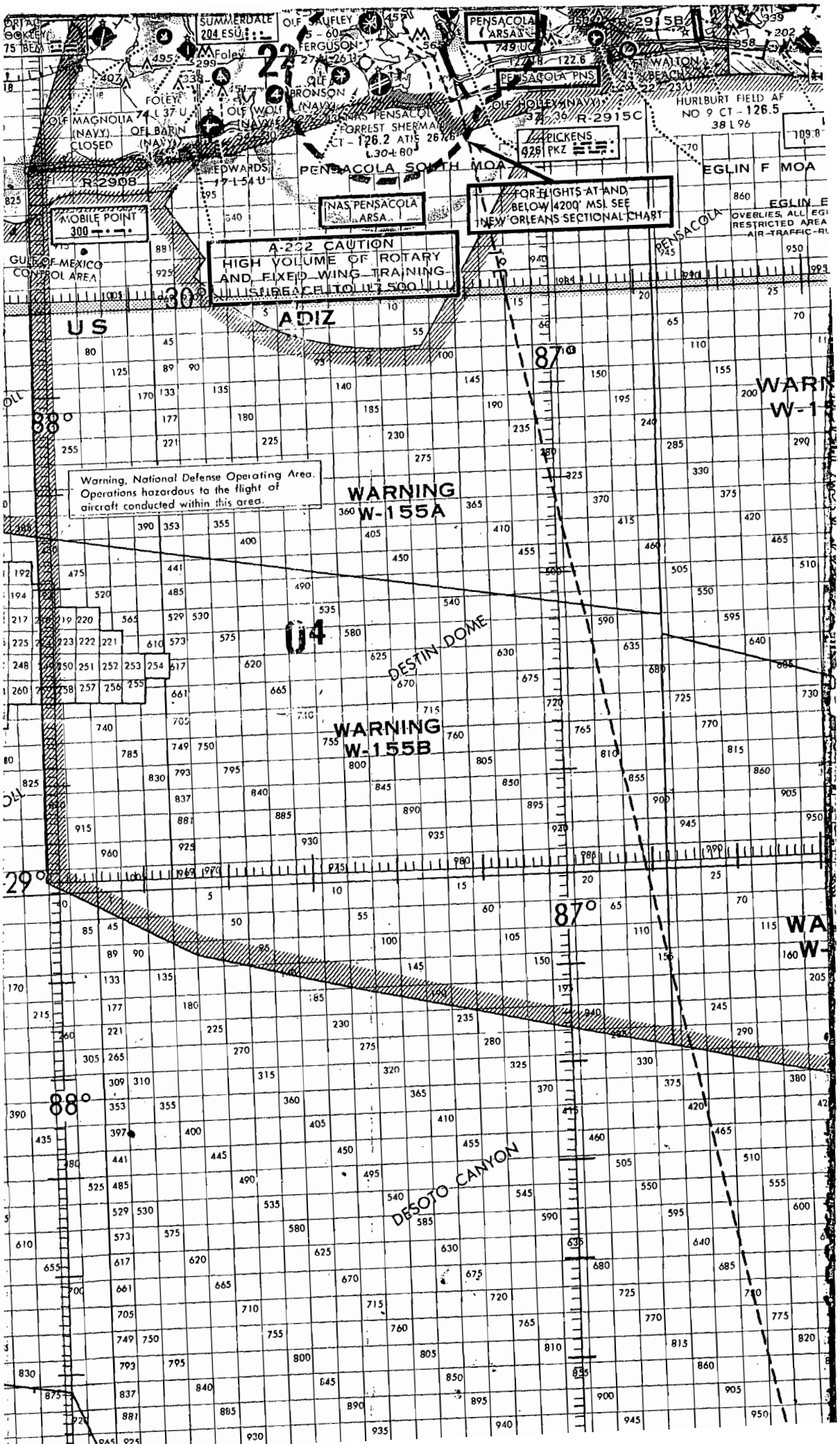

SECTION B-1

CONSIDERATIONS DURING THE DRILLING, TESTING, OR COMPLETION OF A SOUR GAS WELL

This memorandum is intended to familiarize you with the conditions that can exist when drilling, testing, or completing a well to formations that may contain H_2S, and the precautions The **Chevron U.S.A.** and the Rig Contractor have taken in designing the well program and safety program to provide maximum safety.

You should become familiar with all safety equipment on the rig, its use, and availability. The windsock and windstreamers are provided to indicate which direction the wind is blowing so that the "Safe Briefing Area" can easily be defined. You should become "wind conscious" and frequently observe these wind direction indicators. All persons aboard the rig will receive instructions on the use of safety equipment and what to do during the H_2S Emergency. The well will be monitored with H_2S continuous monitoring-type detectors.

Drilling operations will be performed under four possible conditions:

A. POSSIBLE HAZARDOUS CONDITIONS (H_2S Not Present)

1. Warning Signs (for notification of general public): None

2. Alarm (for notification of rig crew): None

3. Characterized By: Drilling, testing, or completion operations under control. Routine operations in zones that may contain hydrogen sulfide. This condition will be in effect continuously from compliance to total depth unless it is necessary to go to a Condition I, II, or III.

4. General Action:

   a. Be alert for a condition change.
   b. Keep all safety equipment available and monitors functioning properly.
   c. Perform all drills for familiarization and proficiency.

B. CONDITION I: Potential Danger to Life
H_2S Present at 10 to Less than 20 PPM

1. Warning Sign:

"DANGER - HYDROGEN SULFIDE - H_2S" signs on all sides of rig (yellow with black lettering to be illuminated at night)

2. Alarm: A pinpoint alarm will activate showing concentration and location of H_2S gas.

Work Areas: AMBER FLASHING LIGHT. Alarm signals will continue as long as the H_2S concentration is present at 10 to less than 20 ppm or until deactivated by the H_2S Safety Technician or The Chevron U.S.A. Representative.

Living Areas: The amber lights located in the hallways on each level of the living quarters will be activated automatically. Condition I warning signs will be posted at all exits from the living quarters, accesses to rig from heliport, and personnel basket unloading areas.

3. Characterized By:

Drilling, testing, or completion operations under control. Routine operations in zones that may contain hydrogen sulfide.

Poisonous gases may be present in concentrations at threshold levels and may or may not be detectable by odor (See "Toxicity of Various Gases", Section B-1 of the Appendix). This condition will be in effect continuously from the time the H_2S concentration reaches 10 ppm unless it is necessary to go to Condition II or III. Action to be taken under Condition I is contained under Section V "H_2S Emergency Procedures".

4. General Action:

a. Be Alert for a condition change. There will be NO SMOKING except in designated areas.

b. Check safety equipment for proper functioning. Keep it available. No welding or open fires without permission from The Chevron U.S.A. Representative.

c. Follow the instructions of supervisor.

C. CONDITION II: Moderate Danger to Life
H_2S Present at 20 to 50 ppm

1. Warning Sign:

MY-6 Flag System. "DANGER HYDROGEN SULFIDE - H_2S" signs on all sides of the rig (Yellow with black lettering to be illuminated at night).

2. Alarm: Work Areas, Living Quarters and Pinpoint Alarms

Continuous sounding of the H_2S siren (yelping tone) and red light flashing. All alarm signals will continue as long as the H_2S concentration is present at 20 to 50 ppm or until deactivated by the H_2S Safety Technician or The Chevron U.S.A. Representative.

3. Characterized By:

Critical well operations or well control problems. Poisonous gases are present above threshold levels (as defined under "Toxicity of Various Gases", Section B-1 of the Appendix). This condition shall be in effect when the H_2S concentration is present at 20 to 50 ppm.

4. General Action:

a. Go and stay in the upwind SAFE BRIEFING AREA with self-contained breathing apparatus Type 1 life jacket if not specifically assigned to correct or control the situation.

b. Follow the instructions of the Senior Toolpusher and The Chevron U.S.A. Representative.

c. The Senior Toolpusher and The Chevron U.S.A. Representative shall initiate emergency action as provided in this plan.

d. All persons working in the hazard area will wear self-contained breathing apparatus or air line units. All personnel will restrict their movements as directed by the Toolpusher and The Chevron U.S.A. Representative.

e. All persons in the living quarters will pick up their Type 1 Life Jackets and self-contained breathing apparatus and proceed to the staging/rec room and then to the appropriate safe briefing area; if required.

f. If the well is ignited, the burning hydrogen sulfide will be converted to sulfur dioxide, which is also poisonous. Therefore, DO NOT ASSUME THAT THE AREA IS SAFE AFTER THE GAS IS IGNITED. CONTINUE TO OBSERVE EMERGENCY PROCEDURES. FOLLOW THE INSTRUCTIONS OF THE SUPERVISOR.

D. CONDITION III: **Extreme Danger to Life**
H_2S Present at Greater than 50 ppm

1. Warning Sign:

MY-6 Flag System. "Danger Hydrogen Sulfide - H_2S" signs on all sides of the rig (yellow with black lettering to be illuminated at night). Two foot by three foot red warning flags will be displayed.

2. Alarm: Work Areas, Living Quarters and Pinpoint Alarms

Continuous sounding of the H_2S siren (solid tone) and amber and red lights flashing. All alarm signals will continue as long as the H_2S concentration is present at greater than 50 ppm, or until deactivated by the H_2S Safety Technician or The Chevron U.S.A. Representative.

3. Characterized By:

Loss of well control, or the H_2S concentration is greater than 50 ppm.

4. General Action:

a. All non-essential personnel, or all personnel if the situation warrants, shall be evacuated. Radio and other available communications shall be used to alert all known air and water craft in the immediate vicinity of the rig. The Chevron U.S.A. Representative will advise the Drilling Superintendent of the plans to evacuate the rig. Notification of local civil authorities will be made by The Chevron U.S.A. Superintendent.

b. All people not specifically assigned to correct or control the situation shall stay in the appropriate upwind "Safe Briefing Area" until evacuated by a crewboat, work boat, helicopter, or escape capsule. A suggested list of essential personnel to be left aboard are listed in Section IX. The number of essential personnel may be increased at the request of The Chevron U.S.A. Representative, or on order of the Toolpusher.

c. If the alarm sounds and it has not been preceded by Condition II, the actions of Condition III shall be taken. Circulation will be stopped and self-contained breathing apparatus and air line work units shall be donned by all working personnel. Drilling Contractor Safety Representative shall check all personnel by roster. Vessels will be notified. The rig and shore dispatchers will also be notified of the condition and will continuously monitor the radio.

d. The Senior Toolpusher and The **Chevron U.S.A.** Representative all jointly determine if ignition is necessary as outlined under "Igniting the Well", Section X, and will conduct any necessary operations with an absolute minimum of personnel. Final decision to ignite the well shall rest with the Senior Toolpusher.

e. If the well is ignited, the burning of hydrogen sulfide will be converted to sulfur dioxide which is also poisonous. DO NOT ASSUME THAT THE AREA IS SAFE AFTER THE GAS IS IGNITED. CONTINUE TO OBSERVE EMERGENCY PROCEDURES. FOLLOW THE INSTRUCTIONS OF SUPERVISORS.

During an emergency, persons will utilize the "buddy system" preventing anyone from entering a gas area alone - whether he is using breathing equipment or not.

If you are wearing breathing air equipment, do not remove it until you are absolutely certain the air is safe to breathe. If a sudden gas release occurs without warning, you should:

1. Hold your breath and rapidly evacuate the area containing H_2S. Move upwind, if possible.

2. Put on breathing air equipment.

3. Help anyone who may be affected by gas. NOTE: Put on your breathing air equipment before helping anyone overcome by H_2S. Then get him to a safe area and administer resuscitation or oxygen as needed.

4. Evacuate quickly to the "Safe Briefing Area" to receive instructions from the Toolpusher or The **Chevron U.S.A.** Representative.

5. DO NOT PANIC.

Chevron U.S.A. tries to keep all formation overbalanced with mud weight so that no influx of gas will occur; however, these plans have been provided so that such an influx may be handled with a minimum of trouble. If you are on the rig during any operating condition, it is essential that you follow the instructions of The Chevron U.S.A. Representative and the Toolpusher.

Several copies of the "H_2S Contingency Plan" are available in The Chevron U.S.A. Representative's office. This plan sets our precautionary measures, safety equipment, emergency procedures, responsibilities, and duties pertaining to the drilling, testing, or completion of a sour gas well.

All personnel should become familiar with the contents of the plan and should sign the log in the control room indicating that they have received, read, and understand the "Considerations During the Drilling, testing, or completion of a Sour Gas Well".

The table on the next page lists various poisonous gases and the concentrations at which they become dangerous.

TOXICITY OF VARIOUS GASES

Common Name	Chemical Formula	Specific Gravity[1]	PEL (OSHA)[2]	STEL[3]	Lethal[4] Limit, ppm
Hydrogen Cyanide	HCN	0.94	10	150	300
Hydrogen Sulfide	H_2S	1.18	10	15 ppm	600
Sulfur Dioxide	SO_2	2.21	2	5 ppm	1000
Chlorine	CL_2	2.45	1		
Carbon Monoxide	CO	0.97	35	200/1 Hour	1000
Carbon Dioxide	CO_2	1.52	5000	5%	10%
Methane	CH_4	0.55	90000 (9%)	Combustible (Above 5% in air)	

[1] Air = 1.0

[2] **Permissible -** Concentration at which is believed that all workers may repeatedly be exposed, day after day, without adverse effect.

[3] **STEL -** Short Term Exposure Limit.

[4] **Lethal -** Concentration that will cause death with short-term exposure.

Ref: API RP-49, September 1974 - Reissued August 1978

PROPERTIES OF GASES

A. CARBON DIOXIDE

1. Carbon Dioxide (CO_2) is usually considered inert and is commonly used to extinguish fires. It is 1.52 times heavier than air and will concentrate in low areas of still air. Humans cannot breathe air containing more than 10% CO_2 without losing consciousness. Air containing 5% CO_2 will cause disorientation in a few minutes. Continued exposure to CO_2 after being affected will cause convulsions, coma, and respiratory failure.
2. The threshold limit of CO_2 is 5000 ppm. Short-term exposure to 50,000 ppm (5%) is reasonable. This gas is colorless, odorless, and can be tolerated in relatively high concentrations.

B. HYDROGEN SULFIDE

1. Hydrogen Sulfide (H_2S) is a colorless, transparent, flammable gas. It is heavier than air and, hence, may accumulate in low places.
2. Although the slightest presence of H_2S in the air is normally detectable by its characteristic "rotten egg" odor, it is dangerous to rely on the odor as a means of detecting excessive concentrations because the sense of smell is rapidly lost, allowing lethal concentrations to be accumulated without warning. The following table indicates the poisonous nature of H_2S.

CONCENTRATION			EFFECTS
% H_2S	PPM	GR/100 SCF[1]	
0.001	10	.65	Safe for 8 hours without respirator. Obvious and unpleasant odor.
0.0015	15	0.975	Safe for 15 minutes of exposure without respirator.
0.01	100	6.48	Kills smell in 3-15 minutes; may sting eyes and throat.
0.02	200	12.96	Kills smell quickly; stings eyes and throat.
0.05	500	32.96	Dizziness; breathing ceases in a few minutes; need prompt artificial respiration.
0.07	700	45.92	Rapid Unconsciousness; death will result if not rescued promptly.
0.1	1000	64.80	Instant unconsciousness, followed by death within minutes.

[1] Grains Per 100 Cubic Feet

Treatment Procedures for Hydrogen Sulfide Poisoning

A. Remove the victim to fresh air.

B. If breathing has ceased or is labored, begin resuscitation immediately. Note: This is the quickest and preferred method of clearing victim's lungs of contaminated air; however, under disaster conditions, it may not be practical to move the victim to fresh air. In such instances, where those rendering first aid must continue to wear masks, a resuscitator should be used.

C. Apply resuscitator to help purge H_2S from the blood stream.

D. Keep the victim at rest and prevent chilling.

E. Get victim under physician's care as soon as possible.

C. SULFUR DIOXIDE

1. Sulfur Dioxide (SO_2) is a colorless, non-flammable, transparent gas.

2. SO_2 is produced during the burning of H_2S. Although SO_2 is heavier than air, it can be picked up by a breeze and carried downwind at elevated temperatures. Since SO_2 is extremely irritating to the eyes and mucous membranes of the upper respiratory tract, it has exceptionally good warning powers in this respect. The following table indicates the toxic nature of SO_2:

CONCENTRATION		EFFECTS
% SO_2	PPM	
0.005	3 to 5	Pungent odor, normally a person can detect SO_2 in this range.
0.012	12	Throat irritation, coughing, constriction of the chest, tearing and smarting of eyes.
0.15	150	So irritating that it can only be endured for a few minutes.
.05	500	Causes a sense of suffocation, event with the first breath.

Resource Mgmt
8-1254

5/6/94 VISIT

L. LISA GEOGE GOV

8-3177 Jeremy CRAFT RM/ FDEP
Athens DIRECTOR IP 143

8-9380 C FLORIO RM/BG FDEP
BIO SCI I Rm 215

7-2219 ED GARRETT RM/BG FDEP
PG I

FDER Rm 110

Perry Jennings MMS
Inspector

504-736-2999 DL

736-2504

① MMS Study
Study by MMS by August 95 on environmental impact of air emissions from OCS activities includes LA & Texas (Central & western Mexico Gulf) Alabama and Texas
EPA will need to do Fl. and West Coast. Study started about a year ago. Overseeing the allowed types of models (SLAM, massopuff, CAL PUFF)
② The addition of sources to Parks impact on Class I areas

May 10, 1994

EPA REGION IV: OUTER CONTINENTAL SHELF ACTIVITIES
EASTERN GULF OF MEXICO
CHEVRON USA - DESTIN DOME PROJECT

I. Chevron USA Production Company

- Status Update *1:30-2:00*
  - --Destin Dome Block 97 Exploratory Drilling Operation
  - --Air Permit OCS-FL-001 Issues

- Summary and Overview *2:00-2:30*
  - --Future Drilling Activity in Destin Dome

II. Minerals Management Service

- Permit Requirements for a Development and Production Plan *2:30-2:45*

III. EPA Region IV

- Outer Continental Shelf Air Permit Requirements *2:45-3:15*
  - --Actual permit processing schedule
  - --Prevention of Significant Deterioration (Major Source) permit requirements and anticipated processing schedule
  - --Minor Source permit requirements and anticipated processing schedule
  - --Permit processing schedule adjustments

IV. Open Discussion/Follow-Up *3:15-3:45*

Pensacola
Geneva

Development Plan MMS (Don)

Interior Regulation 30, 30R requires a specific list of requirements to develop a well field

Production system
emergency shutdown
burning plan
oil spill contingency plan
Installation practices
Pipe laying operation

EIS process

STATE OF FLORIDA
DEPARTMENT OF ENVIRONMENTAL PROTECTION

ROUTING AND TRANSMITTAL SLIP

TO: (NAME, OFFICE, LOCATION)

1. ~~Holladay~~
2. ~~[illegible]~~
3. P. Adams-Jule Clemons
4.

Attached is some info from the Atlanta meeting 5/10/94

FROM: Preston

DATE 5/18/94

PHONE

08-18-93

Lisa George - GOV office and company want to mtg

OCS AIR PERMIT PROCESSING - #OCS-FL-001

ACTION	DATE	WEEKS
OCS Permit Application	MAY 14, 93	-
EPA Request Additional Information	JUN 15, 93	4
OCS Application-Technical Supplement	JUN 24, 93	1
EPA Request Additional Information	AUG 18, 93	8
OCS Application Complete	AUG 30, 93	2
EPA Technical Evaluation, Preliminary Determination, OCS Draft Permit	SEP 30, 93	4
Public Notice	OCT 3, 93	1
Public Hearing	NOV 3, 93	4
Public Comment Period Ends	NOV 8, 93	1
EPA Response To Comments Document and Final Determination	DEC 23, 93	7
OCS Final Permit	JAN 5, 94	2
Public Notice	JAN 10, 94	1
Federal Register Notice	JAN 11, 94	-
OCS Permit Effective	FEB 9, 94	4
TOTAL: (271 Days)		39

OCS Consistency Update		DAYS
Notice Of Intent Submitted	MAY 14, 93	-
Technical Supplement/NOI Update Submitted	JUN 24, 93	41
Notice of Proposed Consistency Update	SEP 17, 93 (75)	85
Comment Period Ends	OCT 18, 93	30
Notice of Final Consistency Update	NOV 8, 93	22
Consistency Update Effective	DEC 8, 93	30

PROBABLE TIMELINE FOR PROCESSING EPA-ISSUED FEDERAL PREVENTION OF SIGNIFICANT DETERIORATION (PSD) PERMITS

ACTION	SCHEDULE
PRE-APPLICATION MEETING	-
SUBMITTAL OF PERMIT APPLICATION	-
DETERMINATION OF COMPLETENESS	WITHIN 30 DAYS OF RECEIPT
NOTIFICATION OF APPROPRIATE FEDERAL LAND MANAGER (& Class I)	WITHIN 30 DAYS OF RECEIPT
PRELIMINARY DETERMINATION, DRAFT PSD PERMIT, AND NOTICE OF INTENT TO ISSUE OR DENY	120-150 DAYS AFTER APPLICATION IS DETERMINED TO BE COMPLETE (NRD)
PUBLIC COMMENT PERIOD	30 DAYS MINIMUM
NOTICE OF PUBLIC HEARING	UPON REQUEST
PUBLIC HEARING	30 DAYS AFTER NOTICE OF HEARING
RESPONSE TO COMMENTS AND FINAL DETERMINATION	30-45 DAYS AFTER END OF COMMENT PERIOD (NRD)
FINAL PERMIT DECISION	5 DAYS (NRD)
PERMIT EFFECTIVE DATE	30 DAYS AFTER NOTICE AND ISSUANCE OF DECISION IF CHANGES TO THE DRAFT PERMIT ARE REQUESTED DURING COMMENT PERIOD
ESTIMATED TOTAL:	*245-290 DAYS*

NOTE: MAXIMUM PROCESSING TIME MANDATED BY REGULATION IS ONE YEAR FROM DETERMINATION OF COMPLETENESS

NRD - NO REQUIRED DEADLINE

OCS AIR PERMIT PROCESSING - MINOR SOURCE

ACTION	REQUIREMENT	ESTIMATE (DAYS)
Notice Of Intent Submitted	-	-
Notice of Proposed Consistency Update	75 DAYS AFTER NOI	-
OCS Permit Application	AFTER PROPOSED CU	-
EPA Request Additional Information	AS REQUIRED	-
OCS Application Complete	30 DAYS (NRD)	*30*
Notification of Federal Land Manager	30 DAYS AFTER APPL	-
EPA Technical Evaluation, Preliminary Determination, OCS Draft Permit	AS REQUIRED	*60-90*
Public Notice	5-7 DAYS (NRD)	*5-7*
Public Hearing (*)	30 DAYS AFTER NOTICE	-
Public Comment Period Ends	30 DAYS (MINIMUM)	*30*
EPA Response To Comments Document and Final Determination	AS REQUIRED	*30-45*
OCS Final Permit	RA SIGNATURE	*5*
Public Notice	5-7 DAYS (NRD)	*5-7*
Federal Register Notice (*)	14-21 DAYS (NRD)	-
OCS Permit Effective	30 DAYS AFTER NOTICE UNLESS NO COMMENT REQUESTED CHANGE IN THE DRAFT PERMIT	*30*
ESTIMATED TOTAL:		*195-244*

* - IF REQUIRED
NRD - NO REQUIRED DEADLINE

DEVELOPMENTAL EIS FOR DESTIN DOME AREA

AFFECTED ENVIRONMENT

Physical

- Geology
- Meteorology
- Air Quality
- Physical Oceanography
- Chemical Oceanography
- Water Quality

Biological

- Coastal Habitats
- Offshore Habitats
- Endangered/Threatened Species
- Protected Species
- Coastal and Marine Birds
- Fish Resources

Other Activities

- OCS Oil and Gas Industry
- Socio-Economic Issues
- Marine Transportation
- Marine Fishing/Trawling
- Recreational Resources and Tourism
- Archaeological Resources
- Military Uses
- Coastal Zone Management
- Transportation Routes (Pipelines)

Other Impact Producing Factors may be identified through "Scoping" efforts with Industry, State, Federal, County/Parish, and Local entities.

Public Hearings will allow the "public" to comment on the Draft Developmental EIS.

The overall time line for the Developmental EIS is estimated to be approximately 2 1/2 years.

DEVELOPMENT AND PRODUCTION PLANS (30 CFR 250.34)

Jerry

Start when Plan is deemed complete

Within 20 working days,
Plan determined "Complete"

↓

Within 5 working days,
copy of Plan to Governor,
CZM agency, and local government

↓

60 days after receipt of Plan,
comments and recommendations are due

Fla will be able to comment here 90 days

↓

60 days after comment period
or 60 days after release of Final EIS,
Regional Supervisor shall
approve, require modification,
or disapprove the Plan

Dept of Commerce (Brown) may make the decision

Preston

Florida Department of
Environmental Protection

Twin Towers Office Building
2600 Blair Stone Road
Tallahassee, Florida 32399-2400

Lawton Chiles
Governor

Virginia B. Wetherell
Secretary

May 5, 1994

Mr. Winston A. Smith
Director
Air, Pesticides and Toxics
Management Division
EPA Region IV
345 Courtland Street, N.E.
Atlanta, Georgia 30365

Dear Mr. Winston:

RE: Outer Continental Shelf Air Program Delegation

The Florida Department of Environmental Protection declines delegation of the responsibilities of 40 CFR Part 55, Outer Continental Shelf (OCS) Air Regulations, as described in your April 26 letter.

Careful consideration was given to this delegation option, but it is believed that adoption of the rule would be difficult for the Department to implement at this time. Therefore, it is considered best that the air permitting program be retained by EPA.

Sincerely,

Howard

Howard L. Rhodes
Director
Division of Air Resources
Management

HLR/PL/bjb

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION IV
345 COURTLAND STREET, N.E.
ATLANTA, GEORGIA 30365

APR 26 1994

4APT-AEB

Mr. Howard L. Rhodes, Director
Air Resources Management Division
Florida Department of Environmental Protection
Twin Towers Office Building
2600 Blair Stone Road
Tallahassee, Florida 32399-2400

SUBJ: Outer Continental Shelf Air Program Delegation

Dear Mr. Rhodes:

This letter is to inform the Florida Department of Environmental Protection (Florida DEP) concerning delegation of the Outer Continental Shelf (OCS) air permitting program for OCS sources located within 25 miles of the State of Florida's seaward boundary. Delegation of the OCS permitting program is addressed in the federal OCS Air Regulations, 40 C.F.R. Part 55, Section 55.11. The criteria for OCS air program delegation is outlined in this correspondence, which will serve as the basis for our upcoming conference call, scheduled for April 28, 1994, from 10:00 to 11:00 a.m.

The OCS air regulations outline delegation under Section 55.11 as follows:

-- "The governor or the governor's designee of any state adjacent to an OCS source subject to the requirements of this part (may) submit a request to the [EPA] Administrator for authority to implement and enforce the requirements of this OCS program within 25 miles of the state seaward boundary, pursuant to Section 328(a)(3) of the [Clean Air] Act. Authority to implement and enforce Sections 55.5 [Corresponding onshore area designation], 55.11 [Delegation], and 55.12 [Consistency updates] of this part will not be delegated."

Delegation will include authority for the following sections of the OCS Air Regulations:

55.1 Statutory authority and scope
55.2 Definitions
55.3 Applicability
55.4 Requirements to submit a notice of intent
55.6 Permit requirements
55.7 Exemptions

55.8 Monitoring, reporting, inspections, and compliance
55.9 Enforcement
55.10 Fees
55.13 Federal requirements that apply to OCS sources
55.14 Requirements that apply to OCS sources located within 25 miles of states' seaward boundaries by state

-- "The Administrator will delegate implementation and enforcement authority to a state if the state has an adjacent OCS source and the Administrator determines that the state's regulations are adequate, including a demonstration by the state that the state has:

(1) Adopted the appropriate portions of this part into state law;

(2) Adequate authority under state law to implement and enforce the requirements of this part. A letter from the State Attorney General shall be required stating that the requesting agency has such authority;

(3) Adequate resources to implement and enforce the requirements of this part; and

(4) Adequate administrative procedures to implement and enforce the requirements of this part, including public notice and comment procedures."

Sources within 25 miles of states' seaward boundaries are under EPA jurisdiction until a source locates within this area, after which, the appropriate state or local agency can request delegation from EPA. Under the OCS air regulations, EPA must permit the first source before a delegation of the Part 55 authority can take place. The Chevron U.S.A. Production Company received a final, effective OCS air permit (Number OCS-FL-001) on February 9, 1994, for exploratory, natural gas drilling in Destin Dome Block 97 offshore Pensacola, Florida. This Chevron facility is an adjacent OCS source to the State of Florida.

The State of Florida must adopt the appropriate portions of 40 C.F.R. Part 55 into state law. The Attorney General of the State of Florida must submit a letter to EPA stating the Florida DEP has the authority to implement and enforce the requirements of 40 C.F.R. Part 55. The Florida DEP must submit information documenting their adequate resources and administrative procedures to implement and enforce the OCS requirements to EPA for review.

The [illegible] of the Administrator's final action on a request for delegation within 6 months of the receipt

of the request."

-- "If the Administrator finds that the state regulations are adequate, the Administrator will authorize the state to implement and enforce the OCS requirements under state law. If the Administrator finds that only part of the state regulations are adequate, he [or she] will authorize the state to implement and enforce only that portion of this part."

-- "Upon delegation, a state may use any authority it possesses under state law to enforce any permit condition or any other requirement of this part for which the agency has delegated authority under this part. A state may use any authority it possesses under state law to require monitoring and reporting and to conduct inspections."

EPA Region IV or the Florida DEP shall consult with the Minerals Management Service (MMS) and the U.S. Coast Guard (USCG) prior to inspections. This shall in no way interfere with the ability of EPA or the Florida DEP to conduct unannounced inspections.

-- "Nothing in this part shall prohibit the Administrator from enforcing any requirement of this part."

The primary responsibility for enforcement of the OCS air regulations delegated to the Florida DEP shall rest with the Florida DEP. Nothing in this agreement shall prohibit EPA from enforcing the OCS requirements of the Clean Air Act, the OCS air regulations, or the terms and conditions of any permit issued by the Florida DEP pursuant to this agreement.

In the event the Florida DEP does not enforce a provision of this delegation with respect to a source subject to the OCS air regulations, the Florida DEP shall immediately notify EPA Region IV. Failure to notify EPA Region IV does not preclude EPA from exercising its enforcement authority.

-- "The Administrator will withdraw a delegation of any authority to implement and enforce any or all of this part if the Administrator determines that: (1) The requirements of this part are not being adequately implemented or enforced by the delegated agency, or (2) The delegated agency no longer has adequate regulations as required by Section 55.11(b) of this part."

If the Florida DEP adopts revisions to the state regulations reviewed by EPA and found to meet the requirements set forth at Section 55.11 for delegation, the parties may amend the agreement or EPA may take steps to revoke the delegation in whole or in part. Any amendments to regulations submitted

by the Florida DEP to meet the requirements of Section 55.11 shall not be applied under this agreement until EPA has reviewed such amendments and determined that they are still adequate to implement and enforce the delegable portions of 40 C.F.R. Part 55.

This delegation, after consultation with the Florida DEP, may be revoked in whole or in part if EPA determines that the Florida DEP no longer meets the requirements for delegation set forth at Section 55.11(b)(1)-(4). Any such revocation shall be effective as of the date specified in a Notice of Revocation to the Florida DEP.

-- "Any information obtained or used in the administration of a delegated program shall be made available to EPA upon request without restriction. If the information has been submitted to the delegated agency under a claim of confidentiality, the delegated agency must notify the source of this obligation and submit that claim to EPA. Any information obtained from a delegated agency accompanied by a claim of confidentiality will be treated in accordance with requirements of 40 C.F.R. Part 2."

-- "A decision by a delegated agency to grant or deny an exemption request may be appealed to the Administrator in accordance with Section 55.7 of this part."

Florida shall transmit to EPA Region IV, MMS, and the USCG, a copy of any permit application that includes an exemption request, or the request for exemption if no permit is required, within 5 days of its receipt.

Florida shall consult with MMS and the USCG to determine whether the exemption under Section 55.6(a)(2) will be granted or denied.

If MMS and the USCG do not reach a consensus decision within 90 days from the day the Florida DEP received the exemption request, the request shall automatically be referred to EPA who will process the referral in accordance with Section 55.7(f)(3). The Florida DEP shall transmit to EPA within 91 days of its receipt, the exemption request and all materials submitted with the request, such as the permit application or the compliance plan, and any other information considered or developed during the consultation process.

The Florida DEP will process exemption requests submitted with an approval to construct or permit to operate application in accordance with the procedures outlined in 40 C.F.R. Part 55.

In addition to the guidelines outlined in the OCS air regulations, this delegation will encompass the following general conditions:

1. The Florida DEP shall implement and enforce the federal requirements of Section 55.13 as well as the applicable state requirements contained in Section 55.14. Notwithstanding this, EPA retains authority for implementation and enforcement of the Prevention of Significant Deterioration requirements of Part C of the Clean Air Act and Section 52.21.

2. The Florida DEP will require that the applicant send a copy of any permit application required by Section 55.6 to the EPA Regional Office at the same time as the application is submitted to the Florida DEP.

3. The Florida DEP shall send a copy of any public comment notice required under Sections 55.6, 55.13, or 55.14 to the EPA Regional Office and MMS.

4. The Florida DEP shall send a copy of any preliminary determination and any final permit action required under Sections 55.6, 55.13, or 55.14 to the EPA Regional Office at the time of the determination and shall make available to EPA any materials used in making the determination.

5. The Florida DEP shall provide written notice of any permit application from a source, the emissions from which may affect a Class I area, to the Federal Land Manager of that area.

6. The Florida DEP shall request EPA guidance on any matter involving the interpretation of Section 328 of the Clean Air Act, the delegated sections of the OCS air regulations or any other provision of 40 C.F.R. Part 55 to the extent that implementation, review, administration, or enforcement of these provisions has not been covered by determination or guidance sent to the Florida DEP.

7. Pursuant to its authority under the Clean Air Act, EPA may review permits issued by the Florida DEP under this agreement to ensure consistency with the time frames and requirements of the federal regulations.

8. EPA shall retain authority to implement and enforce all requirements for OCS sources located beyond 25 miles from the states' seaward boundaries.

9. This delegation may be amended at any time by the formal written agreement of both the Florida DEP and EPA including

Polly 1/10/94
Administrative
Record of Comments on
CHEVRON OCS
Air Permit issued
by EPA. a separate
file should be set up
on INTENT, FINAL &
Summary of Comments Prentice

copy : cc middleswart

Chevron

Chevron U.S.A. Production Co.
Special Projects Group
935 Gravier Street
New Orleans, LA 70112

H. J. Colligan
Manager

February 24, 1994

Chief
Air Enforcement Branch
Air, Pesticides, and Toxics
Management Division
U. S. EPA Region IV
345 Courtland Street NE
Atlanta, GA 30365
Attention: Southern Compliance Unit

Bureau of Air Regulation
Florida Department of
Environmental Regulation
Twin Towers Office Bldg.
2600 Blairstone Road
Tallahassee, FL 32399-2400

RECEIVED
MAR 2 1994
Bureau of
Air Regulation

Chevron U.S.A. Production Company Inc.
OCS-FL-001 - Destin Dome Block 97

Gentlemen:

Please accept this letter as Chevron's notification under Section 7 of the specific conditions of the above referenced permit. Chevron is currently in the process of towing the rig to the location where the drilling will take place. The rig will be anchored on location with the superstructure of the rig being jacked to a height where drilling operations can occur. Drilling will commence shortly after the rig is moved to location and jacked up. If you have any questions, please do not hesitate to contact me.

Sincerely,

H. J. Colligan

DLD/paf:120
cc: Minerals Management Service
L Middleswart

BAR
Mailed 1/21

Florida Department of
Environmental Protection

Lawton Chiles
Governor

Twin Towers Office Building
2600 Blair Stone Road
Tallahassee, Florida 32399-2400

Virginia B. Wetherell
Secretary

January 24, 1994

Ms. Rita Manley
Post Office Box 3683
Pensacola, Florida 32516

Dear Ms. Manley:

Governor Chiles has asked us to respond to your November 5, 1993 letter about use of the 1990 Federal Clean Air Act to establish stricter air emission standards for off-shore oil and gas drilling.

The Chevron air permit for the exploratory gas drilling platform has been issued by the United States Environmental Protection Agency according to federal regulations. The major air emissions from off-shore drilling come from the diesel motors on the platform, ships servicing the platform and the gas flares. Most of the drilling is expected to take place more than 25 miles from the coast. Therefore, air emissions from these sources are expected to have minimal effect on Florida's air quality.

Thank you for your interest in Florida's environment.

Sincerely,

Howard L. Rhodes

Howard L. Rhodes, Director
Division of Air Resources
Management

HLR/pl/b

RECEIVED

DEC 28 1993

Division of Air
Resources Management

Office Of The Executive Director
Correspondence Control

Rec. # 93-002648

Subject: FED CLEAN AIR ACT — Logged: 12/27/93

Author: RITA MANLEY — Written: 11/05/93

Keyword: PENSACOLA — Assignment: AIR RES — Due: 01/11/94

Instructions: RESPOND — Gov. Ref. Number 316263

Assigned by: JACK PONS (SunCom 278-1554)

DUE TO HCK 1/7

P. 1

4 pages total

Rita Manley
PO Box 3683
Pensacola, Fl
32516
November 5, 1993

Governor Chiles
The Capitol - Tallahassee
Florida 32301

Dear Governor Chiles,

This letter is concerning the information I sent you on the Federal Clean Air Act. of Nov. 1990. I sent you a copy of the Clean Air Act in September, this year. Did you receive this?

The Federal Clean Air Act of Nov. 1990 states that the governor of the individual state has the authority to adopt stricter standards for air pollution emission standards than what is already allowed in the Federal Clean Air Act of Nov. 1990.

Lago Mar

1/3

John Preston

John
Pls review
draft attached
Preston

pls. draft response! 1/3/94

The legislature must approve all state rules that are more stringent than federal standards - we seldom do this. Also, since EPA, not us, issuing permit, we need to address this.

Due HR 1/7

Clay

TELEPHONE (305) 523-6511
1700 S. OCEAN LANE, FORT LAUDERDALE, FLORIDA 33316
FAX (305) 523-6511

Buron
Attachments for
the ltr E-mailed
to you
Preston

l.2

. Governor Chiles,

Any oil/gas rig emits H_2S, SO_2 and NO_2 and benzene as air pollution into the atmosphere.

According to the Federal Clean Air Act of Nov. 1990 — the state of Florida has the authority to adopt much stricter standards — for example only 0.005 mg H_2S, SO_2 or NO_2 allowed off oil/gas rigs in the Gulf of Mexico.

And the Federal Clean Air Act of 1990 also states for any oil/gas rigs on outer continental shelf — — the rigs only have 180 days to be in compliance with the Federal Clean Air Act standards set by the State of Florida. If not in compliance within 180 days — the oil/gas rig will be fined $25,000 per day.

PO Box 3683
Pensacola, FL
32516

1st Class

Governor Chiles
The Capitol - Tallahassee
Tallahassee, FL
32301

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PM
32501

USA
29

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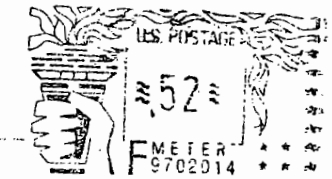
OFFICE OF THE GOVERNOR
93 NOV 10 AM 10:27

p.3/

Governor Chiles,

If you would set higher standards than what is currently mentioned in the Federal Clean Air Act, like for SO_2, NO_2 H_2S — only 0.005mg allowed — then there is no way that Chevron's oil or gas rig could be in compliance within 180 days. Then Chevron would be fined $25,000/per day until they comply. However if the State of Florida set limits for H_2S SO_2, NO_2 like 0.0005mg there is no way they could comply — and so would be fined $25,000 per day.

STATE OF FLORIDA
DEPARTMENT OF ENVIRONMENTAL REGULATION
TWIN TOWERS OFFICE BUILDING
2600 BLAIR STONE ROAD
TALLAHASSEE, FLORIDA 32399-2400
ADDRESS CORRECTION REQUESTED



DEPT OF ENVIRONMENTAL REGULATION
HOWARD RHODES
TWIN TOWERS OFFICE BUILDING
2600 BLAIRSTONE ROAD
TALLAHASSEE FL 32399-2400

p.4

·Governor Chiles, if the oil company Chevron realizes it will cost them $25,000 per day of penalties for non-compliance — then it wouldn't be profitable for Chevron to drill — they would lose money.

Because according to the Federal Clean Air Act, oil/gas rigs in the ocean only have 180 days to be in compliance with State mandated — Federal Clean Air Act standards.

Please reply if you received this letter + the earlier correspondence in Sept.

Thank you. Rita Manley

FILE w/Permit

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION IV
345 COURTLAND STREET, N.E.
ATLANTA, GEORGIA 30365

RECEIVED
JAN 07 1994
Bureau of
Air Regulation

JAN - 6 1994

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JAN
Bureau of
Air Regulation

4APT-AEB

Mr. Preston Lewis
Air Permitting Branch
Florida Department of Environmental
Protection
Twin Towers Office Building
2600 Blair Stone Road
Tallahassee, Florida 32399-2400

Re: Chevron U.S.A. Outer Continental Shelf Air Permit

Dear Mr. Lewis:

Enclosed you will find the final permit administrative record for Outer Continental Shelf Air Permit Number OCS-FL-001 for the Chevron U.S.A. Production Company, for a temporary, exploratory operation in Destin Dome Block 97. This administrative record includes the final permit and other information submitted to, or otherwise considered by, the U. S. Environmental Protection Agency (EPA) in preparing the permit. Please make this administrative record available to the public for inspection beginning on the date of receipt and continuing until February 10, 1994.

Thank you for your assistance. If you should need additional information, do not hesitate to contact me at (404) 347-5014.

Sincerely yours,

R. Scott Davis

R. Scott Davis
Source Evaluation Unit
Air Enforcement Branch
Air, Pesticides and Toxics
Management Division

Enclosure

WW

1 copy for district

1/10/94 Send to Ed Middlesworth

copy made + mailed — Barb

RECEIVED

FILE WITH Permit

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION IV

345 COURTLAND STREET, N.E.
ATLANTA, GEORGIA 30365

JAN - 6 1994

Summary of Permit Comments & Final Determination with Permit intent

DARM/BAR 1/10/94

4APT-AEB

TO: Public Commentors and Public Hearing Participants

Re: Final Outer Continental Shelf Air Permit Decision, Chevron Exploratory Operation in Destin Dome Block 97

Dear Sir or Madam:

Enclosed is the Final Determination, Response to Comments Document, and Outer Continental Shelf Air Permit OCS-FL-001 for the proposed exploratory, natural gas drilling operation by the Chevron U.S.A. Production Company in Destin Dome Block 97. Outer Continental Shelf Air Permit OCS-FL-001 will be effective 30 days from the date of service of notice of the final air permit decision. Service of notice of the decision is being accomplished through this correspondence and by the publication of notices in the Miami Herald, Orlando Sentinel, Pensacola News-Journal, Tallahassee Democrat, and Tampa Tribune. The anticipated publication date is January 10, 1994.

Appeal procedures concerning this Outer Continental Shelf air permit are outlined in Title 40 of the Code of Federal Regulations, Part 124, Section 19 (40 C.F.R. Section 124.19). If you have any questions, please contact either Mr. Scott Davis of my staff at (404) 347-5014 or Mr. Alan Dion of the Office of Regional Counsel at (404) 347-2335, ext. 2131.

Sincerely,

Bruce P. Miller for

Winston A. Smith, Director
Air, Pesticides, and Toxics
Management Division

Enclosure

RESPONSE TO COMMENTS DOCUMENT

FOR

PUBLIC COMMENT PERIOD AND PUBLIC HEARING

FOR

Chevron U.S.A. Production Company, Inc.

Offshore Exploratory Drilling Operation In
Destin Dome Block 97

Outer Continental Shelf Air Permit

Permit Application Number

OCS-FL-001

United States Environmental Protection Agency

Region IV

Atlanta, GA

Prepared on December 23, 1993

Prepared By: R. Scott Davis

The "Notice of Proposed Outer Continental Shelf Air Permit, Public Comment Period and Public Hearing" for the draft Outer Continental Shelf air permit (Reference OCS-FL-001) for a proposed offshore exploratory drilling operation in Destin Dome Block 97 by the Chevron U.S.A. Production Company, Inc., was published in the Orlando Sentinel, Pensacola News-Journal, and Tallahassee Democrat on October 3, 1993 by the Region IV Office of the U.S. Environmental Protection Agency (EPA). The comment period closed on November 8, 1993. A public hearing on the proposed Outer Continental Shelf air permit was held in Pensacola, Florida on November 3, 1993. Significant comments presented in writing during the public comment period and at the public hearing were reviewed by EPA Region IV and considered in the formulation of the final decision regarding the proposed Outer Continental Shelf air permit. This document responds to and summarizes these comments and identifies the changes, if any, that have resulted in the Outer Continental Shelf air permit.

WRITTEN COMMENTS

Comment 1: **The following comment was on a postcard addressed to EPA Administrator Carol Browner:**

President Bill Clinton and Vice President Al Gore promised to protect Florida from offshore drilling. Now you have a chance to make good on that promise. Don't issue an air permit for Chevron that: allows emissions of gases that cause acid rain and global warming, sets a dangerous precedent for other rigs off our coast, doesn't take cumulative environmental impacts into consideration. As a Floridian you know better than most people in Washington that our coastline can ill-afford drilling. We're counting on you to take the lead in proving that the Clinton administration will keep its promise to protect our coast.

Commenter(s): A total of 2338 individual postcards were signed and submitted by residents and visitors of Florida.

Response: The General and Specific Conditions listed in the draft Outer Continental Shelf air permit will assure compliance with all the applicable requirements of Chapter 17-296 (Stationary Sources - Emission Standards) and Chapter 17-297 (Stationary Sources - Emissions Monitoring), of the Florida Administrative Code. The permit will allow for no violation of any applicable state or federal rule or regulation.

This will not be the first permit for exploratory drilling offshore Florida. Two exploratory rigs in Destin Dome 56 were permitted by the Minerals Management Service of the U.S. Department of the Interior in 1987 and 1989. Chevron completed exploratory drilling operations at these sites in January 1988 and January 1991.

An air quality impact analysis was completed for this proposed source, although air quality modeling is not required for minor source air permits in the State of Florida. The analysis used EPA-approved models and determined impacts to onshore areas, including federal Class I areas. The maximum impacts from this proposed source are substantially below all federal and State of Florida ambient air quality standards and below the significant impact levels. Cumulative environmental impacts are determined during the application phase for new sources. For the Chevron Outer Continental Shelf air permit application, there are no existing exploratory or production drilling sources in the area of proposed operation. On the basis of the analysis completed for this proposed source, no adverse impacts to air quality would occur.

Comment 2: **The following comment was on a postcard addressed to Interior Secretary Babbitt:**

President Bill Clinton and Vice President Al Gore promised to protect our coast from offshore drilling. Its [sic] time for you to make good on that promise. It is not worth risking our coastal ecosystems, beautiful beaches, and tourist-based economy to increase the nation's gas supplies less than 1%. We can do better by increasing energy efficiency and renewables. Drilling off Florida will not solve our nation's energy problems, but it could devastate our coastline. I urge you to suspend the Chevron drilling permit to drill off Pensacola granted by the Bush Administration and suspend any further leasing or drilling off our coast.

Commenter(s): A total of 109 individual postcards were signed and submitted by residents and visitors of Florida.

Response: The Application for Permit to Drill for Chevron exploratory drilling at Destin Dome Block 97 was approved by the Minerals Management Service of the

U.S. Department of the Interior on January 20, 1993. This approval is presently in effect, therefore this comment is not relevant to the draft Outer Continental Shelf air permit. No issues or arguments were raised concerning the draft Outer Continental Shelf air permit.

Comment 3: The following comment was on a postcard addressed to Interior Secretary Babbitt:

Floridians are united in opposing offshore oil and gas drilling. Please heed our wishes, stand up to the big money oil and gas industry and protect our coast from offshore drilling. Florida has a very sensitive coastline, made up of coral reefs, beaches, wetlands, bays, estuaries, marshes and ecosystems not compatible with proposed oil and gas drilling. Oil companies have already leased 305 tracts off our coast, most clustered near the fragile Florida Keys and the beautiful beaches of the Florida Panhandle. Therefore I urge you to: reverse the Bush Administration approval of the Chevron drilling permit off Pensacola Beach, place a 3 year ban on drilling off the Florida Panhandle and set up a study committee to assess the environmental impact of drilling off the coast of Florida, cancel the 73 existing leases off the Keys, and ban further oil and gas leasing off the Florida coast.

Commenter(s): A total of 12 individual postcards were signed and submitted by residents and visitors of Florida.

Response: See response to Comment 2.

Comment 4: The following comment was on a petition addressed to President Clinton:

We urge you to protect Florida's coast from offshore oil and gas drilling. Florida's fragile and beautiful coastal environment is not compatible with oil and gas drilling. The crystal clear water of the Florida Keys is home to the only living coral reef north of the Equator. Our beaches are world famous, and the estuaries and marshes of the Panhandle support a multi-million dollar commercial and recreational seafood industry. As a candidate you criticized President Bush for not protecting Florida's entire coast from oil and gas drilling. We therefore urge you to support the following: declare a permanent ban on any further oil and gas drilling and leasing

off the Florida coast, immediately cancel and buy back of the 73 existing leases off the Keys, place a 3 year ban on drilling off the rest of the Florida coast and set up a study committee to assess the environmental impact of drilling off the rest of the coast before deciding how to proceed, and reconsider the Bush Administration decision to approve a Chevron drilling permit for oil and gas drilling off Pensacola Beach. Thank you for your time and support.

Commenter(s): This petition was signed by a total of 6719 residents and visitors of Florida.

Response: See response to Comment 2.

Comment 5: The following comment was included in resolutions submitted to EPA:

Whereas, Florida is a peninsular state, has a very delicately balanced ecological system of coral reefs, beaches, wetlands, bays, estuaries and marshes; and whereas, preservation and conservation of our natural resources are critical to Florida's environmental and economic future; and whereas, offshore drilling, pipeline construction and installation cause significant damage to seagrass, coral reefs, mangroves, beaches, wetlands; and whereas, the detrimental effects of offshore drilling will negatively impact the State of Florida. Now, therefore, be it resolved that _____ urges President Bill Clinton, Governor Lawton Chiles, the United States Congress and the Florida Congressional Delegation to support a permanent ban on oil and gas drilling and leasing in the Eastern Gulf of Mexico, cancellation and buy back of the 295 existing leases off the Florida coast, and reconsider the Bush Administration to approve a Chevron drilling permit for oil and gas drilling off of Pensacola Beach.

Commenter(s): A copy of this resolution was received from the following 80 sources:

William Will,
  Zulay Imports
Frank Reque,
  Yellow Cab/Tucker Black & White Cab
Paul Heindl,
  The Window Factory
Doctor Dan J. Bruno,

Drs. Willis & Hutchins Chiropractic Clinics
James C. King,
Treasure Chest
Daniel W. Bogan,
Travelhost Magazine
Philip Atkinson,
Sun Ray Taco Shop
Milda Van Zant,
Strega Nona's Bakery & Cafe
Dot Waldon,
State Farm Insurance
Carolyn G. Stebbins,
Billy Bob's Barbeque
Leslie Eugene Bogan,
Real Estate House, Inc.
David Bogan,
Surfari Surf Club
Peggy Pope,
Cable Vision Systems
Bob Hendrickson,
Advantage Printing
Carla Dedolph,
Adventure World Travel
Art Dedolph,
Adventure World Travel
Kenneth Willison,
Gulf Coast Environmental Defense
Sue Working,
Gulf Breeze Framery & Gallery
Yoko Dalk,
Flowers By Yoko
W. McGuire Martin,
Free Beer Tomorrow, Inc.
Gertrude W. Cowen,
Fant-A-Sea
Kenneth R. Hollinhead,
Buzz-Ken Family Campers
Clayton Daily,
Ever'man Natural Foods Cooperative
Elisabeth Barber,
Don Barber Cars, Inc.
Diana Kinsey,
The Dolphins' Smile
Eddie Stewart,
Eddie Stewart's Cutters
Maretta Schroeder,
The Creamery
L. Aleff,
Coastal Creations
Hal L. Holston, Jr.,
Chip's Gym
Louisa Seyer,

Cagan Management Group, Inc.
Trudy Ross,
Botanicals
Debbie H. Taylor,
Bon Voyage Travel Agency, Inc.
Cynthia Caldwell,
Bodykneadwork
Kenneth L. Williams, D.C.
Baybridge Chiropractic Clinic
Gary Carlson,
American Building Components, Inc.
Charles Lillo,
Lillo's Italian Restaurant, Inc.
Jim M. Daniel,
Gulf Coast Radiation Oncology
Pat Jackson,
Giftronics
Jack Cale,
Go Fish Clothing
David L. Taylor,
Happy Days Again
Gwinn Solerig,
A Healing Touch
Doctor Allen J. Patton, M.D.,
Hematology-Oncology Associates, P.A.
Doctor Thomas B. Tan, M.D.,
Hematology-Oncology Associates, P.A.
Doctor Elmer P. Brestan, M.D.,
Hematology-Oncology Associates, P.A.
Yancy Spencer,
Innerlight, Inc.
Jean Cartis,
Island Sundry Shop
James D. Waters,
The Islander Newspaper
Michael Kenney
Linda Mertig,
Ladies' Quarter of Harbourtown
Robert Donijo,
Mamas Pizza
Richard E. Wells,
The Marina Restaurant
Norman Jilember,
Mr. Norman's
Phyllis Ham,
Birkenstock Store
Candace M. Laurence,
Nicole's Hallmark
Richard Deaton,
Navarre Bait & Tackle
Jamie Williams,
The New Age Shop

Jeanette B. Rees,
Needle Delights
Eric L. Frank, D.C.,
New Life Chiropractic Centre
Lisa E. Fletcher, D.M.D.,
Santa Rosa Family Dentistry
Eilene Beard,
Scuba Shack
Pensacola Charter Boat Association
Sonja Tilley,
Secondhand Rose
Teresa Johnson,
Sluggo's
R. Smith,
Smith Business Services, Inc.
Merl Scoroni,
Sand Castles Realty
Linda Williams,
Sand Castles Realty
Phil Fennell,
Salon Fennell
John W. Purinton,
Purinton, Inc.
Peter Gottschall,
Progressive Realty
Karen Cook,
Professional Realty
Patricia Wilson,
Professional Hearing Aid Center
David L. Ross,
Professional Accounting Services
Noel Trainor,
The Perfumery
N. Aleff,
Pack-Right Company
Terry J. Wallace, D.C.,
New Life Chiropractic Centre
John Westmark
Eric Nelson
Doctor Sandra L. Adams, Ph.D.
Chan's Saloon & Eatery
Amberjack's Gulfside Cafe and Grill
Chan's Market Cafe and Liquors

Response: See response to Comment 2.

Comment 6: The following comment was included in resolutions submitted to EPA:

Whereas, Florida is a peninsular state, has a very delicately balanced ecological system of coral reefs, beaches, wetlands, bays, estuaries and

marshes; and whereas, preservation and conservation of our natural resources are critical to Florida's environmental and economic future; and whereas, offshore drilling, pipeline construction and installation cause significant damage to seagrass, coral reefs, mangroves, beaches, wetlands; and whereas, the detrimental effects of offshore drilling will negatively impact the State of Florida. Now, therefore, be it resolved that _____ urges President Bill Clinton and Interior Secretary Bruce Babbitt to: complete the studies necessary to assess the social, economic and environmental impacts of oil and gas activities off the Florida Panhandle; institute a ban of at least three years on drilling or development on existing leases off the Panhandle until all studies are completed; cancel and if necessary, buy back the 73 existing leases off the Florida Keys as part of the 10-year drilling ban established by the federal government in 1990; reconsider a previous decision to approve an exploratory drilling permit for Destin Dome Block 97, 27.5 miles off Pensacola Beach; and adopt a permanent ban on any further leasing off the Florida Coast.

Commenter(s): A copy of this resolution was received from the following 131 sources:

Mayor Walter E. Thomas,
City of Destin, Florida
Mayor Harry V. Montague,
City of Shalimar, Florida
Commissioner Steve Del Gallo,
Escambia County, Florida Commission
Commissioner W.A. Lee,
Escambia County, Florida Commission
Commissioner D.M. Whitehead,
Escambia County, Florida Commission
Commissioner Willie J. Junior,
Escambia County, Florida Commission
Commissioner John T. Reading, Jr.,
Escambia County, Florida Commission
Ronald L. Sparks,
Patio Pipe
Gerry Goldstein,
New South Press
Tracy L. Jones, P.T.,
Sports Rehabilitation & Physical Therapy Clinic
Ann K. Behrends, P.T.,
Center for Orthopedic and Sports Therapy
Sandy N. Cole,

North Hills Rehabilitative Services, P.A.
Lois Petty,
Advocare, Inc.
Mindy K. Myers,
Advocare, Inc.
Gregory A. Ellis,
Advocare, Inc.
R. Brent Maggio,
Advocare, Inc.
Jason Harvey,
Jack Harvey's Imports
David Cole,
Therapy Equipment of Florida
Ted G. Chapin,
Destin Hospital
Doctor Kurt A. Krueger, M.D.
Comprehensive Pain Relief Management, P.A.
Darrell Keith Sedgwick,
The Sound Box
David Pan,
Dolphin Printing & Graphics
Willis Mullet,
Wayne-Dalton Corporation
Dick Tanner,
Sunset Lodge
Steve Bensson,
Patex International, Inc.
Mike Mead,
Surf & Sail
David Dodson,
Weatherford's
Josh Rubin,
Rubin's Reef
John L. Williams,
Father & Son Carpet Care
Sandy Williams,
Father & Son Carpet Care
Louis McMilion,
Zimmer
Doctor Andrea Tirscott,
Gulf Breeze Pain Management
Howard Winters,
PMI Employee Leasing
J. Randall Duke,
The Phoenix Network
Thomas J. Henriques,
Hamlin Company
Robert H. Allen,
Pensacola Motor Company
John W. Nobles,
Horizon Bank of Florida
Tom Huston,

Surf Service
Art Minor,
Gulf Breeze Appliance Repair
Wayne R. Bond,
Bond Opticians, Inc.
Lynn R. Wheelus,
Rein's Formal Wear
Karen Brisch Saucien,
Brisch's
Pauline Stack,
Floral Tree Gardens
Pearson Stack,
Floral Tree Gardens
Robert Laliberty,
Koby's Hallmark Shop
Wilton F. Glover,
Scenic Olive Discount Drugs
Kevin Booth,
All About Balloons
Lynnette M. Eckes,
Pensacola Beach Residents and Leaseholders Assn.
Samuel M. Tucker,
Comucomp International
Robert E. Wright,
Big 10 Tires
Colleen Wragg,
Video Box Office
Daniel A. Robinson,
Robinson's Automotive Center
Michael B. Roesch,
PIP Printing
Clay Roesch,
PIP Printing
Sandi S. Moppie,
Robby's Pawn
Rene Mobley,
Mobley Management
Kim B. Burge,
Lakeview, Inc.
Carolina Booth,
Jean's Formal Wear
Edna Harris,
Hair Magic
Linda Collinsworth,
Hair Magic
Gerald Mandel,
DLUX Printing
Loretta C. Allen,
Bay Breeze Nursing & Retirement Center
John F. McCullen,
Bay Breeze Nursing & Retirement Center
Helen Forness,

Bay Breeze Nursing & Retirement Center
Raymond Huckaby,
Bay Breeze Nursing & Retirement Center
Kay Drake,
Bay Breeze Nursing & Retirement Center
Nancy Sprill,
Bay Breeze Nursing & Retirement Center
Julie A. Hall,
Bay Breeze Nursing & Retirement Center
Conna O'Donnan,
Advocare
Jo A. Hall,
Advocare
John Yauger,
John Yauger Building Contractor
Frances Dunham,
Frances Dunham Graphic Design
Nancy Nunnally,
Bank of the South
Kelly Brown,
Fitness Is Our Racquet
Jeff L. Ray,
Lakeview Center, Inc.
Dionne Parker George,
Lakeview Center, Inc.
L. Erik Sternung,
Lakeview Center, Inc.
Michael T. Martin,
Lakeview Center, Inc.
Malinda Thomason,
Elegant Touch Salon, Inc.
Kelli R. Wilson,
Elegant Touch Salon, Inc.
Markie Esqueda,
Elegant Touch Salon, Inc.
Amy Armstrong,
The Meridian
Debbie McDonald,
Adventure World Travel
Jerry Lagos,
Georges Marine Electronics
Jim King,
Kingco, Inc./Treasure Chest
Harold Harvey,
Harvey's Seafood
Christine M. Burmeister,
Gulf Breeze Title and Closing Services
Priscilla Liddle,
Gulf Breeze Properties
Jim Rigby,
Gulf Aire Motel
Joe Endry,

JME Realty
Jack White,
Captain Jack's Seafood Shack
Charles Norwood,
Norwood Marine Center, Inc.
Richard Scotto,
Scotto's Ristorante Italiano
Mary W. Anderson,
Psychological Associates, P.A.
Donna Bower,
Carion Suites Resort and Convention Center
Vicky S. Carlson,
Gulf Breeze Title & Closing Services
Cassie J. Price,
Gulf Breeze Title & Closing Services
L.E. Williams,
Graphic Arts
Arthur R. Repel,
Kwik & Kopy Printers
Mark Lyons III,
AMI, Inc.
Denise M. Biggs,
Nicole's Hallmark
Manny Friedman,
Pedal Power
Gary Hawkins,
GMR
Bruce E. McAlpin,
Best Western Pensacola Beach
Winston Henley,
Floral Tree Gardens
John Babb,
Kents Special Events
Steve Robinson,
White Oak Boatworks
Joe Teal,
Waterboyz Surfboards
Michael O'Donovan,
O'Donovan Homes
A. Priest,
Sun Ray Taco Shop
Charles Sunovoy,
Scarlett & Rhett's
Fernando Chavez,
Los Rancheros #2
Millie Bean,
Quincy's Steak House
Richard Hamilton,
Pete Moore Chevrolet
Debra Newberry,
Salon Solice
Geraldine Vaurigaud,

Florida's Therapeutic Massage School
Mary M. Guetherman,
Paradise Bait & Tackle
Christine M. Francis,
Calico Creations
Julian B. MacQueen,
Innisfree Hotels
Becky Serio,
Sal's T-Shirt Company
Mike Mead,
Surf & Sail
Philip A. Payne, D.D.S.
Fairfield Dental Center
L.C. Moore, D.V.M.
Pensacola Veterinary Hospital
Buddy DeShazo,
D&D Auto Sports
DeWayne L. Musick,
DeSoto Speedway
Pamela Dee Elliott,
Anchor Court Reporting
Kelly K. McGraw,
Public Defender's Office
Kerry Freeland,
Gulf Coast Pro Dive, Inc.
Raymond C. Varlsty,
Chamber of Commerce of Destin, Florida
Christine Lanier
Island Sundry Shop

Response: See response to Comment 2.

Comment 7: The following comment was included in resolutions submitted to EPA:

Whereas, Florida has a very delicately balanced ecological system of coral reefs, beaches, dunes, mangroves, wetlands, bays, estuaries, and marshes; and whereas, preservation and conservation of our natural resources are critical to Florida's environmental and economic future; and whereas, offshore drilling brings routine pollution and the risk of a catastrophic oil spill, and pipeline construction and installation cause significant damage to seagrass, coral reefs, mangroves, beaches and wetlands; and, whereas, offshore oil and gas drilling off the coast of Florida will not solve our nations energy problems but could damage our environment and economy, now, be it resolved by the undersigned that I/we urge President Clinton, Interior Secretary Bruce Babbitt, and Environmental Protection Agency Administrator

Carol Browner to: reverse approval of Chevron's drilling permit off Pensacola Beach; and place a three year ban on drilling off the Florida Panhandle and set up a study committee to assess the environmental impact of drilling off the coast of Florida; and, cancel and buy back, if necessary, the 73 existing leases off the Florida Keys; and, ban further leasing off the Florida Coast.

Commenter(s): A copy of this resolution was received from the following 55 sources:

Senator Howard C. Forman,
Florida State Senate
Commissioner Alex Penelas,
Dade County Commission District #12
Chairman Joe Greco,
City Council of Tampa, Florida
Manley Fuller,
Florida Wildlife Federation
Harold McConnell,
Florida State University
Irene Padavic,
Florida State University
Paul R. Elliott,
Florida State University
J. Blake Turner,
Florida State University
Frances L. Jones,
Florida State University
Douglas Lemke,
Florida State University
Sean Hawkins,
Florida State University
Glenn E. Mitchell,
Florida State University
James G. Chapman,
Tallahassee Community College
Charles F. Crudde,
Florida State University
Bill Smoot,
Floridians for the Protection of the Earth
Al Hornsby,
PADI
Rebecca Bright,
Florida International University
Ken I. Boodhoo,
Florida International University
Thomas E. Pliske,
Florida International University
Farroich Jhabrala,

Florida International University
D.A. Pjroin,
Florida International University
Walter M. Goldberg,
Florida International University
Laurie L. Richardson,
Florida International University
Ronald D. Jones,
Florida International University
Linda M. Hernandez,
Florida International University
Adriana Maldonado,
Florida International University
Alan F. Gummerson,
Florida International University
Charles H. Boxmeyer,
Sea Shack
Alan Cohan,
Force-E/Miami Aqualung
Laura Wilkinson,
PADI
Philip Almond,
PADI
Rey Martinez,
Firestone
Ralph S. Clem,
Florida International University
Nancy Maggiacomo,
League of Women Voters of Florida
Pam Wozencraft,
Captain Nemo's Pirate Cruise, Inc.
James William Alexander,
The Pier Pavilion
Charles Schlesman,
Beach Bazaar
Lorraine Romine,
Marla's Fashions
Rollin C. Richmond,
University of South Florida
Stephen Barker,
University of South Florida
Mary F. Leichtman,
University of South Florida
Sheridan Murphy,
Florida American Indian Movement Inc.
Valerie A. Scheich,
University of South Florida
Tricia Stanford,
University of South Florida
Michael Amen,
University of South Florida
Joe Tomaino,

University of South Florida
Peter Markos,
A Family Insurance Service of Tampa Bay
Edgar Guzman,
University of South Florida
Jennifer L. Sinder,
University of South Florida
Joe Salvano
Kin Alan
Alberto Artagaveytia
Jill M. Shirin
Doug Austin
Amy K. Knowles

Response: See response to Comment 2.

Comment 8: General comments opposed to offshore oil or natural gas drilling and the proposed exploratory drilling by Chevron were submitted.

Commenter(s): Correspondence was received from the following 53 sources:

Marjorie F. Ward,
Citizens Association of Bonita Beach
David W. Ward,
Citizens Association of Bonita Beach
LeAnne Snyder,
SunTel
Roberta Carothers,
Avia Construction Company
Robert R. Bachelor
Charlotte F. Bachelor
Richard C. Allen
M.E. Carter
Mark G. Dogoh
Mr. and Mrs. Charles Stadler
Mr. and Mrs. Edwin Kauffman
Jessica Johnson
Jason Scruggs
Mickey M. Payne
Shawn Kelly
Guenine G. Rugg
Scott Brown
Jennifer Brown
J. David Peppers
Kathleen M. Shaw
Jacob K. Melrath
Sharon Woodhill
Marian Wilkins
Steve Shaw
Dale Shaw

Nikki Wojcik
Susan Scoville
Jessica Worl
Bonnie McLaughlin
Robert F. Heffernan
Karen E. Witusik
C.V. Ford, Jr.
Alice Ashby
Kathleen M. Greene
Linda Schroll
Cecile Johnson-Stevens
Irene G. Messerall
Martinette F. Graham
Carol A. Arnold
Mary R. Dellafera
Harry D. Bertossa
Audrey G. Bertossa
Evelyn J. Giesel
Bill Giesel
Ruth Gallagher
Paul Gallagher
Tom Gillis
Beth Gillis
Raymond A. Roussel
Joyce E. Roussel
Jennifer Huddle

Response: See response to Comment 2.

Comment 9: **The following comment was included in a resolution submitted to EPA:**

The Democratic Executive Committee of Santa Rosa County hereby resolves to oppose any and all offshore drilling for oil or natural gas off the coast of Northwest Florida. We, further, strongly urge elected Democratic officials at the local, state, and national levels to do whatever they can to support a permanent ban on all offshore drilling in the eastern Gulf of Mexico.

Commenter(s): Michael V. Robertson,
Santa Rosa County Democratic Executive Committee

Response: See response to Comment 2.

Comment 10: **Florida Environmental Campaigns submitted general comments opposed to all oil and natural gas offshore drilling on the coast of Florida.**

Commenter(s): Chris Jasurek, representing Florida Environmental Campaigns, and 840 general comments from residents

and visitors of Florida, collected by Florida Environmental Campaigns.

Response: See response to Comment 2.

Comment 11: Comments were submitted in support of the issuance of the draft Outer Continental Shelf air permit as proposed.

Commenter(s): Correspondence was received from the following 115 sources:

Governor Jim Folsom,
State of Alabama
Senator Michael A. Figures,
State of Alabama Senate
Senator Ann Bedsole,
State of Alabama Senate
Senator Steve Windom,
State of Alabama Senate
Representative Mary S. Zoghby,
State of Alabama House of Representatives
Representative William Clark,
State of Alabama House of Representatives
Representative Michael E. Box,
State of Alabama House of Representatives
Representative James E. Buskey,
State of Alabama House of Representatives
Representative Victor Gaston,
State of Alabama House of Representatives
Representative Ken Kvalheim,
State of Alabama House of Representatives
Representative Yvonne Kennedy,
State of Alabama House of Representatives
Representative Lois M. Rockhold,
State of Alabama House of Representatives
Representative Taylor F. Harper,
State of Alabama House of Representatives
Representative James S. Clark,
State of Alabama House of Representatives
Representative Walter E. Penry, Jr.,
State of Alabama House of Representatives
Representative Bolley Johnson,
Florida House of Representatives
James D. Abercrombie,
Mobil Exploration & Producing U.S. Inc.
Peter E. Wiedler,
Florida Gas Transmission Company
Brian E. Shannon,
ARCO Exploration and Production Technology
Andrew A. Saunders,
Mobile Area Chamber of Commerce,

Maritime Affairs Division
Brenda J. Hingle,
ART Catering & Contracting, Inc.
John S. McClelland, Jr.,
Midstream Fuel Service, Inc.
Leon F. Hebert,
Monsanto
Jack Langer,
City Gas Company of Florida
James S. Kimbrell,
Bay Transportation Corporation
William L. Word,
William L. Word & Co.
Thomas W. Sylte,
Kelton Company
E. Elliott White,
Peoples Gas System, Inc.
John Radey,
Aurell Radey Hinkle Thomas & Beranek
William R. Malenius,
Polk Power Partners, L.P.
R.E. Morris,
R.E. Morris & Sons, Inc.
Jesse D. Frederick,
Destec Energy, Inc.
Damon B. Bankston,
Smartboat, Inc.
Wiley M. Cauthen, P.E.,
The Florida Natural Gas Association
Guy R. Waski,
Chevron U.S.A. Production Company
Robert B. Stewart,
National Ocean Industries Association
Margaret B. Badeaux,
Chevron U.S.A. Production Company
Richard D. Radford,
Sierra Club National Marine Committee
Paul Devlin,
The Avanti Company
Justine Devlin,
The Avanti Company
Kennard F. Kosky, P.E.,
KBN Engineering and Applied Sciences, Inc.
Davis M. Rembert
Susan A. Hoeben
Carol J. Trivett
Karla Kizzort
Kimberly F. Gerato
Curt Kurzenhauser
Robert B. Graves
D.C. Davies
Joan Craig

Tammerson Q. Duggan
Robert D. Wilson
Walter W. Niebuhr
Ken Fagan
Charles S. Stewart
Howard J. Stemm
Dorien Fleming, Jr.
Joseph A. Calleo
John D. Schaeffer
Rick Oppenheim
Raymond D. McFadden
Phyllis Lambrecht
Raymond P. Warrell
Bobby G. Craig
James K. Warne, Jr.
J.B.N. Morris
Edward W. McAndrews
Elizabeth T. McAndrews
Stanley P. Williams
Fernal C. Robert
Claude S. Lawrence
James Laine
James A. Novy
Grover T. Miller
Mr. & Mrs. D. Scott Pryor
Peggy A. Anderson
Peter Franquet
William M. Hart
John Pirich
Richard J. Lincoln
Frederick H. Willman
William R. Illing
Felix F. Arkuszeski
Ray W. Morgan
Simon DeVries
Richard K. Allen
Richard A. Lewis, Jr.
Lyle H. Spiering
Tyler L. Folsom
Edmund A. Tanjuay
Gloria J. Tanguay
Bernard C. Sholton
L.J. Genri
Roger L. Anderson
Arthur Rondeau
William J. Scott
Lillian A. Scott
Kathryn A. Burns
John D. Combes
Donald E. Bruce
Doctor Norman D. Coggeshall, Ph.D.
Rick Oppenheim

L.T. Clayton
Vern Lowery
Carol C. Bennett
Janet T. Dennis
Brent A. Bennett
Susan E. Arthur
Doug Shelby
David R. Mica
Terran R. Matlock
Allen R. Ratti
Dorion Fleming, Jr.
Mark A. Stephens

Response: No response required for these comments which are in favor of issuance of the air permit as proposed.

Comment 12: A comment was received concerning the terminology, "the maximum production rate," in Specific Condition 6(a)(1). Commenter asserts this terminology conflicts with the permit preamble, which authorizes "the construction and operation of one exploratory, natural gas drilling rig." General comments opposed to offshore oil and natural gas drilling and the proposed exploratory drilling by Chevron were also included.

Commenter(s): Audrey Faragher

Response: The terminology used in the permit condition, "maximum production rate," refers to operating parameters the source will use during its exploratory operation at Destin Dome Block 97. This draft Outer Continental Shelf air permit is for one exploratory, natural gas drilling rig only, not for a production rig. In addition, the Application for Permit to Drill issued by the Minerals Management Service is for exploratory drilling only. See response to Comment 2 for the general comments.

Comment 13: A comment was received concerning the length of time between completion of the Environmental Impact Statement for the Lease Sale (December 1984) and the commencement of exploratory drilling at Destin Dome Block 97.

Commenter(s): Enid Sisskin, Ph.D.

Response: An Initial Plan of Exploration for the Chevron exploratory well (OCS-G-8336 #1 well) was submitted to the Minerals Management Service on

November 13, 1990. The Plan of Exploration included an Environmental Report which assessed the specific environmental impacts of the proposed exploratory drilling in Destin Dome Block 97. This report included a description of the proposed activity, a description of the affected environment, and environmental impacts. This report also detailed Chevron's proposed contingency plans and the impacts from any accidental hydrocarbon discharges. The Plan of Exploration was approved by the Minerals Management Service on December 27, 1990. The U.S. Fish & Wildlife Service completed Section 7 consultation under the Endangered Species Act with the Minerals Management Service and reported no adverse comments in their correspondence dated June 22, 1987 (Appendix A.1). The Panama City District Office of the U.S. Fish and Wildlife Service reported no objections to the proposed operations in Destin Dome Block 97 in their correspondence dated December 7, 1990 (Appendix A.2). Air quality impacts were reviewed by the Air Quality Branch of the U.S. Fish and Wildlife Service, the Air Quality Division of the National Park Service, the Southern Regional Office of the U.S. Fish and Wildlife Service, and the Refuge Manager for the Breton National Wildlife Refuge, and no adverse impacts were reported in their correspondence dated August 17, 1993 (Appendix A.3). A final review of air quality risks conducted by the U.S. Fish & Wildlife Service concluded no adverse effects as reported in their correspondence dated November 1, 1993 (Appendix A.4).

Comment 14: **A comment was received requesting consideration of the compliance history or history of violations of Chevron as a basis for issuing this Outer Continental Shelf air permit.**

Commenter(s): Diane Waljir

Response: Consideration of compliance history for air permits is contained in Section 173(a)(3) of the Clean Air Act Amendments of 1990. For a major source of air emissions in a non-attainment area, a permit to construct or operate may be issued if the owner or operator of the proposed new or modified source has demonstrated that all major stationary sources owned or operated by such person (or by any entity controlling, controlled by, or under common control with such person) in

such State are subject to emission limitations and are in compliance, or on a schedule for compliance, with all applicable emission limitations and standards. There is no such requirement for major or minor sources of air emissions located in attainment areas. The Destin Dome Block 97 project is classified as a minor source of air emissions (as defined by the federal New Source Review/Prevention of Significant Deterioration regulations) and is located in federal waters which are classified as attainment or unclassifiable, based on the classification of the corresponding onshore area for this proposed source, Escambia County, Florida. Furthermore, a recent decision issued by the Environmental Appeals Board (Recource Conservation and Recovery Act (RCRA) Appeal No. 92-20, October 26, 1993) stated that a facility's "disturbing" compliance history under the Clean Water Act was not relevant to the RCRA permit proceeding and need not have been considered by the Region.

Comment 15: **A comment was received stating Chevron must comply with emission standards for oil and natural gas drilling rigs as set forth in the Clean Air Act Amendments of 1990. If Chevron is not in compliance with the State of Florida air pollution emission standards within 180 days, they face fines of $25,000 per day under the Clean Air Act Amendments of 1990. General comments opposed to offshore drilling were also included.**

Commenter(s): Rita Manley

Response: Promulgation of emission standards for new source categories is contained in Section 111(b) of the Clean Air Act Amendments of 1990. The EPA Administrator has published a list in accordance with Section 111(b)(1)(A) of categories of stationary sources which in the Administrator's judgment causes or contributes significantly to, air pollution which may reasonably be anticipated to endanger public health. The current list is contained in 40 C.F.R. Section 60.16, a priority list of major source categories. Number 29 on this prioritized list of 59 categories is "Crude Oil and Natural Gas Production." There are currently no federal emission standards for offshore natural gas operations. Onshore natural gas processing is covered separately under 40 C.F.R. Part 60, Subpart KKK (Standards of Performance for Equipment Leaks of VOC From

Onshore Natural Gas Processing Plants) and Subpart LLL (Standards of Performance for Natural Gas Processing; SO_2 Emissions). The latest regulatory agenda, published in the Federal Register on October 25, 1993, does not presently schedule this category for the prerule or proposed rule stages. Any hazardous air pollutant (HAP) emissions standards are covered under Section 112 of the Clean Air Act. The schedule for promulgation of standards for Oil and Natural Gas Production is currently November 15, 1997. There are presently no HAP emission standards for offshore natural gas operations. The draft Outer Continental Shelf air permit will meet the existing applicable emissions standards for the State of Florida (See the Administrative Record, "Technical Evaluation and Preliminary Determination for the Chevron U.S.A. Production Company, Inc.," dated September 30, 1993). Compliance with the final air permit will result in no violation of existing applicable federal or state ambient air quality standards.

See response to Comment 2 for the general comments.

Comment 16: **A comment was received concerning whether EPA considered the flare and natural gas leakages in studying the effects of air emissions during drilling, how EPA plans to enforce the rules of the permit, why Chevron can be trusted and permitted on the basis of their past record, and general comments opposed to offshore drilling.**

Commenter(s): Barbara Mohon

Response: Emissions from the flare were given on a range basis and the maximum potential emissions were reviewed in the permit. The equipment to be utilized for the well test flare for this exploratory operation includes the Schlumberger Model No. U160 flare boom, the John Zink Company flame retention ring, and the John Zink Company Model No. CK20 pilot. Combustion efficiency based on the use of the flame retention ring is expected to be above 99 percent. The flare will be used for a period of approximately seven days for testing of the exploratory well. The permitted emissions from the flare will not exceed the applicable standards for the State of Florida.

Enforcement of the permit is detailed in both the General and Specific Conditions of the draft Outer

Continental Shelf air permit. Staff of the Minerals Management Service, Florida Department of Environmental Protection, and EPA Region IV Air Enforcement Branch can verify compliance with the Outer Continental Shelf air permit at any time.

See response to Comment 14 for the comment addressing prior violations by Chevron and response to Comment 2 for the general comments.

Comment 17: **A comment was received concerning why the flare would be allowed, the cumulative effect of multiple wells, and general comments opposed to offshore drilling.**

Commenter(s): Lois J. Case

Response: See response to Comment 16 regarding the use of the flare at the source. See response to Comment 1 regarding the cumulative effects. See response to Comment 2 for the general comments.

Comment 18: **A comment was received concerning the air quality impacts onshore, permitting requirements for an offshore source, and general comments opposed to offshore oil and natural gas drilling.**

Commenter(s): Edmond G. Case

Response: See response to Comment 1 regarding air quality impacts.

To receive an Outer Continental Shelf air permit under 40 C.F.R. Part 55 (Outer Continental Shelf Air Regulations), this proposed offshore source must meet the same permitting requirements that would be applicable to a similar source of air emissions located in the corresponding onshore area, including, but not limited to, applicable state requirements for emission controls, emission limitations, offsets, permitting, monitoring, testing, and reporting. In accordance with Section 55.6(a)(3) the public participation requirements follow the guidelines contained in 40 C.F.R. Part 124 (Procedures for Decisionmaking).

See response to Comment 2 for the general comments.

Comment 19: **A comment was received concerning emission monitoring of the well testing flare in accordance with the Clean Air Act, heavy metal emissions from**

the flare, and the source for sulfuric acid mist (H_2SO_4) emissions.

Commenter(s): S.M. Guild, Jr.

Response: No specific emissions monitoring reference methods and corresponding requirements for well testing flares have been promulgated under the Clean Air Act Amendments of 1990. The emissions monitoring requirements in the draft air permit are contained in Specific Condition 6(b)(2). This condition is being revised in the final permit to incorporate gas flow methodology, as well as H_2S analysis (See response to Comment 32).

Specific Condition 5 states that the exploratory operation shall be in accordance with the data, specifications and assumptions included in the application (and supplement thereof), which indicated negligible emissions of lead, arsenic, beryllium, mercury, fluoride, and sulfuric acid mist emissions from the flare.

Sulfuric acid mist emissions are from the main electric power engines (2.19 tons) and the crane logging and auxiliary diesel engines (0.12 tons), as indicated in Tables 1 and 2 of the draft permit. There are negligible H_2SO_4 emissions from the flare.

Comment 20: A comment was received which requested that a final air permit be issued with an immediate effective date, along with general comments in support of the draft air permit.

Commenter(s): Herman J. Colligan,
Chevron U.S.A. Production Company

Response: For an Outer Continental Shelf air permit, 40 C.F.R. Part 124 (Procedures for Decisionmaking) outlines the procedures for the issuance and effective date of a permit. Section 124.15(b) states that a final permit decision "shall become effective 30 days after the service of notice of the decision unless:...(3) No comments requested a change in the draft permit, in which case the permit shall become effective immediately upon issuance." EPA Region IV received a number of comments during the public comment period and at the public hearing which requested a change to the draft Outer Continental Shelf air permit, and, in fact, changes have been made to provisions of the

draft air permit in the final permit decision. Therefore, the effective date of this Outer Continental Shelf air permit will be 30 days from the date of the service of notice of the final permit decision, in accordance with the federal regulations at Section 124.15. The Statement of Basis will be changed to reflect an effective date of the air permit of 30 days after service of notice of signature by the Regional Administrator.

The revised air permit shall read as follows:

STATEMENT OF BASIS REVISION

This permit shall become effective 30 days from the date of the service of notice for this permit decision.

No response required to the general comments.

Comment 21: **Comments were received from three sources regarding the possible air impacts on endangered or threatened species from the proposed project. The exploratory activity proposed for Destin Dome Block 97 will not likely adversely affect any federally listed threatened, endangered, and candidate species.**

Commenter(s): Gail A. Carmody,
U.S. Fish & Wildlife Service,
Panama City (Florida) Field Office
James R. Newman, Ph.D.,
KBN Engineering & Applied Sciences, Inc.
David A. Gettleson, Ph.D.,
Continental Shelf Associates, Inc.

Response: No response required to these comments.

Comment 22: **Comments were received concerning the impact of numerous production facilities in the future offshore.**

Commenter(s): Lex Parrish

Response: See response to comment 1 concerning multiple impacts.

Comment 23: **Comments were received on the following issues:**

(1)-Chevron's emissions will likely exceed 250 tons per year and should not be considered a minor source

(2)-The affected environment mandates that the project be considered a major source: the corresponding onshore area is not defined; include all aspects of all emissions sources in the source's inventory; require BACT and other requirements; the baseline emissions inventory must assume unregulated emissions
(3)-Public involvement has been unsatisfactory
(4)-NEPA review issues

Commenter(s): Marc Chytilo,
Environmental Defense Center

Response: (1) - As a result of the substantive review conducted by EPA Region IV of the Outer Continental Shelf air permit application supplement submitted by Chevron, correspondence to Chevron requested the following information: manufacturer's specifications for the drilling rig engines (model EMD 12-645); specific fuel usage information for the marine vessels; and, manufacturer's specifications for the vessel engines (Detroit Diesel 12V-71TI and 12-cylinder Caterpillar). Based upon EPA comments, Chevron provided emissions compliance test data and performance specifications for the main rig diesel engines and the marine vessel engines proposed for this project. Verification of this information by EPA completed the substantive review of the Outer Continental Shelf air permit application (and supplement thereof). Based on EPA review of the information provided by the applicant, supporting material, and comments provided from other state and federal regulatory agencies, the proposed facility should not exceed the maximum potential emissions estimated by the applicant, thereby, being classified a minor source of air emissions. (See Administrative Record, Items 12, 13, and 14, and Technical Evaluation and Preliminary Determination).

(2) - Section 328(4)(B) of the Clean Air Act Amendments of 1990 defines corresponding onshore area to mean, "with respect to an Outer Continental Shelf source, the onshore attainment or nonattainment area that is closest to the source, unless the Administrator determines that another area with more stringent requirements with respect to the control and abatement of air pollution may reasonably be expected to be affected by such emissions." For proposed exploratory sources, the designation of the

corresponding onshore area is specified in 40 C.F.R. Section 55.5(a): "the nearest onshore area shall be the corresponding onshore area for exploratory sources located within 25 miles of states' seaward boundaries." The nearest onshore area is defined in 40 C.F.R. Section 55.2 as meaning, "with respect to any existing or proposed Outer Continental Shelf source located within 25 miles of a states' seaward boundary, the onshore area that is geographically closest to the source." For the proposed Chevron project, the nearest onshore area is Escambia County in the State of Florida. Therefore, the corresponding onshore area for this proposed source is Escambia County, Florida. Air quality designations are contained in 40 C.F.R. Part 81 (Designation of Areas for Air Quality Planning Purposes), Subpart C (Section 107 Attainment Status Designations). Section 81.310 contains the State of Florida area designations. Escambia County is designated attainment or unclassifiable for all listed pollutants.

Vessel emissions were included in the calculation of potential emissions from the proposed Outer Continental Shelf air source in accordance with the definition of potential emissions in 40 C.F.R. Section 55.2: "Pursuant to section 328 of the Clean Air Act, emissions from vessels servicing or associated with an Outer Continental Shelf source shall be considered direct emissions from such a source while at the source, and while enroute to and from the source when within 25 miles of the source, and shall be included in the 'potential to emit' for an Outer Continental Shelf source." (See Administrative Record, Item 3).

This proposed project is subject to the applicable air requirements of preconstruction review requirements of Chapter 17-210 (Stationary Sources - General Requirements) and Chapter 17-212 (Stationary Sources - Preconstruction Review), of the Florida Administrative Code (F.A.C.). This proposed project is not subject to the new source review requirements (including Best Available Control Technology) of Chapter 17-212, F.A.C., because the facility is a minor source of air emissions, as defined by applicable federal and state regulations. For these same reasons, the comment concerning baseline emissions inventory and emissions controls is not relevant to this proposed project.

(3) - Public participation in the processing of this Outer Continental Shelf air permit application has been extensive and as outlined in 40 C.F.R. Section 55.6(a)(3). The "Notice of Proposed Outer Continental Shelf Air Permit, Public Comment Period and Public Hearing" for the draft Outer Continental Shelf air permit for Chevron was published in the Orlando Sentinel, Pensacola News-Journal, and Tallahassee Democrat on October 3, 1993. The administrative record for the draft air permit was available for review and copying during the public comment period at four locations: the EPA Region IV Library in Atlanta, Georgia; the Air Resources Management Division of the Florida Department of Environmental Protection in Tallahassee, Florida; the West Florida Regional Library in Pensacola, Florida; and the Orange County Library in Orlando, Florida. A public hearing on the proposed Outer Continental Shelf air permit was held in Pensacola, Florida on November 3, 1993. The public comment period was open from October 3, 1993, through November 8, 1993. In addition, pursuant to 40 C.F.R. Section 124.13, this commenter received additional time (until November 30, 1993) to make supporting materials available to EPA for reasonable issues and arguments raised in their November 1, 1993, correspondence.

(4) - Environmental impact statements are required by the National Environmental Policy Act (NEPA) for major federal actions significantly affecting the quality of the human environment. The Energy Supply and Environmental Coordination Act of 1974 provides an express exemption from NEPA for EPA actions under the Clean Air Act. Section 793(c)(1) states: "No action under the Clean Air Act shall be deemed a major Federal action significantly affecting the quality of the human environment within the meaning of the National Environmental Policy Act of 1969." In accordance with this section, such actions (i.e. Air Pollution from Outer Continental Shelf Activities, Clean Air Act, Section 328), when taken by EPA under the Clean Air Act, are not subject to NEPA requirements.

PUBLIC HEARING COMMENTS

On November 3, 1993, a public hearing was held on the draft Outer Continental Shelf air permit at the Saenger Theater in Pensacola,

Florida. Mr. Bruce P. Miller, Deputy Director of the Air, Pesticides, and Toxics Management Division of the EPA Region IV Office in Atlanta, Georgia, was the presiding officer. The panel consisted of Ms. Beverly Spagg of the Air, Pesticides, and Toxics Management Division of EPA Region IV, Mr. Alan Dion of the Office of Regional Counsel of EPA Region IV, Mr. David Melgaard of the Water Management Division of EPA Region IV, and Mr. Scott Davis of the Air, Pesticides, and Toxics Management Division of EPA Region IV.

The afternoon session of the public hearing was held from 1:00 p.m. to 3:30 p.m. Fifteen testimonies were heard at the hearing. These testimonies consisted of the following comments:

Comment 24: **General comments in support of the draft Outer Continental Shelf air permit were presented by eight persons.**

Commenter(s): Robert McVety,
Florida Petroleum Council
Walter Niebuhr
Richard Lincoln,
Chevron Retirees, Azalea Chapter
Don Gregory
Jim Walden
Herman Colligan,
Chevron U.S.A. Production Company
Ken Kosky,
KBN Engineering & Applied Sciences, Inc.
William Boe

Response: No response required to these comments.

Comment 25: **General comments opposed to offshore oil and natural gas drilling and the proposed exploratory drilling by Chevron were presented by seven persons.**

Commenter(s): Maurice Powers
Angie Taylor
Barbara Caselli,
Gulf Coast Environmental Defense
Sandra Devitt,
Navarre Beach Democratic Women's Club
Chris Jasurek,
Florida Environmental Campaigns
Suzanne Ham
Mike Lynch

Response: See response to comment 2.

The evening session of the public hearing was held from 7:00 p.m.

to 11:30 p.m. Fifty-nine testimonies were heard at the hearing. These testimonies consisted of the following comments:

Comment 26: **General comments in support of the draft Outer Continental Shelf air permit were presented by five persons.**

Commenter(s): Herman Colligan,
Chevron U.S.A. Production Company
Ken Kosky,
KBN Engineering & Applied Sciences, Inc.
David Townsend
Eric Doll
Brian Dalton

Response: No response required for these comments.

Comment 27: **General comments opposed to offshore oil and natural gas drilling and the proposed exploratory drilling by Chevron were presented by 39 persons.**

Commenter(s): David Stafford for Senator Connie Mack,
United States Senate
Lisa George for Governor Lawton Chiles,
State of Florida
Alexandra Orellana,
Florida International University
Rick Stone
Dan Jacobsen,
Florida Public Interest Research Group
Jeff Wilson
Eddie Long,
Guardians of the Planet
Karen Ann Griffin
Edith McClintock,
Florida Public Interest Research Group
Russel Carl Behrmann,
Florida Public Interest Research Group
Audrey Faragher,
Save Our Beach
Mark Allen,
Florida Public Interest Research Group
Jenna Witherspoon,
Florida Public Interest Research Group
Sandra Diaz,
Florida Public Interest Research Group
Chris Robertson
Joe Murphy,
Florida Public Interest Research Group
Wesley Poole,
Chamber of Clean Commerce
Rebecca Oliver,

Florida Public Interest Research Group
Tom Powers
David Bogan,
Surfari Surf Club
Barbara Mohon,
Gulf Coast Environmental Defense
Luis Lopez
Bruce Manciagli
John R. Johnson
Linda Young
Tahira Alford
Sammy Mattocks
Cayne Marchetti
Nancy Marquardt,
Gulf Coast Environmental Defense
Deanna Douglas
Joseph Jay
Anna Hand
Beth Kidder
Janet Walsh
Alana Campbell,
Environmental Action Group
Alfred Howser
Nicole Satter
Frances Dunham
Unidentified Speaker

Response: See response to comment 2.

Comment 28: **General comments opposed to offshore oil drilling by Chevron were presented, along with the following questions:**

-Has EPA found Chevron to be one of the largest violators of the Clean Water Act for illegal discharges from one of its offshore rigs off California?
-Did Chevron plead guilty in federal court in Los Angeles to sixty-five violations of the Clean Water Act and pay eight million dollars in fines rather than go to trial?
-Why would EPA issue an air or water permit to an industry that is a repeat or previous violator of the regulations?

Commenter(s): Albert Lorenzo,
Florida Public Interest Research Group

Response: See response to Comment 2 for the general comments.

Chevron was found to be in violation of provisions

of the Clean Water Act at their "Platform Grace" facility offshore California. Chevron pled guilty to violating provisions of the Clean Water Act and was fined $7 million as a result of the criminal charges. Platform Grace is currently operating under a consent decree under EPA Region IX.

See response to Comment 14 for the answer concerning permitting a previous violator of air or water regulations.

Comment 29: **A comment was presented concerning issuing the draft air permit on the basis of information contained in the Environmental Impact Statement completed nine years ago.**

Commenter(s): Michael Libeno

Response: See response to Comment 13.

Comment 30: **General comments opposed to offshore oil and natural gas drilling were presented, along with comments recommending the adoption of stricter state air regulations in the future to cover offshore sources.**

Commenter(s): Rita Manley,
Greenpeace Member

Response: See response to Comment 2 for the general comments. See response to Comment 15 for the air regulation applicability comments.

Comment 31: **General comments opposed to offshore oil drilling and natural gas drilling and comments concerning previous violations of the Clean Water Act by Chevron were presented by three persons.**

Commenter(s): Mike Angelo,
Florida Public Interest Research Group
Susannah Lindberg,
Florida Public Interest Research Group
Kate Peterson,
Gulf Coast Environmental Defense

Response: See response to Comment 2 for the general comments. See response to Comment 28 concerning Chevron violations of the Clean Water Act. See response to Comment 14 concerning permitting a previous violator of air or water regulations.

Comment 32: **A comment was presented which included several**

questions regarding the Preliminary Determination and draft air permit conditions:

(1)-What is the purpose of the flare?
(2)-When will it be used?
(3)-What kind of flare will be installed and what is its efficiency?
(4)-How will gas flow to the flare and gas composition with respect to hydrogen sulfide be monitored?
(5)-What is the danger of unexpected releases of gas due to flare malfunction?
(6)-What is the potential for impact on shore and on boats and shipping in the event of an unexpected release of hydrogen sulfide?
(7)-In Section III, the Summary of Emissions shows potential sulfur dioxide emissions of 226.63 tons. How were these emissions approximated?
(8)-The emission limits in Tables 1 through 5 are given in pounds per hour and tons. What is the period associated with tons of emissions?
(9)-In Specific Condition 7, "commencement of construction" and "start-up date" should be defined, i.e. is start-up when the platform is anchored or when the well drilling begins or when? How is operation defined?
(10)-In Specific Condition 6(a), what are the required methods to demonstrate compliance with the flare limits for CO, NO_x, PM/PM_{10}, SO_2, and VOC established in Table 3?
(11)-In Specific Condition 6(b), how is the operating rate of the flare to be measured?
(12)-In Specific Condition 8, what method should the permittee use to measure the SO_2 emissions for submission in the quarterly reports?

In addition, a comment was made regarding the length of the afternoon session of the public hearing; persons arriving at 3:30 p.m. found the session had already concluded.

Commenter(s): Frances Hunter Jones,
League of Women Voters of the Pensacola Bay Area

Response: (1) - The flare will burn/incinerate natural gas purged from the well over set periods of time and at certain rates. Air pollutants will include those associated with combustion sources. Since hydrogen sulfide can be in the well test gas, flaring must be performed for safety reasons as well. Butane is used as a pilot gas for the flare. The emissions from the flare were based on

the planned well test, which will test the formation capability. The volume projected to be flared is relatively certain if a good production zone is discovered. The primary air pollutant associated with natural gas flaring is sulfur dioxide caused by oxidizing of hydrogen sulfide in the gas. Analysis of natural gas obtained from an exploratory well drilled nearby in Destin Dome Block 56 indicated H_2S concentrations of 50 ppm or less. The AP-42 emission factor used in calculating potential emissions was for a H_2S concentration of 33,000 ppm (based on information obtained from hydrocarbon deposits from land/shore areas). In the event an H_2S concentration of 33,000 ppm were to occur at Destin Dome Block 97, permit conditions limit the flaring operation to a maximum duration of 72.2 hours to limit the emissions of sulfur dioxide.

(2) - The well testing period is expected to last for a period of seven days and will occur near the completion of exploratory activities at this site. The actual period of cumulative flowing hours for the well during the test are expected to be less than seven days. The testing procedure calls for multiple periods of flowing the well followed by periods of equal duration during which the well will be shut in and downhole characteristics monitored. The actual time required for periods of flowing the well and gas flaring will depend on the resorvoir characteristics of the well.

(3) - The equipment to be utilized for the well test flare for this exploratory operation includes the Schlumberger Model No. U160 flare boom, the John Zink Company flame retention ring, and the John Zink Company Model No. CK20 pilot. Combustion efficiency based on the use of the flame retention ring is expected to be above 99 percent.

(4) - The SO_2 emission rate from the flare shall be calculated from the volume and H_2S content of the gas burned. Gas flow rates shall be measured continuously with a flow meter that has an accuracy of 2.0 percent of the upper range and flow meters shall be calibrated using the appropriate ASME codes listed in the final permit. Gaseous fuel flow rates measured at actual temperature and pressure shall be corrected to standard conditions (68°F and 29.92 inches of mercury). Samples of the gas burned shall be

collected on an hourly basis and shall be analyzed for H_2S content with the use of a Draegger colorimetric tube indicator. Three tubes will constitute one hourly sample. If Draegger tubes of the specific range required during sampling are not available, samples of gas burned shall be collected on an hourly basis and analyzed for H_2S content using one of the following methods: the Tutwiler procedure described in 40 C.F.R. Section 60.648; ASTM E-260 (General Gas Chromatography Procedures); or any other standard method approved by EPA.

(5) and (6) - Chevron addressed the potential impacts from an unexpected release of H_2S in their Environmental Report, submitted to the Minerals Management Service as part of their Application for Permit to Drill for this exploratory operation in Destin Dome Block 97. No significant or adverse impacts are expected in the event of an unexpected release. In addition, Chevron has filed an H_2S contingency plan with the Minerals Management Service for this project.

(7) - The Summary of Emissions in Part III of the "Technical Evaluation and Preliminary Determination" were calculated from the sum of the maximum potential emissions of sulfur dioxide from the facility and the vessels. The potential emissions of sulfur dioxide from the facility will be from the main electric power engines (28.56 tons), the crane logging and auxiliary diesel engines (1.56 tons), and the well testing flare (189.2 tons) - a total of 219.32 tons. The potential emissions of sulfur dioxide from the vessels will be from the crewboat (3.35 tons), supply boat (2.31 tons), utility boat (1.69 tons), and helicopters (0.01 tons) - a total of 7.36 tons. By regulation, potential sulfur dioxide emissions from the vessels are included only within a 25 mile radius of the drilling rig. The total potential emissions of sulfur dioxide will be 226.68 tons. (See Administrative Record, Item 3). The air permit will be revised to reflect these values. In Table 4, the SO_2 limitation will be changed to 7.36 tons (from 7.35 tons). In Table 5, the sulfur dioxide emissions will be changed to 226.68 tons (from 226.63).

(8) - The maximum allowable emissions from the exploratory operation are listed in Tables 1, 2, 3, 4, and 5. The emission rates listed are pounds

per hour and total tons. The total tons are for the permitted duration of the proposed project, 280 days. Although the maximum permit duration is 280 days, it is anticipated that the duration will be approximately 210 days; consequently, the actual emissions total will be lower.

(9) - General Condition 1 states that the terms set forth in the permit are pursuant to Section 328 of the Clean Air Act and 40 C.F.R. Part 55. In 40 C.F.R. Section 55.13, the federal requirements that apply to Outer Continental Shelf sources are presented. The language used in Specific Condition 7, "commencement of construction date" and "start-up date," are defined as in 40 C.F.R. Section 52.21 (Prevention of Significant Deterioration of Air Quality) and 40 C.F.R. Section 60 (Standards of Performance for New Stationary Sources). Pursuant to 40 C.F.R. Section 52.21, "commence" as applied to construction means that "the owner or operator has necessary preconstruction approvals or permits and either has: (i) Begun, or caused to begin, a continuous program of actual on-site construction of the source, to be completed within a reasonable time; or (ii) Entered into binding agreements or contractual obligations which cannot be cancelled or modified without substantial loss to the owner or operator, to undertake a program of actual construction of the source to be completed within a reasonable time." The language "begin actual construction" is defined in Section 52.21 as "initiation of physical on-site construction activities on an emissions unit which are of a permanent nature. Such activities include but are not limited to, installation of building supports and foundations, laying underground pipework and construction of permanent storage structures." The term "construction" is defined as "any physical change or change in the method of operation (including fabrication, erection, installation, demolition, or modification of an emissions unit) which would result in a change in actual emissions." The term "start-up" is defined as "the setting in operation of an affected facility for any purpose." Operation is considered a term of common knowledge and is used in these regulations without definition. Thus, commencing construction would occur at such time as Chevron had all necessary permits and either began construction or entered into binding contracts to begin construction. Beginning

construction would occur at the time that on-site activities were initiated (e.g., anchoring of the rig). Initial start-up would occur at the point when any of the permitted air emissions units were set into operation. To further clarify this, the permit conditions are being changed as follows: in the Statement of Basis, second paragragh, "commencement of operation" shall be changed to "upon initial start-up;" in Specific Condition 7 "start-up" shall be changed to "initial start-up" and the language "the begin actual construction date (if different from the commencement of construction date)" will be added; and in Specific Condition 11, "commencing operations" shall be changed to "initial start-up."

The revised air permit shall read as follows:

STATEMENT OF BASIS REVISIONS

Upon completion of this authorized construction and upon initial start-up, this Outer Continental Shelf source shall be operated in accordance with the emission limitations, sampling requirements, monitoring requirements, and other conditions set forth in the attached General Conditions (Part I) and Specific Conditions (Part II).

AIR PERMIT REVISIONS - SPECIFIC CONDITIONS

7. EPA and the Florida DEP shall be notified of the commencement of construction date, the begin actual construction date (if different from the commencement of construction date), and the initial start-up date within thirty (30) days of the date of their occurrence.

11. This Outer Continental Shelf source and the equipment permitted herein shall operate for a maximum of 280 days, from the date of initial start-up.

(10) - No specific emissions monitoring requirements for well testing flares have been promulgated under the Clean Air Act Amendments of 1990. The emissions monitoring requirements in the draft air permit contained in Specific Condition 6(b)(2) will be demonstrated through appropriate recordkeeping, including the concentration of the H_2S and flow through the flare.

(11) and (12) - Gas measurement devices will be utilized to measure the volume of natural gas produced and subsequently flared during the well testing program. The service company assisting Chevron with the well test will provide documentation of the charts recording the volume of gas produced during the flaring operation along with the calculations of actual gas flowed. The natural gas flowed from the well will be routed to a test separator, measured, and routed to the flare boom where the gas will be combusted and the resultant emissions from the well testing operations generated. The emissions of SO_2 from the flare will be calculated from these measurements.

Based on these comments concerning the flare the permit will be revised to read in Specific Condition 6(b)(2):

(2) The SO_2 emission rate from the flare shall be calculated from the volume and H_2S content of the gas burned. Gas flow rates shall be measured continuously with a flow meter that has an accuracy of 2.0 percent of the upper range and flow meters shall be calibrated using the following ASME codes, as appropriate: ASME MFC-3M-1989 with September 1990 Errata (Measurement of Fluid Flow in Pipes Using Orifice, Nozzle, and Venturi); ASME MFC-4M-1986 (Reaffirmed 1990) (Measurement of Gas Flow by Turbine Meters); ASME MFC-6M-1987 with June 1987 Errata (Measurement of Fluid Flow in Pipes Using Vortex Flow Meters); ASME MFC-7N-1987 (Reaffirmed 1992) (Measurement of Gas Flow by Means of Critical Flow Venturi Nozzles); or any other standard method approved by the Administrator. Gaseous fuel flow rates measured at actual temperature and pressure shall be corrected to standard conditions (68°F and 29.92 inches of mercury). Samples of the gas burned shall be collected on an hourly basis and shall be analyzed for H_2S content with the use of a Draegger colorimetric tube indicator. Three tubes will constitute one hourly sample. If Draegger tubes of the specific range required during sampling are not available, samples of gas burned shall be collected on an hourly basis and analyzed for H_2S content using one of the following methods: the Tutwiler procedure described in 40 C.F.R. Section 60.648; ASTM E-260 (General Gas Chromatography Procedures); or any other standard method approved by the

Administrator.

The "Notice of Proposed Outer Continental Shelf Air Permit, Public Comment Period and Public Hearing" for this draft Outer Continental Shelf air permit was published on October 3, 1993, as follows: "The hearing will be held at the Saenger Theater, 118 South Palafox Place, Pensacola, Florida 32501, on Wednesday, November 3, 1993, beginning at 1:00 p.m. The hearing will continue at 7:00 p.m. until 11:00 p.m., after a recess held from 5:30 p.m. to 7:00 p.m." The afternoon session was concluded at 3:30 p.m., since no other persons were present who wished to make comments. The evening session had a published schedule to terminate at 11:00 p.m., but was in fact extended to a termination time of 11:30 p.m. to allow all individuals present to make comments.

Comment 33: **Comments were presented concerning the published time for the afternoon session of the public hearing, a newspaper report (Penscola News-Journal, November 3, 1993) concerning the approval process for the draft Outer Continental Shelf air permit for Chevron, general comments opposed to offshore oil and natural gas drilling, the cumulative air impacts of multiple drilling rigs, and the revised potential nitrogen oxide emissions submitted by Chevron in their Technical Supplement (June 24, 1993).**

Commenter(s): Ann Whitfield,
Florida Public Interest Research Group

Response: See response to Comment 32 for the comment concerning the published times for the afternoon session of the public hearing.

The referenced newspaper report quoted Mark Ferullo, of the Florida Public Interest Research Group, and Sandi Fury, of the Chevron U.S.A. Production Company, with respect to the draft Outer Continental Shelf air permit. The approval process for this draft Outer Continental Shelf air permit was published on October 3, 1993, in the "Notice of Proposed Outer Continental Shelf Air Permit, Public Comment Period and Public Hearing" as follows: "After consideration of all relevant, written comments submitted during the comment period; of all comments, statements and data presented at the hearing; and of the requirements and policies in the Clean Air Act and appropriate

regulations; the Regional Administrator for Region IV will make a final decision regarding the air permit."

See response to Comment 2 for the general comments. See response to Comment 17 for the answer concerning cumulative air impacts.

Questions concerning the accuracy of the potential nitrogen oxide emissions were discussed in correspondence from EPA Region IV to Chevron, dated August 18, 1993, requesting additional information to verify this emissions data. (See Administrative Record, Item 12). On the basis of manufacturer's specifications and the permit conditions limiting the number of trips by the marine vessels, nitrogen oxide emissions will remain as proposed in the draft air permit and below the major source threshold of 250 tons per year.

Comment 34: **The following questions were presented:**

-Why are flare emissions not addressed in detail in the draft air permit?
-If Chevron determines that the test well justifies production, what permits and permitting process will be required for operations?
-Will new models be run using data from the test well?
-Will their flares be controlled by permit?
-This being the first permit of this type in the area, is it not realistically, a model, a template for future test wells and operating wells?

Commenter(s): Jack Salmon

Response: The flare emissions are addressed in detail in both the draft air permit (See OCS-FL-001, Table 3) and the Outer Continental Shelf air permit application and Technical Supplement. (See Administrative Record, Items 1 and 3). See response to Comment 29 for additional information concerning the flare.

In the event Chevron seeks a permit for a production facility, the air permitting requirements are as outlined in 40 C.F.R. Part 55 (Outer Continental Shelf Air Regulations) and will be similar to requirements for obtaining this proposed permit. A production facility would probably be classified a major source of air

emissions (as defined by federal regulation) and would therefore undergo Prevention of Significant Deterioration (PSD) permitting, as outlined in federal regulations located at 40 C.F.R. Section 52.21. Permits would also have to be obtained from the Minerals Management Service and the Water Management Division of EPA Region IV prior to beginning production activities.

Air quality impact modeling would be required to obtain a PSD permit. Use of the operating data from exploratory operations at Destin Dome Block 97 could be used depending on the proposed location of the production facility.

Emissions from the flares would be included in the permit conditions, as well as monitoring and compliance requirements.

Although this is the first Outer Continental Shelf air permit drafted by Region IV, permits have been drafted by EPA Regions IX and X. The draft Outer Continental Shelf air permit was completed in consultation with staff from these Regions to remain consistent with their work. In addition, the draft Outer Continental Shelf air permit was completed in consultation with staff of the Minerals Management Service and the Air Permitting Branch of the Florida Department of Environmental Protection to ensure the permit conditions would be strict and enforceable. Future permits would continue to attempt to maintain strict standards and will allow for no violation of any applicable state or federal rule or regulation. If applicable regulations in the corresponding onshore area change prior to processing of a new Outer Continental Shelf air permit, that permit will reflect any changes to emission limits or standards or compliance requirements.

Comment 35: General comments opposed to offshore oil and natural gas drilling were presented, along with comments concerning air impacts from multiple drilling rigs.

Commenter(s): Lauren Dreilinger,
Florida Public Interest Research Group

Response: See response to Comment 2 for the general comments. See response to Comment 1 for the cumulative air impacts.

Comment 36: **General comments opposed to offshore oil and natural gas drilling and on previous Clean Air Act violations were presented.**

Commenter(s): Jennifer Willman,
Florida Public Interest Research Group

Response: See response to Comment 2 for the general comments. See response to Comment 14 for the previous violations of air regulations.

Comment 37: **Comments were presented concerning the Administrative Procedures Act, previous Clean Water Act violations, and general comments opposed to offshore oil and natural gas drilling by Chevron.**

Commenter(s): Chrissy Guard

Response: See response to comment 32 concerning the Administrative Procedures Act. See response to Comment 14 for the answer concerning permitting a previous violator of air or water regulations. See response to Comment 2 for the general comments.

Comment 38: **Comments were presented concerning emissions from the flare, nitrogen oxide potential emission calculations for classification as a minor source, and general comments opposed to the draft air permit for offshore natural gas drilling by Chevron.**

Commenter(s): Chris Jasurek,
Florida Environmental Campaigns

Response: See response to comment 32 concerning the flare emissions. See response to Comment 33 for the answer concerning potential nitrogen oxide emissions. See response to Comment 2 for the general comments.

Comment 39: **Comments concerning the Environmental Impact Statement, impacts on endangered species, and general comments opposed to offshore oil and natural gas drilling by Chevron.**

Commenter(s): Angela Bowen,
Gulf Coast Environmental Defense

Response: See response to Comment 13 for the Environmental Impact Statement. See response to Comment 21 for

the endangered species. See response to Comment 2 for the general comments.

Comment 40: Comments were presented regarding emissions from the flare and general comments opposed to offshore drilling by Chevron.

Commenter(s): Kerry Culligan

Response: See response to comment 32 concerning the flare emissions. See response to Comment 2 for the general comments.

SUMMARY OF PERMIT REVISIONS
OUTER CONTINENTAL SHELF AIR PERMIT
CHEVRON U.S.A. PRODUCTION COMPANY, INC.
OCS-FL-001

Based upon comments received during the public comment period, at the public hearing, and in staff review, the draft Outer Continental Shelf air permit, OCS-FL-001, has been revised as follows:

STATEMENT OF BASIS

1. Add (STATEMENT OF BASIS) to the title heading. The revision will read:

PERMIT TO CONSTRUCT AND OPERATE UNDER
THE OUTER CONTINENTAL SHELF AIR REGULATIONS
(STATEMENT OF BASIS)

2. In the first paragraph, substitute:

Surface Coordinates: 29.51'57.9" North Latitude
87.20'07.7" West Longitude

for: Surface Coordinates: 29.51'57.91" North Latitude
87.20'07.74" West Longitude

3. In the second paragraph, substitute "upon initial start-up" for "commencement of operation." The revision will read:

> Upon completion of this authorized construction and **upon initial start-up**, this Outer Continental Shelf source shall be operated in accordance with the emission limitations, sampling requirements, monitoring requirements, and other conditions set forth in the attached General Conditions (Part I) and Specific Conditions (Part II).

4. In the third paragraph, substitute "30 days from the date of the service of notice for this permit decision" for "on the date signed

below." The revision will read:

> This permit shall become effective **30 days from the date of the service of notice for this permit decision.**

AIR PERMIT

1. In Specific Condition 3, lines 3 and 4, substitute "round trips" for "trips." Delete the language "(based on an exploratory operation of 40 weeks)" from the last sentence. The revision will read:

> 3. Vessels must maintain the trip schedule as set out in the permit application (and supplement thereof). The maximum number of trips to be taken by the crewboat shall be 200 **round trips,** the supply boat shall be 80 **round trips,** and the utility boat shall be 3 **round trips.**

2. In Specific Condition 6, substitute the following language in 6(b)(2):

> (2) The SO_2 emission rate from the flare shall be calculated from the volume and H_2S content of the gas burned. Gas flow rates shall be measured continuously with a flow meter that has an accuracy of 2.0 percent of the upper range and flow meters shall be calibrated using the following ASME codes, as appropriate: ASME MFC-3M-1989 with September 1990 Errata (Measurement of Fluid Flow in Pipes Using Orifice, Nozzle, and Venturi); ASME MFC-4M-1986 (Reaffirmed 1990) (Measurement of Gas Flow by Turbine Meters); ASME MFC-6M-1987 with June 1987 Errata (Measurement of Fluid Flow in Pipes Using Vortex Flow Meters); ASME MFC-7N-1987 (Reaffirmed 1992) (Measurement of Gas Flow by Means of Critical Flow Venturi Nozzles); or any other standard method approved by the Administrator. Gaseous fuel flow rates measured at actual temperature and pressure shall be corrected to standard conditions (68°F and 29.92 inches of mercury). Samples of the gas burned shall be collected on an hourly basis and shall be analyzed for H_2S content with the use of a Draegger colorimetric tube indicator. Three tubes will constitute one hourly sample. If Draegger tubes of the specific range required during sampling are not available, samples of gas burned shall be collected on an hourly basis and analyzed for H_2S content using one of the following methods: the Tutwiler procedure described in 40 C.F.R. Section 60.648; ASTM E-260 (General Gas Chromatography Procedures); or any other standard method approved by the Administrator.

3. In Specific Condition 7, add "the begin actual construction date (if different from the commencement of construction date)" before "and" and substitute "initial start-up" for "start-up." The revision will read:

7. EPA and the Florida DEP shall be notified of the commencement of construction date, **the begin actual construction date (if different from the commencement of construction date)**, and the initial start-up date within thirty (30) days of the date of their occurrence.

4. In Specific Condition 8, substitute "daily" for "monthly." The revision will read:

8. Within 45 days from the end of each calendar quarter, a report detailing the previous three month's activities shall be provided to EPA and the Florida DEP. The report must list all data required by condition of this permit, including data required by specific condition 6, and the daily and cumulative emissions of SO_2 from the flare.

5. In Specific Condition 11, substitute "initial start-up" for "commencing operations." The revision will read:

11. This Outer Continental Shelf source and the equipment permitted herein shall operate for a maximum of 280 days, from the date of initial start-up.

6. In Table 1, for the NO_x basis, change "Certification of Manufacturer's Specifications" to read "EPA Method 20 or Certification of Manufacturer's Specifications."

7. In Table 4, for the SO_2 limitation, substitute "7.36 tons*" for "7.35 tons*."

8. In Table 5, for Sulfur Dioxide emissions, substitute "226.68" for "226.63."

APPENDIX A

United States Department of the Interior

FISH AND WILDLIFE SERVICE
75 SPRING STREET, S.W.
ATLANTA, GEORGIA 30303

A.1

June 22, 1987

Memorandum

To: Director, Minerals Management Service, Reston, Virginia

From: Acting Regional Director, FWS, Atlanta, Georgia (AWE/SE)

Subject: Section 7 Consultation on Outer Continental Shelf Oil and Gas Leasing and Exploration in the Gulf of Mexico

We have reviewed the information that was provided on the proposed Outer Continental Shelf leasing sales 113 in the Central Gulf, 115 in the Western Gulf, and 116 in the Eastern Gulf of Mexico. This memorandum addresses only the Central and Eastern Gulf sales. Our Southwestern Regional Office in Albuquerque, New Mexico, will respond to your request regarding the Western Gulf lease sale. We concur that sales 113 and 116 do not represent a substantive modification of the proposed actions considered in earlier Regionwide consultations (April 10, 1979; June 30, 1982, and the October 25, 1982, amendment to the June 30, 1982, opinion).

We have also considered the impact of your activity concerning the recently listed piping plover (Charadrius melodus) and the Interior least tern (Sterna antillarum athalassos). However, your action is not likely to adversely affect these species.

Therefore, we concur that formal consultation for these sales need not be initiated at this time. However, the Minerals Management Service is reminded that formal Section 7 consultation must be initiated if deferral areas in sale 116 are changed; if new information reveals impacts on listed species or their habitat for these Outer Continental Shelf sales that were not considered in this review; if those proposed Outer Continental Shelf sales are subsequently modified; or if a new species is listed or critical habitat is designated which may be affected by these proposed Outer Continental Shelf sales.

Dan J. B. Allen

cc:
Jackson E. Lewis
Minerals Management Service
Mail Stop 644
12203 Sunrise Valley Drive
Reston, Virginia 22091

United States Department of the Interior
FISH AND WILDLIFE SERVICE

Field Office
1612 June Avenue
Panama City, Florida 32405-3721

December 7, 1990

Memorandum

To: Regional Director, Gulf of Mexico Outer Continental Shelf Region, Minerals Management Service, New Orleans, Louisiana attn: Ms 5231

From: Acting Project Leader, Fish and Wildlife Service Field Office, Panama City, Florida

Subject: Initial Plan of Exploration, Chevron U.S.A., OCS-G 8336, Block 97, Destin Dome Area, Control No. N-3912

The Fish and Wildlife Service has reviewed the subject document in accordance with 655 DM 1. The document covers the exploratory drilling of well A in block 97, Destin Dome Area.

Review of the Plan indicates the absence of live bottom habitats in Block 97. The Oil Spill Contingency Plan indicates that although the drillsite is seaward of the Oil Spill Stipulation B Zone, the Stipulation B requirements will be implemented for this activity. Therefore, we have no objection to the proposed operations.

We appreciate the opportunity to provide comments.

cc:
NMFS, Galveston, TX (Environmental Assessment Branch)
John de Mond, LA DNR, Baton Rouge, LA (attn: Bill Pittman)
Ken Graham, MMS, New Orleans, LA

United States Department of the Interior

FISH AND WILDLIFE SERVICE
75 Spring Street, S.W.
Atlanta, Georgia
30303

August 17, 1993

Mr. Brian L. Beals, Chief
Source Evaluation Unit
Air Enforcement Branch
Environmental Protection Agency
345 Courtland Street, NE.
Atlanta, Georgia 30365

Dear Mr. Beals:

We have reviewed the material that you forwarded to us regarding the Chevron USA Production Company's Outer Continental Shelf (OCS) air permit application for a proposed exploratory natural gas drilling project to be operated on a temporary basis (210 days). The proposed project is located approximately 200km northeast of Breton Wilderness Area (WA), a Class I air quality area administered by the Fish and Wildlife Service. We understand that the proposed project is not subject to Prevention of Significant Deterioration/New Source Review as projected emissions are less than 250 tons per year. However, Environmental Protection Agency OCS air regulations in 40 CFR 55.6(b)(7) require that notification be given to the responsible Federal Land Manager if a proposed project's emissions may affect a Class I area.

Because of the relatively great distance to the wilderness area, the relatively low emissions, and the temporary nature of the proposed project, the proposed project should not significantly impact any sensitive resources at Breton WA.

Thank you for providing us the opportunity to comment on Chevron USA's permit application. If we can be of further assistance, please contact Ms. Ellen Porter of our Air Quality Branch in Denver at 303/969-2071.

Sincerely yours,

James W. Pulliam, Jr.
Regional Director

United States Department of the Interior

FISH AND WILDLIFE SERVICE
Field Office
1612 June Avenue
Panama City, FL 32405-3721

Tel: (904) 769-0552
Fax: (904) 763-2177

IN REPLY REFER TO:

November 1, 1993

James R. Newman, Ph.D.
KBN Engineering and
Applied Sciences, Inc.
1034 NW 57 Street
Gainesville, Florida 32605

David A. Gettleson, Ph.D.
Continental Shelf Associates,
Inc.
759 Parkway Street
Jupiter, Florida 33477

Dear Drs. Newman and Gettleson:

Thank you for your letters of October 28 and 29, 1993, regarding potential air quality impacts from Chevron U.S.A. activities, Destin Dome block 97 in the Gulf of Mexico on federally listed, proposed, and candidate species (FWS Log No. 4-P-94-007). This response is provided in accordance with Section 7 of the Endangered Species Act of 1973, as amended (Act) (16 U.S.C. 1531 et seq.).

Chevron U.S.A. proposes to conduct natural gas exploratory activities in outer continental shelf (OCS) waters of the Gulf of Mexico approximately 30 statute miles south-southwest of Pensacola, Florida. The Fish and Wildlife Service (Service) completed Section 7 consultation with the Minerals Management Service for OCS oil and gas lease sale 116 (letter dated June 22, 1987). This letter addresses concerns raised regarding air emissions not previously evaluated.

Based on an air quality risk analysis, it has been determined that the subject action will not likely affect any of the identified species (Table 1). The analysis indicated that the species do not occur in the air emission area of potential influence, or the predicted levels of emissions are well below levels reported to affect plants and animals.

The species list used in the subject analysis is one that the Service provided to the U.S. Environmental Protection Agency (EPA) regarding activities permitted under the agency's air emissions program for the Eastern Gulf of Mexico and responsibilities under the Act, dated September 21, 1993. According to information provided in the analysis, the primary effects to animals from air pollution can be either direct effects, from inhalation of pollutants or ingestion of food or water contaminated by air pollutants, or indirect effects, from

damage or injury to essential habitat components. Such effects are the result of acute exposure and are localized to within several miles of an emissions source. Primary pollutants such as sulphur dioxide can also have effects on plants. Injury to vegetation from secondary air pollutants, such as acid deposition and ozone can occur at greater distances.

This risk analysis was conducted by evaluating two factors: the exposure potential of the species to the predicted air emissions, and the sensitivity of those species that have the potential to be exposed. It was concluded that some of the listed species have no exposure potential because they are either geographically or ecologically isolated from contact with air pollutants. For the proposed facility, the farthest distance of measurable air emissions based on modeling results is estimated to be 200 miles. Thus, species found only in South Florida were considered to have no exposure. Species that are considered ecologically isolated (in habitats that would be unaffected by the air emissions, i.e., Gulf sturgeon; or that use affected habitats for a minimal amount during their life cycle, i.e., sea turtles surfacing for air in the aquatic environment) were also considered to have no exposure.

For those species that were considered to be potentially exposed, air quality modeling was conducted to determine maximum air pollutant concentrations at several locations, including Breton and St. Marks National Wildlife Refuges, and at the nearest shoreline. The pollutants modeled consisted of particulates, sulfur dioxide, nitrogen dioxide, carbon monoxide, and lead. The results were compared to the lowest observed effect levels for plants and animals.

The results showed that the predicted concentrations of the modeled pollutants are well below the lowest level observed effect levels for plants and animals. Therefore, it was concluded that air emissions from the proposed activity would not adversely affect any of the identified species.

The Service has reviewed the air quality risk assessment results and conclusions and finds it sufficient and adequate to support a determination of "not likely to adversely affect" for the exploratory activity as proposed. Therefore, we concur with the finding.

Although this does not represent a Biological Opinion as described in section 7 of the Act, it does fulfill the requirements of the Act. If modifications are made in the activity or additional information becomes available on listed species, reinitiation of this assessment may be required.

We appreciate your efforts in coordinating this assessment for the subject activity with us in a cooperative manner to expedite the process. Please contact Lorna Patrick of this office for additional information or coordination.

Sincerely,

Gail A. Carmody

Gail A. Carmody
Project Leader

Enclosure

cc:
Davis, EPA, Atlanta, GA
Powell, EPA, Atlanta, GA
Fury, Chevron U.S.A., New Orleans, LA
MMS, New Orleans, LA (LE)
NMFS, St. Petersburg, FL
FWS, Daphne FO, AL
FWS, Jacksonville FO, FL
Tucker, FLGOV, Tallassee, FL

LAP/kh/endspecies/4p94007

Table 1. Potential Air Quality Risks from Predicted Air Emissions Associated with the Exploratory Operation in Destin Dome Block 97 to Federally Listed Endangered, Threatened, and Candidate Species that Are Likely to Occur in the Eastern Gulf of Mexico (Page 1 of 2)

Scientific Name Common Name	Status	Exposure	Potential Effect	Comment
Bird				
Ammodramus maritima Cape Sable sparrow	E	none	none	geographically isolated
Charadrius alexandrinus tenuirostris southeastern snowy plover	C	potential	none	no effect concentrations
Charadrius melodus piping plover	T	potential	none	no effect concentrations
Falco peregrinus tundrius Arctic peregrine falcon	T	potential	none	no effect concentrations
Haliaeetus leucocephalus bald eagle	E	potential	none	no effect concentrations
Mycteria americana wood stork	E	potential	none	no effect concentrations
Sterna dougallii roseate tern	T	none	none	geographically isolated[a]
Fish				
Acipenser oxyrinchus desotoi Gulf sturgeon	T	none	none	ecologically isolated
Invertebrate				
Orthalicus reses reses Stock Island tree snail	T	none	none	geographically isolated
Papilio aristodemus ponceanus Schaus swallowtail butterfly	E	none	none	geographically isolated
Mammal				
Felis concolor coryi Florida panther	E	none	none	geographically isolated
Microtus pennsylvanicus dukecambelli Florida salt marsh vole	E	none	none	geographically isolated
Neotoma floridana smalli Key Largo woodrat	E	none	none	geographically isolated
Odocoileus virginianus clavium Key deer	E	none	none	geographically isolated
Peromyscus gossypinus allapaticola Key Largo cotton mouse	E	none	none	geographically isolated
Peromyscus polionotus allophrys Choctawhatchee beach mouse	E	potential	none	no effect concentrations
Peromyscus polionotus ammobates Alabama beach mouse	E	potential	none	no effect concentrations
Peromyscus polionotus leucocephalus Santa Rosa beach mouse	C	potential	none	no effect concentrations
Peromyscus polionotus peninsularis St. Andrew beach mouse	C	potential	none	no effect concentrations

Table 1. Potential Air Quality Risks from Predicted Air Emissions Associated with the Exploratory Operation in Destin Dome Block 97 to Federally Listed Endangered, Threatened, and Candidate Species that Are Likely to Occur in the Eastern Gulf of Mexico (Page 2 of 2)

Scientific Name Common Name	Status	Exposure	Potential Effect	Comment
Mammal (continued)				
Peromyscus polionotus trissyllepsis Perdido Key beach mouse	E	potential	none	no effect concentrations
Sylvilagus palustris hefneri Lower Keys rabbit	E	none	none	geographically isolated
Trichechus manatus latirostris Florida Manatee	E	none	none	geographically isolated[a]
Reptile				
Caretta caretta loggerhead sea turtle	T	none	none	ecologically isolated
Chelonia mydas green sea turtle	E	none	none	ecologically isolated
Crocodylus acutus American crocodile	E	none	none	geographically isolated
Dermochelys coriacea leatherback sea turtle	E	none	none	ecologically isolated
Eretmochelys imbricata hawksbill sea turtle	E	none	none	ecologically isolated
Lepidochelys kempii Kemp's (Atlantic) ridley sea turtle	E	none	none	ecologically isolated
Plant				
Cereus robinii Key tree-cactus	E	none	none	geographically isolated
Euphorbia garberi Garber's spurge	T	none	none	geographically isolated

Note: C = candidate species.
E = endangered.
T = threatened.

[a] Within the species' normal range.

FINAL DETERMINATION

FOR

Chevron U.S.A. Production Company, Inc.

Offshore Exploratory Drilling Operation In
Destin Dome Block 97

Outer Continental Shelf Air Permit

Permit Number

OCS-FL-001

United States Environmental Protection Agency

Region IV

Atlanta, GA

Prepared on December 23, 1993

Prepared By: R. Scott Davis

I. Project Description:

A. Applicant:

Chevron U.S.A. Production Company, Inc.
935 Gravier Street
New Orleans, LA 70112

B. Company Contact:

Ms. Sandi M. Fury, ESF&H Representative
Special Projects Group
Gulf of Mexico Production Business Unit
Telephone: (504) 592-6095

C. Project and Location:

The applicant, Chevron U.S.A., Inc., applied on May 14, 1993, to Region IV of the U.S. Environmental Protection Agency (EPA) for an Outer Continental Shelf construction and operating permit to authorize the construction and operation of one exploratory, natural gas drilling rig. The rig is to be located at Destin Dome Block 97, approximately 29 miles offshore of Pensacola, Florida. The surface coordinates of the rig will be approximately 29.51'57.9" North and 87.20'07.7" West.

D. Process and Controls:

This permit will authorize the construction and operation of one exploratory, natural gas drilling rig. The exploratory well will be drilled to a depth of approximately 25,300 feet to determine the hydrocarbon potential of the Block (Destin Dome Block 97). Natural gas is the primary hydrocarbon expected in the block. Activities include the drilling of the well, to be performed utilizing a jackup type drilling rig, testing of the hydrodcarbon formation (if determined to exist), and suspension of the well. The operation will be permitted for a maximum of 280 days. The equipment to be used on the rig will include three main diesel engines for electric power, each with a power output rate of 1,650 brake-horsepower (Model EMD-645-E8). The marine vessel engines will be the Detroit Diesel 12V-645 (Model 12V-71TI) 550 brake-horsepower for the crewboat and the Caterpillar 16 cylinder 1,125 brake-horsepower (Model D399) for the supply boat and the utility boat. Emission controls for the main engines will be through engine retardation. Emission controls for the marine vessels will be through a limited number of trips to the offshore facility by the vessels and through the use of engines equipped with turbocharging and intercooling. The fuel to be burned in the diesel engines on the main rig and the vessels will be fuel oil with a maximum sulfur content of 0.5%, by weight.

E. Application Information:

Received on: May 17, 1993
Additional Information Requested: June 15, 1993
Application Revised by Applicant: June 25, 1993
Additional Information Requested: August 18, 1993
Information Submitted by Applicant: August 30, 1993
Application Complete: August 30, 1993

II. Rule Applicability:

This project is subject to the air permitting review and requirements of the Outer Continental Shelf Air Regulations, Title 40 Part 55 of the Code of Federal Regulations, as promulgated on September 4, 1992, and its amendments.

This project is subject to the applicable air requirements of preconstruction review requirements of Chapter 17-210 (Stationary Sources - General Requirements) and Chapter 17-212 (Stationary Sources - Preconstruction Review), Florida Administrative Code (F.A.C.).

This project is not subject to the new source review requirements of Chapter 17-212, F.A.C., because the facility is a minor source of air emissions.

III. Summary of Emissions:

Criteria Pollutant	Potential Emissions (tons)		
	Facility	Vessels	Total
Lead	5.146E-04	Negligible	5.146E-04
Particulate Matter (PM_{10})	3.04	1.77	4.81
Volatile Organic Compounds	11.84	3.45	15.29
Carbon Monoxide	84.56	6.35	90.91
Sulfur Dioxide	219.32	7.36	226.68
Nitrogen Oxides	204.48	33.79	238.27

Review of the potential emissions data submitted by Chevron U.S.A. was conducted at EPA Region IV by staff of the Source Evaluation Unit and the Mobile Source Planning Unit. In addition, the Outer Continental Shelf air permit application (and supplement thereof) was

made available for review and comment to the Air Permitting Branch of the Florida Department of Environmental Protection (Florida DEP), the Air Quality Branch of the U.S. Fish and Wildlife Service, the Air Quality Division of the National Park Service, the Southern Regional Office of the U.S. Fish and Wildlife Service, and the Refuge Manager for the Breton National Wildlife Refuge. Based upon an EPA request, Chevron U.S.A. provided emissions compliance test data and performance specifications for the main rig diesel engines and the marine vessel engines proposed for this project. Verification of this information was used to substantiate the emissions calculations provided in the Outer Continental Shelf air permit application (and supplement thereof). The applicant has responded fully to all comments and requests for additional information. Based on EPA review of the information provided by the applicant, supporting material, and comments provided from other state and federal regulatory agencies, the proposed facility should not exceed the maximum potential emissions estimated by the applicant.

IV. Preliminary Determination and Draft Air Permit:

The "Technical Evaluation and Preliminary Determination" and draft Outer Continental Shelf air permit, OCS-FL-001, for the proposed offshore exploratory drilling operation in Destin Dome Block 97 by Chevron U.S.A., were completed by EPA Region IV on September 30, 1993.

V. Public Participation:

The "Notice of Proposed Outer Continental Shelf Air Permit, Public Comment Period and Public Hearing" for the draft Outer Continental Shelf air permit (OCS-FL-001) for Chevron U.S.A. was published in the Orlando Sentinel, Pensacola News-Journal, and Tallahassee Democrat on October 3, 1993 by EPA Region IV. The public comment period was open from October 3, 1993, through November 8, 1993. The administrative record for the draft Outer Continental Shelf air permit was available for review and copying during the public comment period at four locations: the EPA Region IV Library in Atlanta, Georgia; the Air Resources Management Division of the Florida Department of Environmental Protection in Tallahassee, Florida; the West Florida Regional Library in Pensacola, Florida; and the Orange County Library in Orlando, Florida.

On November 3, 1993, a public hearing was held on the draft Outer Continental Shelf air permit at the Saenger Theater in Pensacola, Florida. The afternoon session of the public hearing was held from 1:00 p.m. to 3:30 p.m. Fifteen testimonies were heard at this session. The evening session of the public hearing was held from 7:00 p.m. to 11:30 p.m. Fifty-nine testimonies were heard at this session.

Significant comments presented during the public comment period and at the public hearing were reviewed by EPA Region IV and considered in the formulation of the final decision regarding the Outer Continental Shelf air permit. The "Response To Comments Document" responds to and summarizes these comments and identifies the changes that have resulted in the final Outer Continental Shelf air permit. A total of 10,542 comments received during the public comment period and at the public hearing were addressed in the "Response To Comments Document."

VI. Conclusions:

Based upon comments received during the public comment period, at the public hearing, and in staff review, the draft Outer Continental Shelf air permit, OCS-FL-001, has been revised as follows:

STATEMENT OF BASIS

1. Add (STATEMENT OF BASIS) to the title heading. The revision will read:

PERMIT TO CONSTRUCT AND OPERATE UNDER
THE OUTER CONTINENTAL SHELF AIR REGULATIONS
(STATEMENT OF BASIS)

2. In the first paragraph, substitute:

Surface Coordinates: 29.51'57.9" North Latitude
87.20'07.7" West Longitude

for: Surface Coordinates: 29.51'57.91" North Latitude
87.20'07.74" West Longitude

3. In the second paragraph, substitute "upon initial start-up" for "commencement of operation." The revision will read:

> Upon completion of this authorized construction and upon initial start-up, this Outer Continental Shelf source shall be operated in accordance with the emission limitations, sampling requirements, monitoring requirements, and other conditions set forth in the attached General Conditions (Part I) and Specific Conditions (Part II).

4. In the third paragraph, substitute "30 days from the date of the service of notice for this permit decision" for "on the date signed below." The revision will read:

> This permit shall become effective 30 days from the date of the service of notice for this permit decision.

AIR PERMIT

1. In Specific Condition 3, lines 3 and 4, substitute "round trips" for "trips." Delete the language "(based on an exploratory operation of 40 weeks)" from the last sentence. The revision will read:

3. Vessels must maintain the trip schedule as set out in the permit application (and supplement thereof). The maximum number of trips to be taken by the crewboat shall be 200 **round trips**, the supply boat shall be 80 **round trips**, and the utility boat shall be 3 **round trips**.

2. In Specific Condition 6, substitute the following language in 6(b)(2):

(2) The SO_2 emission rate from the flare shall be calculated from the volume and H_2S content of the gas burned. Gas flow rates shall be measured continuously with a flow meter that has an accuracy of 2.0 percent of the upper range and flow meters shall be calibrated using the following ASME codes, as appropriate: ASME MFC-3M-1989 with September 1990 Errata (Measurement of Fluid Flow in Pipes Using Orifice, Nozzle, and Venturi); ASME MFC-4M-1986 (Reaffirmed 1990) (Measurement of Gas Flow by Turbine Meters); ASME MFC-6M-1987 with June 1987 Errata (Measurement of Fluid Flow in Pipes Using Vortex Flow Meters); ASME MFC-7N-1987 (Reaffirmed 1992) (Measurement of Gas Flow by Means of Critical Flow Venturi Nozzles); or any other standard method approved by the Administrator. Gaseous fuel flow rates measured at actual temperature and pressure shall be corrected to standard conditions (68°F and 29.92 inches of mercury). Samples of the gas burned shall be collected on an hourly basis and shall be analyzed for H_2S content with the use of a Draegger colorimetric tube indicator. Three tubes will constitute one hourly sample. If Draegger tubes of the specific range required during sampling are not available, samples of gas burned shall be collected on an hourly basis and analyzed for H_2S content using one of the following methods: the Tutwiler procedure described in 40 C.F.R. Section 60.648; ASTM E-260 (General Gas Chromatography Procedures); or any other standard method approved by the Administrator.

3. In Specific Condition 7, add "the begin actual construction date (if different from the commencement of construction date)" before "and" and substitute "initial start-up" for "start-up." The revision will read:

7. EPA and the Florida DEP shall be notified of the commencement of construction date, **the begin actual construction date (if different from the commencement of construction date)**, and the **initial start-up** date within thirty (30) days of the date of their occurrence.

4. In Specific Condition 8, substitute "daily" for "monthly." The revision will read:

8. Within 45 days from the end of each calendar quarter, a report detailing the previous three month's activities shall be provided to EPA and the Florida DEP. The report must list all data required by condition of this permit, including data required by specific condition 6, and the **daily** and cumulative emissions of SO_2 from the flare.

5. In Specific Condition 11, substitute "initial start-up" for "commencing operations." The revision will read:

11. This Outer Continental Shelf source and the equipment permitted herein shall operate for a maximum of 280 days, from the date of **initial start-up.**

6. In Table 1, for the NO_x basis, change "Certification of Manufacturer's Specifications" to read "EPA Method 20 or Certification of Manufacturer's Specifications."

7. In Table 4, for the SO_2 limitation, substitute "7.36 tons*" for "7.35 tons*."

8. In Table 5, for Sulfur Dioxide emissions, substitute "226.68" for "226.63."

The emission limits specified in the Outer Continental Shelf air permit will meet all of the requirements of Chapter 17-296 (Stationary Sources - Emission Standards), F.A.C.

The State of Florida air regulations provide for the following emissions standards for minor sources of air emissions:

POLLUTANT	EMISSION STANDARD	REFERENCE (F.A.C.)
Visible Emissions	20% Opacity	Chapter 17-296.310(2)
Volatile Organic Compounds	Apply control devices or systems deemed necessary and ordered by the Florida DEP*	Chapter 17-296.320(1)

* For the proposed Chevron U.S.A. facility, a flare will be used to vent natural gas.

The General and Specific Conditions listed in the Outer Continental Shelf air permit (attached) will assure compliance with all the applicable requirements of Chapter 17-296 and Chapter 17-297 (Stationary Sources - Emissions Monitoring), F.A.C. The permit will allow for no violation of any applicable state or federal rule or regulation.

VII. Final Agency Action:

Pursuant to title 40, part 55 and part 124 of the Code of Federal Regulations, Region IV of the U.S. Environmental Protection Agency hereby gives notice of its intent to issue a permit to construct and operate the aforementioned air pollution source in accordance with the Outer Continental Shelf air permit and its conditions as stipulated.

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION IV

345 COURTLAND STREET, N.E.
ATLANTA, GEORGIA 30365

OCS-FL-001

PERMIT TO CONSTRUCT AND OPERATE UNDER THE OUTER CONTINENTAL SHELF AIR REGULATIONS (STATEMENT OF BASIS)

Pursuant to and in accordance with the provisions of Section 328 of the Clean Air Act, as amended, 42 United States Code § 7627 et seq., and the regulations promulgated thereunder at title 40, part 55 of the Code of Federal Regulations, as amended,

Chevron U.S.A. Production Company, Inc.
935 Gravier Street
New Orleans, Louisiana 70112

is hereby authorized to construct and operate an Outer Continental Shelf source at the following location:

Destin Dome Block 97

Surface Coordinates: 29.51'57.9" North Latitude
87.20'07.7" West Longitude

Upon completion of this authorized construction and upon initial start-up, this Outer Continental Shelf source shall be operated in accordance with the emission limitations, sampling requirements, monitoring requirements, and other conditions set forth in the attached General Conditions (Part I) and Specific Conditions (Part II).

This permit shall become effective 30 days from the date of the service of notice for this permit decision.

If construction does not begin within eighteen months after the effective date of this permit, or if construction is discontinued for a period of eighteen months or more, or if construction is not completed within a reasonable time, this permit shall expire and authorization to construct shall become invalid.

This authorization to construct and operate shall not relieve the owner or operator of the responsibility to comply fully with all applicable provisions of Federal and State law.

JAN - 5 1994
Date Signed

Patrick M. Tobin
Acting Regional Administrator

PERMITTEE:
Chevron U.S.A. Production Company, Inc.
935 Gravier Street
New Orleans, Louisiana 70112

PERMIT NUMBER: OCS-FL-001
PROJECT: Destin Dome Block 97

This permit will authorize the construction and operation of one exploratory, natural gas drilling rig. The exploratory well will be drilled to a depth of approximately 25,300 feet to determine the hydrocarbon potential of the Block (Destin Dome Block 97). Proposed activities include the drilling of the well, to be performed utilizing a jackup type drilling rig, testing of the hydrocarbon formation (if determined to exist), and suspension of the well. The equipment to be used on this rig will include three main diesel engines for electric power, each with a rated power output of 1,650 brake-horsepower (Model EMD-645-E8). The marine vessel engines will be the Detroit Diesel 12V-645 (Model 12V-71TI) 550 brake-horsepower for the crewboat and the Caterpillar 16 cylinder 1,125 brake-horsepower (Model D399) for the supply boat and the utility boat. Proposed emission controls for the main engines will be through engine retardation. Proposed emission controls for the marine vessels will be through a fixed number of trips to the offshore facility by the vessels and through the use of engines equipped with turbocharging and intercooling. The fuel to be burned in the diesel engines on the main rig and the vessels will be fuel oil with a maximum sulfur content of 0.5%, by weight.

Documents contained in the Administrative Record for the draft Outer Continental Shelf air permit are as follows:

1. Air Permit Application and Notice of Intent for Outer Continental Shelf Destin Dome Block 97 from Chevron to EPA Region IV, May 14, 1993
2. Letter from EPA Region IV to Chevron, June 15, 1993
3. Technical Supplement, Air Permit Application Destin Dome Block 97, from Chevron to EPA Region IV, June 24, 1993
4. Letter from Florida DEP to EPA Region IV, July 16, 1993
5. Letter from EPA Region IV to Florida DEP, July 29, 1993
6. Letter from EPA Region IV to U.S. Fish & Wildlife Service, Air Quality Branch, July 30, 1993
7. Letter from EPA Region IV to U.S. Fish & Wildlife Service, Regional Director, July 30, 1993
8. Letter from EPA Region IV to National Park Service, Air Quality Division, July 30, 1993
9. Letter from EPA Region IV to Breton National Wildlife Refuge, July 30, 1993
10. Letter from Chevron to EPA Region IV, August 16, 1993
11. Letter from U.S. Fish & Wildlife Service to EPA Region IV, August 17, 1993
12. Letter from EPA Region IV to Chevron, August 18, 1993
13. Letter from Chevron to EPA Region IV, August 30, 1993

14. Letter from EPA Region IV to Chevron, September 30, 1993

I. GENERAL CONDITIONS:

1. The terms, conditions, requirements, limitations and restrictions set forth in this permit are "permit conditions" and are binding and enforceable pursuant to section 328 of the Clean Air Act, as amended, and 40 C.F.R. Part 55, as amended. The permittee is placed on notice that EPA will review this permit periodically and may initiate enforcement action for any violation of these conditions.

2. This permit is valid only for the specific processes and operations applied for and indicated in the drawings or exhibits, as submitted. Any unauthorized deviation from these drawings, exhibits, specifications, or conditions of this permit may constitute grounds for revocation and enforcement action by EPA.

3. The issuance of this permit does not convey any vested rights or any exclusive privileges. Neither does it authorize any injury to public or private property or any invasion of personal rights, nor any infringement of federal, state, or local laws or regulations. This permit is not a waiver of or approval of any other EPA permit that may be required for other aspects of the total project which are not addressed in this permit.

4. This permit conveys no title to land or water, does not constitute Federal or State recognition or acknowledgment of title, and does not constitute authority for the use of submerged lands, except as herein provided and the necessary title or leasehold interests have been obtained from the United States of America.

5. This permit does not relieve the permittee from liability for harm or injury to human health or welfare, animal, or plant life, or property caused by the construction or operation of this permitted source, or from penalties therefore; nor does it allow the permittee to cause pollution in contravention of Federal statutes and EPA rules, unless specifically authorized by an order from EPA.

6. The permittee shall properly operate and maintain the facility and systems of treatment and control (and related appurtenances) that are installed and used by the permittee to achieve compliance with the conditions of this permit, as required by EPA rules. This provision includes the operation of backup or auxiliary facilities or similar systems when necessary to minimize or prevent emissions in achieving compliance with the conditions of the permit and when required by EPA rules.

7. The permittee, by accepting this permit, specifically agrees to allow authorized EPA and Florida Department of Environmental Protection (Florida DEP) personnel, upon presentation of credentials or other documents as may be required by law and at reasonable times, access to the premises where the permitted activity is located or conducted to:

(a) Have access to and copy any records that must be kept under conditions of the permit;

(b) Inspect the facility, equipment, practices, or operations regulated or required under this permit; and

(c) Sample or monitor any substances or parameters at any location reasonably necessary to assure compliance with this permit or EPA rules.

Reasonable time may depend on the nature of the concern being investigated.

8. If, for any reason, the permittee does not comply with or will be unable to comply with any condition or limitation specified in this permit, the permittee shall immediately provide EPA with the following information:

(a) A description of and cause of noncompliance; and

(b) The period of noncompliance, including dates and times; or, if not corrected, the anticipated time the noncompliance is expected to continue, and steps being taken to reduce, eliminate, and prevent recurrence of the noncompliance. The permittee shall be responsible for any and all damages which may result and may be subject to enforcement action by EPA for penalties or for revocation of this permit.

Except as provided for in this permit, nothing in this permit shall be construed to relieve the permittee from civil or criminal penalties for noncompliance.

9. In accepting this permit, the permittee understands and agrees that all records, notes, monitoring data and other information relating to the construction or operation of this permitted source which are submitted to EPA may be used by EPA as evidence in any enforcement case involving the permitted source arising under Federal Statutes, EPA rules, or rules enforceable by EPA.

10. The permittee agrees to comply with changes in EPA rules and

Federal Statutes after a reasonable time for compliance; provided, however, the permittee does not waive any other rights granted by Federal Statutes or EPA rules.

11. This permit is transferable only upon EPA approval in accordance with 40 C.F.R. Part 55, as amended (Reference Rule 17-4.120, Florida Administrative Code, as applicable). The permittee shall be liable for any non-compliance of the permitted activity until the transfer is approved by EPA.

12. This permit or a copy thereof shall be kept at the work site of the permitted activity. Chevron shall notify all other owners and operators, contractors, and the subsequent owners and operators associated with emissions from the source, of the conditions of this permit.

13. This permit also constitutes:
( ) Determination of Best Available Control Technology (BACT)
( ) Determination of Prevention of Significant Deterioration (PSD)
( ) Compliance with New Source Performance Standards (NSPS)
( ) Compliance with National Emissions Standards for Hazardous Air Pollutants (NESHAPS)
(X) None of the above are applicable

14. The permittee shall comply with the following:

(a) Upon request, the permittee shall furnish all records and plans required under EPA rules. During enforcement actions, the retention period for all records will be extended automatically unless otherwise stipulated by EPA.

(b) The permittee shall hold at the Chevron offices of the Gulf of Mexico Production Business Unit in New Orleans, Louisiana, records of all monitoring information (including all calibration and maintenance records and all original strip chart recordings for continuous monitoring instrumentation) required by the permit, copies of all reports required by this permit, and records of all data used to complete the application for this permit. These materials shall be retained at least three years from the date of the sample, measurement, report, or application unless otherwise specified by EPA rule.

(c) Records of monitoring information shall include:

1. the date, exact place, and time of sampling or

measurements;

2. the person responsible for performing the sampling or measurements;

3. the dates analyses were performed;

4. the person responsible for performing the analyses;

5. the analytical techniques or methods used;

6. the results of such analyses.

15. When requested by EPA, the permittee shall within a reasonable time furnish any information required by law which is needed to determine compliance with the permit. If the permittee becomes aware that relevant facts were not submitted or were incorrect in the permit application or in any report to EPA, such facts or information shall be corrected promptly.

16. All correspondence required to be submitted by this permit to the permitting agency shall be mailed to:

Chief
Air Enforcement Branch
Air, Pesticides, and Toxics
Management Division
U.S. EPA Region IV
345 Courtland Street NE
Atlanta, Georgia 30365
(ATTN: Southern Compliance Unit)

17. This Outer Continental Shelf source shall comply with all requirements of 40 C.F.R. Part 55, as amended, and all permits issued pursuant to this part for this source. Failure to do so shall be considered a violation of section 111(e) of the Clean Air Act, as amended.

18. All enforcement provisions of the Clean Air Act, as amended, including, but not limited to, the provisions of section 113, 114, 120, 303, and 304 of the Clean Air Act, shall apply to this Outer Continental Shelf source.

19. If this Outer Continental Shelf source is ordered to cease operation of any piece of equipment due to enforcement action taken by EPA, the shutdown will be coordinated by the enforcing agency with the Minerals Management Service (MMS) and the U.S. Coast Guard to

assure that the shutdown will proceed in a safe manner. No shutdown action will occur until after consultation with these agencies, but in no case will initiation of the shutdown be delayed by more than 24 hours.

II. SPECIFIC CONDITIONS:

1. The maximum allowable emissions from this Outer Continental Shelf source shall not exceed the emission rates listed in Tables 1, 2, 3, 4, and 5.

2. Chevron shall notify EPA of any occurrence of any emissions in excess of limits specified in Condition Number 1 above; such notification shall be forwarded to EPA in writing in a timely fashion and in each instance no later than ten (10) days from the date of such occurrence. The notification shall include an estimate of the resultant emissions and narrative report of the cause, duration and steps taken to correct the problem and avoid a recurrence. Chevron shall contemporaneously send a copy of all such reports to:

Bureau of Air Regulation
Florida Department of Environmental
Protection
Twin Towers Office Building
2600 Blair Stone Road
Tallahassee, Florida 32399-2400

and

Minerals Management Service
U.S. Department of the Interior
Gulf of Mexico OCS Region
New Orleans District
1201 Elmwood Park Boulevard
New Orleans, Louisiana 70123-2394

3. Vessels must maintain the trip schedule as set out in the permit application (and supplement thereof). The maximum number of trips to be taken by the crewboat shall be 200 round trips, the supply boat shall be 80 round trips, and the utility boat shall be 3 round trips.

4. This approval shall become void if construction is not begun within eighteen (18) months after receipt of approval or if construction once initially begun is discontinued for a period of eighteen (18) months. If construction is not completed within a reasonable time, this permit shall expire and authorization to

construct shall become invalid.

5. As approved and conditioned by this permit any construction or exploratory operation, including equipment operations and maintenance, of the Outer Continental Shelf source shall be in accordance with the data, specifications, and assumptions included with the application (and supplement thereof) which resulted in this permit.

6. Compliance with emission limitations shall be demonstrated by source tests and a program of emission monitoring as described below:

a. Compliance Demonstration:

(1) NO_x compliance testing shall be conducted within thirty (30) days after achieving the maximum production rate at which the OCS source will be operated, but not later than sixty (60) days after initial start-up of the project. Compliance with the NO_x emission limitation for the drilling rig main diesel engines shall be determined using one of the following methods: (a) Stack testing using Method 20 while the engine is operating at a load of at least 75% of full load; or (b) Chevron may certify that retardation of the injection timing to four (4°) degrees after top dead center has been accomplished on the main engines as described in the application. If an independent manufacturer's representative or mechanic is used to make or confirm the settings, Chevron shall obtain a written statement from the manufacturer's representative or mechanic and include it with certification to EPA.

(2) Compliance with the fuel sulfur content limitation of 0.5% by weight shall be determined by one of the following methods: (a) Obtaining a representative sample of each fuel delivery and analyzing the samples for sulfur content using ASTM D129-64 (Reapproved 1978), ASTM D4057-81, ASTM D1552-83, ASTM D2622-87, or ASTM D1266-87, or (b) Chevron may obtain a certification of the sulfur content from the fuel supplier for each delivery providing the certification indicates that the sulfur content has been determined by one of the ASTM methods listed above. Certifications for fuel sulfur content shall be sent to EPA quarterly.

(3) Compliance with the total NO_x emissions limit of specific condition 1 shall be determined by keeping records of (a) the daily hours of operation and fuel oil consumption in gallons for each of the drilling rig

engines, (b) the daily sum total fuel oil consumption in gallons for the crewboat, supply boat, and utility boat, and (c) the daily and cumulative total number of trips completed by the crewboat, supply boat, and utility boat.

b. Monitoring

(1) A log shall be maintained to record operating problems and maintenance performed on the diesel generating equipment.

(2) The SO_2 emission rate from the flare shall be calculated from the volume and H_2S content of the gas burned. Gas flow rates shall be measured continuously with a flow meter that has an accuracy of 2.0 percent of the upper range and flow meters shall be calibrated using the following ASME codes, as appropriate: ASME MFC-3M-1989 with September 1990 Errata (Measurement of Fluid Flow in Pipes Using Orifice, Nozzle, and Venturi); ASME MFC-4M-1986 (Reaffirmed 1990) (Measurement of Gas Flow by Turbine Meters); ASME MFC-6M-1987 with June 1987 Errata (Measurement of Fluid Flow in Pipes Using Vortex Flow Meters); ASME MFC-7N-1987 (Reaffirmed 1992) (Measurement of Gas Flow by Means of Critical Flow Venturi Nozzles); or any other standard method approved by the Administrator. Gaseous fuel flow rates measured at actual temperature and pressure shall be corrected to standard conditions (68°F and 29.92 inches of mercury). Samples of the gas burned shall be collected on an hourly basis and shall be analyzed for H_2S content with the use of a Draegger colorimetric tube indicator. Three tubes will constitute one hourly sample. If Draegger tubes of the specific range required during sampling are not available, samples of gas burned shall be collected on an hourly basis and analyzed for H_2S content using one of the following methods: the Tutwiler procedure described in 40 C.F.R. Section 60.648; ASTM E-260 (General Gas Chromatography Procedures); or any other standard method approved by the Administrator.

7. EPA and the Florida DEP shall be notified of the commencement of construction date, the begin actual construction date (if different from the commencement of construction date), and the initial start-up date within thirty (30) days of the date of their occurrence.

8. Within 45 days from the end of each calendar quarter, a report detailing the previous three month's activities shall be provided to EPA and the Florida DEP. The report must list all data required by

condition of this permit, including data required by specific condition 6, and the daily and cumulative emissions of SO_2 from the flare.

9. Nothing contained within this permit shall be construed to allow the violation of any applicable State or Federal regulation or rule.

10. If any condition herein is determined to be invalid, all other conditions shall remain in force.

11. This Outer Continental Shelf source and the equipment permitted herein shall operate for a maximum of 280 days, from the date of initial start-up.

PERMITTEE:
Chevron U.S.A. Production Company, Inc.
935 Gravier Street
New Orleans, Louisiana 70112

PERMIT NUMBER: OCS-FL-001
PROJECT: Destin Dome Block 97

EMISSION LIMITS
DESTIN DOME BLOCK 97

TABLE 1 - MAIN ELECTRIC POWER ENGINES

POLLUTANT	LIMITATION		BASIS
CO	47.58 lb/hr	69.69 tons	Emission Factor
NO_x	131.57 lb/hr	192.70 tons	EPA Method 20 or Certification of Manufacturer's Specifications
PM/PM_{10}	1.74 lb/hr	2.56 tons	Emission Factor
SO_2	19.50 lb/hr	28.56 tons	0.5% Sulfur Fuel Oil, ASTM Test Method Certification
VOC	4.59 lb/hr	6.72 tons	Emission Factor
As	1.57E-04 lb/hr	2.30E-04 tons	Emission Factor
Be	9.36E-05 lb/hr	1.37E-05 tons	Emission Factor
F	1.22E-03 lb/hr	1.78E-03 tons	Emission Factor
Pb	3.33E-04 lb/hr	4.88E-04 tons	Emission Factor
Hg	9.36E-05 lb/hr	1.37E-05 tons	Emission Factor
H_2SO_4	1.49 lb/hr	2.19 tons	Emission Factor
Visible Emissions	20% Opacity		EPA Method 9

TABLE 2 - CRANE LOGGING AND AUXILIARY DIESEL ENGINES

POLLUTANT	LIMITATION		BASIS
CO	3.96 lb/hr	2.06 tons	Emission Factor
NO_x	18.17 lb/hr	9.42 tons	Emission Factor
PM/PM_{10}	0.26 lb/hr	0.14 tons	Emission Factor
SO_2	3.00 lb/hr	1.56 tons	0.5% Sulfur Fuel Oil, ASTM Test Method Certification
VOC	0.53 lb/hr	0.27 tons	Emission Factor
As	1.61E-05 lb/hr	1.25E-06 tons	Emission Factor
Be	9.60E-06 lb/hr	7.46E-06 tons	Emission Factor
F	1.25E-04 lb/hr	9.72E-05 tons	Emission Factor
Pb	3.42E-05 lb/hr	2.66E-05 tons	Emission Factor
Hg	9.60E-06 lb/hr	7.46E-06 tons	Emission Factor
H_2SO_4	0.15 lb/hr	0.12 tons	Emission Factor
Visible Emissions	20% Opacity		EPA Method 9

TABLE 3 - WELL TESTING FLARE

POLLUTANT	LIMITATION		BASIS
CO	353.46 lb/hr	12.82 tons	Emission Factor
NO_x	64.96 lb/hr	2.36 tons	Emission Factor
PM/PM_{10}	9.55 lb/hr	0.35 tons	Emission Factor
SO_2	5216.9 lb/hr	189.2 tons	Emission Factor
VOC	133.7 lb/hr	4.85 tons	Emission Factor
Visible Emissions	20% Opacity		EPA Method 9

PERMITTEE:
Chevron U.S.A. Production Company, Inc.
935 Gravier Street
New Orleans, Louisiana 70112

PERMIT NUMBER: OCS-FL-001
PROJECT: Destin Dome Block 97

TABLE 4 - TOTAL VESSEL EMISSIONS
(CREWBOAT, SUPPLY BOAT, UTILITY BOAT, HELICOPTER)

POLLUTANT	LIMITATION	BASIS
CO	6.35 tons	Emission Factor
NO_x	33.79 tons	Emission Factor
PM/PM_{10}	1.77 tons	Emission Factor
SO_2	7.36 tons*	Emission Factor
VOC	3.45 tons	Emission Factor

* All vessel fuel oil will contain a maximum of 0.5% sulfur content, by weight

TABLE 5 - TOTAL OCS SOURCE EMISSIONS

POLLUTANT	EMISSIONS (TONS)
Carbon Monoxide	90.91
Nitrogen Oxides	238.27
Particulate Matter (PM_{10})	4.81
Sulfur Dioxide	226.68
Volatile Organic Compounds	15.29
Arsenic	2.3125E-04
Beryllium	2.116E-05
Fluoride	1.8772E-03
Lead	5.146E-04
Mercury	2.116E-05
Sulfuric Acid Mist	2.31

Patty

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION IV

345 COURTLAND STREET, N.E.
ATLANTA, GEORGIA 30365

RECEIVED
AUG 24 1993
Division of Air Resources Management

4APT-AEB

AUG 18 1993

Ms. Sandi M. Fury
ESF&H Representative
Chevron U.S.A. Production Company
935 Gravier Street
New Orleans, Louisiana 70112

RE: Chevron U.S.A. Outer Continental Shelf Air Permit Application, Destin Dome Block 97

Dear Ms. Fury:

This letter pertains to our substantive review of your Outer Continental Shelf (OCS) air permit application supplement, which we received on June 25, 1993. The supplemental information was in response to our incompleteness letter, dated June 15, 1993. We have the following comments regarding your application:

- The NO_x emissions from the drilling rig engines, model EMD 12-645 were calculated on the basis of engine retardation, which was determined by an authorized engine service representative. Please provide the manufacturers' specifications for these engines, including the guaranteed emission levels, as well as data which provides the basis for the guarantee (i.e., historical compliance or similar data).

- Specific fuel usage information for the marine vessels should be supplied. This information should include previous fuel usage logs upon which the gallon per hour estimates were based or the manufacturers' estimated fuel per hour rates.

- The NO_x emissions for the vessel engines, Detroit Diesel 12V-71TI and 12-cylinder Caterpillar engines equipped with turbocharging and intercooling, were calculated on the basis of data obtained from a service representative. As with the drilling rig engines, please provide the manufacturers' specifications for these engines, including the data which provides the basis for the guaranteed emission rates.

If you have any questions or comments, please contact Mr. Scott Davis of my staff or me at (404) 347-5014.

Sincerely yours,

Brian L. Beals, Chief
Source Evaluation Unit
Air Enforcement Branch
Air, Pesticides, and Toxics
Management Division

cc: Clair Fancy, FDER
John Brown, FDER
Preston Lewis, FDER

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION IV

345 COURTLAND STREET, N.E.
ATLANTA, GEORGIA 30365

JUL 29 1993

RECEIVED

AUG 03 1993

Division of Air
Resources Management

4APT-AEB

Mr. Clair H. Fancy, P.E., Chief
Bureau of Air Regulation
Florida Department of Environmental
Protection
Twin Towers Office Building
2600 Blair Stone Road
Tallahassee, Florida 32399-2400

RE: Chevron Outer Continental Shelf Air Permit Application

Dear Mr. Fancy:

This letter is in response to your correspondence dated July 16, 1993, concerning the above referenced application and technical supplement, submitted for the proposed exploratory drilling operation planned by Chevron USA, to be conducted approximately 29 miles offshore of Pensacola, Florida. Under the Outer Continental Shelf (OCS) Air Regulations, which were final on September 4, 1992, EPA has the authority to issue any air permits required for this source, as it is to be located outside the State of Florida's existing seaward boundary of three leagues from the shoreline. Chevron has applied for an OCS air permit as a minor source; therefore, the permit must comply with all the provisions for a minor source air permit in the State of Florida, as outlined in the Florida Administrative Code (F.A.C.).

Your request for information concerning the availability and costs associated with using 0.05% sulfur content diesel fuel for the proposed project is not applicable to this proposed project. The New Source Performance Standards (NSPS), promulgated in 40 C.F.R. Part 60, apply to OCS sources in the same manner as to sources located in the corresponding onshore area (Florida). However, there are no NSPS requirements regarding the use of diesel fuel for diesel engines or marine vessels, as proposed by Chevron. The regulations for stationary sources in Florida, Section 17-210.300 F.A.C. (Permits Required), do not contain more stringent requirements concerning the use of diesel fuel for these sources. Therefore, we cannot legally require anything more stringent than that required by existing federal or state regulations.

Your request concerning the requirement for modeling data and information will be fulfilled in the event Chevron completes modeling for this source. The permitting requirements in Florida, Section 17-212.300 F.A.C. (Sources Not Subject to Prevention of Significant Deterioration or Nonattainment Requirements), do not contain provisions requiring air quality modeling for minor source air permits. If Chevron completes modeling for this proposed project, the data and information will be made available to both EPA and the Florida Department of Environmental Protection. Again, legally we cannot require a source to submit air quality modeling analysis if there is no requirement in federal or state regulations.

Thank you for your timely review of this package and the opportunity to respond to your comments. If you have any questions or comments, please contact Brian Beals or Scott Davis of my staff at (404) 347-5014.

Sincerely yours,

Jewell A. Harper, Chief
Air Enforcement Branch
Air, Pesticides, and Toxics
Management Division

cc: C. Logan
JCB/GPL

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION IV

345 COURTLAND STREET, N.E.
ATLANTA, GEORGIA 30365

JUL 29 1993

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AUG 03 1993

Division of Air
Resources Management

4APT-AEB

Mr. Clair H. Fancy, P.E., Chief
Bureau of Air Regulation
Florida Department of Environmental
Protection
Twin Towers Office Building
2600 Blair Stone Road
Tallahassee, Florida 32399-2400

RE: Chevron Outer Continental Shelf Air Permit Application

Dear Mr. Fancy:

This letter is in response to your correspondence dated July 16, 1993, concerning the above referenced application and technical supplement, submitted for the proposed exploratory drilling operation planned by Chevron USA, to be conducted approximately 29 miles offshore of Pensacola, Florida. Under the Outer Continental Shelf (OCS) Air Regulations, which were final on September 4, 1992, EPA has the authority to issue any air permits required for this source, as it is to be located outside the State of Florida's existing seaward boundary of three leagues from the shoreline. Chevron has applied for an OCS air permit as a minor source; therefore, the permit must comply with all the provisions for a minor source air permit in the State of Florida, as outlined in the Florida Administrative Code (F.A.C.).

Your request for information concerning the availability and costs associated with using 0.05% sulfur content diesel fuel for the proposed project is not applicable to this proposed project. The New Source Performance Standards (NSPS), promulgated in 40 C.F.R. Part 60, apply to OCS sources in the same manner as to sources located in the corresponding onshore area (Florida). However, there are no NSPS requirements regarding the use of diesel fuel for diesel engines or marine vessels, as proposed by Chevron. The regulations for stationary sources in Florida, Section 17-210.300 F.A.C. (Permits Required), do not contain more stringent requirements concerning the use of diesel fuel for these sources. Therefore, we cannot legally require anything more stringent than that required by existing federal or state regulations.

8/5

Patty-

Beals called me on this before it was sent. I told him OK & we wouldn't raise these issues again.

Clair

8/6

~~John Preston~~

FYI

Patty

Your request concerning the requirement for modeling data and information will be fulfilled in the event Chevron completes modeling for this source. The permitting requirements in Florida, Section 17-212.300 F.A.C. (Sources Not Subject to Prevention of Significant Deterioration or Nonattainment Requirements), do not contain provisions requiring air quality modeling for minor source air permits. If Chevron completes modeling for this proposed project, the data and information will be made available to both EPA and the Florida Department of Environmental Protection. Again, legally we cannot require a source to submit air quality modeling analysis if there is no requirement in federal or state regulations.

Thank you for your timely review of this package and the opportunity to respond to your comments. If you have any questions or comments, please contact Brian Beals or Scott Davis of my staff at (404) 347-5014.

Sincerely yours,

Jewell A. Harper, Chief
Air Enforcement Branch
Air, Pesticides, and Toxics
Management Division

cc: C. Logan
JCB/GPL

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION IV

345 COURTLAND STREET, N.E.
ATLANTA, GEORGIA 30365

RECEIVED

JUN 25 1993

Division of Air
Resources Management

4APT-AEB

JUN 15 1993

Ms. Sandi M. Fury
ESF&H Representative
Chevron U.S.A. Production Company
935 Gravier Street
New Orleans, Louisiana 70112

RE: Chevron U.S.A. Proposed Drilling Activity,
Destin Dome Block 97

Dear Ms. Fury:

This letter is in response to your Outer Continental Shelf (OCS) air permit application, received on May 17, 1993. The application has been reviewed in accordance with the OCS air regulations (40 C.F.R. Part 55) and deemed to be incomplete at the present time. The deficient areas are outlined below:

-- The application submitted used the incorrect definition of "potential to emit" as a basis for Prevention of Significant Deterioration (PSD) applicability. For OCS sources, the definition of potential to emit is in § 55.2 and does include surface vessels servicing or associated with an OCS source. They are considered direct emissions from such a source while at the source, and while enroute to or from the source when within 25 miles of the source, and shall be included in the potential to emit for an OCS source. In addition, the definition of an OCS source in Section 328 (a)(4)(C)(iii) of the Clean Air Act Amendments of 1990 includes vessel emissions in the direct emissions from the OCS source.

-- Based on the potential emissions of regulated pollutants in the OCS application, including emissions from vessels, this facility would be a major source for the purposes of PSD for nitrogen oxides (total NO_x emissions greater than 250 tons: 225.25 tons from the primary facilities and approximately 381.7 tons from the vessels). On this basis, Chevron would be required to submit an application for and obtain a PSD permit to fulfill the OCS permitting requirements, as outlined in § 55.13.

John Brown JB

Patty

Patty
EPA Has
this but lets
start a file. CH
and Charles have
Preston

Your OCS application can be deemed complete upon the receipt of material that satisfies the deficiencies listed above. If you have any questions or comments, please contact Mr. Scott Davis of my staff at (404) 347-5014. Additionally, we appreciate having had the opportunity to meet here at EPA Region IV with the staff from Chevron USA and KBN Engineering and Applied Sciences involved with this OCS permit application.

Sincerely yours,

Jewell A. Harper, Chief
Air Enforcement Branch
Air, Pesticides, and Toxics
Management Division

cc: Clair Fancy, FDER
John Brown, FDER
Preston Lewis, FDER

UNITED STATES
ENVIRONMENTAL PROTECTION AGENCY
REGION IV
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ATLANTA GEORGIA 30365

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Mr. Clair Fancy, P.E., Cheif
Bureau of Air Regulations
FL Department of Environmental Regulation
Twin Towers Office Building
2600 Blair Stone Road
Tallahassee, Florida 32399-2400

87

Chevron U.S.A. Production Company
935 Gravier Street, New Orleans, LA 70112

Gulf of Mexico
Production Business Unit

John Brown JPB
Patty RM

New Orleans, LA
June 24, 1993

Technical Supplement
Air Permit Application
Destin Dome Block 97

U.S. Environmental Protection Agency, Region IV
Air, Pesticides, and Toxics Management Division
345 Courtland Street, N.E.
Atlanta, Georgia 30365

RECEIVED
JUN 25 1993
Division of Air
Resources Management

Attention: Mr. Jewell A. Harper, Chief
Air Enforcement Branch

Gentlemen:

Pursuant to our meeting on June 2, 1993, and your letter of June 15, 1993, Chevron U.S.A. Production Company is hereby submitting a technical supplement to the Air Permit Application dated May 14, 1993, for the exploratory drilling program in Destin Dome Block 97. Given that specific information concerning the rig and boats to be utilized for the activity have become available, a revision to the emission estimates to more accurately reflect the emission rates expected from the drilling program is warranted. Furthermore, these revised calculations reflect the EPA's (Agency's) interpretation of 40 C.F.R Part 55, given the clarification on the regulations provided by your office. Additional explanation concerning our revised calculations follow:

Drilling Rig Emissions

As noted in both the original application and the supplement, fuel usage is the primary basis for estimating emissions from the drill rig. We have attempted to be conservative in our proposed fuel use and operating factors used to characterize these emissions to assure the Agency that the emission estimates provided herein would not be exceeded. Toward that end, we have proposed to operate the main rig engines with ignition retard, thus substantially lowering daily NOX emissions and providing additional operating margin for the drilling program.

Fuel usage by the rig can be easily tracked and would be an acceptable permit operating condition. Likewise, we are prepared to attest to retardation of the rig's main engines through certification to the Agency by an independent engine service representative.

Vessel Emissions

Vessel emissions have been revised to reflect operation by the boats and helicopters expected to service the operation, limited to within 25 miles of the drill site.

The total emissions from the drilling program, reflecting the revised emissions from the drill rig and vessels operating within 25 miles of the OCS source, will be less than 250 tons per year of any regulated pollutant. As indicated in your letter of June 15, 1993, total emissions on this basis would not subject the project to PSD review.

Chevron would again like to express appreciation for the time allotted by your staff to meet to discuss the proposed activity and would welcome additional meetings, as deemed necessary. Please contact Ms. Sandi Fury at (504) 592 - 6095 or Mr. David Scalfano at (504) 592 - 6835 if you have any questions concerning this supplement and / or would like to schedule a meeting to clarify any remaining questions. The Agency's expeditious review and handling of this application to date are greatly appreciated.

Sincerely,

H. J. Colligan
Manager, Special Projects

cc: Mr. Clair Fancy, FDER
Mr. John Brown, FDER
Mr. Preston Lewis, FDER

TECHNICAL SUPPLEMENT
TO
AIR PERMIT APPLICATION
FOR
OUTER CONTINENTAL SHELF (OCS) SOURCE
DESTIN DOME AREA BLOCK 97

Introduction

This technical supplement is submitted as an addendum to the previously filed Air Permit Application for proposed drilling operations in the Destin Dome Block 97. This document contains presentation and discussion of the following changes from the original application filed with the Environmental Protection Agency (EPA), dated May 14, 1993:

1) A change in the level of emissions from the main electric power engines associated with the drilling of the well based upon information on the specific rig contracted for this operation;

2) An adjustment to the total volume of diesel to be consumed by the main engines on the rig;

3) A refinement of the emissions from vessels servicing the OCS source (i.e. drilling rig) and operating within 25 miles of the source.

Main Electric Power Engines

The drilling rig secured for the proposed operation has three main engines, each with a rated power output of 1650 brake-horsepower (BHP). The engines are model EMD 12 - 645 with a maximum diesel consumption of 650 lb/hour (90.3 gals/hr). This represents a change from the larger rig engines presented in the original application (e.g. 2200 BHP with a maximum diesel consumption of 875 lb/hr or 122 gal/hr). The expected emissions from the aforementioned EMD engines are presented in revised Table 3-1 with supporting calculations presented in revised Table B-1. Reflected in these emission calculations is the use of engine retardation which for the purpose of this application reduces the emission of nitrogen oxide (NOX) by 20 percent, however, results in an increase in carbon monoxide emissions (CO) of 30 percent, and fuel consumption by 1 to 2 percent. The effects of engine retardation on expected NOX emission levels for the proposed activity were secured specifically for the engines referenced above, through an authorized engine service representative.

The overall emissions projected from the main engines on the drill rig are conservative due to the uncertainties associated with the time required to complete the activity. AP-42 data for large stationary diesel engines would instead suggest the use of a lower

expected emission level of 11 grams/BHP. This is less than the 12 grams/BHP assumed in our calculations for the main engines, with ignition retard. The calculated 20 percent reduction in NOX attributed to engine retardation is recognized as an effective NOX control technique and is less than that cited in previous studies (EPA, 1979: Radian, 1982; and EPA, 1992).

Table 3-2 has been revised to reflect specific information on the EMD 12 - 645 engines on the rig contracted for the drilling of the well.

Fuel Usage

The amount of fuel used for the main rig engines has been increased from 680,000 gallons/year as presented in the original application to 793,333 gallons/year as reflected by this supplement. The emissions presented in the revised Tables 3-1 and B-1 reflect the increased volume of diesel to be consumed for power generation on the drill rig, however, a lower total level of NOX emissions than originally estimated. The EMD 12 - 645's, the rig's main engines and upon which these calculations are based, generate a lower level of emissions per gallon of diesel consumed than that shown in the original application.

The best means of defining cumulative emissions from the drilling rig is by total diesel consumption by the rig engines over the duration of the activity. The major source of emissions on the rig remain to be the main engines. The change to a greater volume of diesel to be consumed by the main engines during the activity reflects the desire to be more conservative in estimating the maximum level of emissions for the drilling program. For purposes of projecting engine emissions for the activity, the diesel volumes presented in this supplemental application reflect a total fuel consumption by the main engines of 793,333 gallons, and assumed full load on the engines. Relative to the time period expected for the proposed activity, the calculations presented suggest that overall emissions by the rig as represented in this supplemental application are conservative by 33 percent or greater, thus providing assurance that the emissions presented here would not be exceeded by the activity.

Vessel Emissions

The vessel emissions presented in Tables B-4a and 4b have been revised to reflect the following three changes from the original application:

1) Fuel use and maximum estimated emissions are based upon specific information received on the type of engines, speed and fuel consumption for the boats which are expected to support the proposed operation;

2) The vessel emissions shown are limited to those emissions to be incurred within 25 miles of the drilling rig. The original application contained emission estimates not limited to this radius but instead extended to the shorebase which is over 70 miles from the proposed drilling location.

3) An additional vessel operation category of "maneuvering" was added in the description of vessel activities.

The projected NOX emissions for the crew boat supporting the activity were computed using Detroit Diesel 12V-71TI, 550 BHP diesel engines, equipped with turbocharging and intercooling. A maximum NOX emission rate of 12 grams/BHP has been assumed in the calculations. Actual reported data indicate NOX emissions ranging from 8.6 to 11 grams/BHP (Santa Barbara County, 1987). The supply boat proposed for use is equipped with 12 cylinder Caterpillar 1125 BHP diesel engines also with turbocharging and intercooling. The NOX emission data for this engine obtained from a service representative was 5 grams/BHP. The calculations presented are conservative, being based upon a higher NOX emission rate of 6 grams/BHP. These emission rates are consistent with EPA information (EPA, 1991; EPA, 1992). Moreover, the effect of turbocharging and intercooling reduces overall NOX emissions (EPA, 1979).

Emissions from the helicopters have also been included in the total projected vessel emissions, regardless of the uncertainty of whether or not a helicopter is considered a marine vessel by the EPA. Also, vessel emissions shown have assumed inclusion of emissions within a 25 miles radius from the drill site, although there remains uncertainty over whether or not inclusion of emissions west of the 87.5 ^{o} longitudinal line is appropriate.

Total Emissions

The total maximum estimated emissions from the OCS source and supporting vessels in tons per year follow:

	Emissions (TPY)		
Pollutant	OCS Source	Vessels	Total
PM10	3.04	1.77	4.81
SO2	0.30*	7.35	7.65*
NOX	204.48	33.79	238.27
CO	84.56	6.35	90.91
VOC	7.00	3.45	10.45

* This value based on actual data obtained from the Destin Dome area; upper level estimate from AP-42 is 219.32 TPY for the OCS Source and 226.63 TPY total.

Total projected emissions generated as a result of the proposed OCS activity including emissions from the proposed OCS Source and all associated vessels are less than 250 tons per year. Prevention of Significant Deterioration (PSD) / New Source Review therefore is not applicable to the proposed activity (see PSD/New Source discussion in original application; Section 2.4).

References

U.S. Environmental Protection Agency (EPA). 1992. Compilation of Air Pollutant Emission Factors. AP-42.

U.S. Environmental Protection Agency (EPA). 1991. Nonroad Engine and Vehicle Emission Study - Report. EPA-460/3-91-02

U.S. Environmental Protection Agency (EPA). 1979. Stationary Internal Combustion Engines, Standards Support and Environmental Impact Statement Volume I: Proposed Standards of Performance. EPA-450/2-78-125a.

Radian Corporation. 1982. Assessment of NOX Control Measures for Diesel Engines on Offshore Exploratory Drilling Vessels and Rigs. Joint Industry/Government Task Force.

Santa Barbara County. 1987. Crew and Supply Boat NOX Control Development Program. Santa Barbara Air Pollution Control District with Technical Assistance from Arthur D. Little, Inc.

Table 3-1. Estimated Emissions for Primary Facilities Associated with Destin Dome Block 97 Drilling Rig

Pollutants	Main Electric Power Engines[a]	Crane Logging & Auxiliary Diesels[b]	Well Testing Flare[c]
Particulates (PM10)			
lb/hr	1.74	0.26	9.55
tons/year	2.56	0.14	0.35
Sulfur Dioxide			
lb/hr	19.50	3.00	21.1 - 5,216.9
tons/year	28.56	1.56	0.3 - 189.2
Nitrogen Oxides			
lb/hr	131.57	18.17	64.96
tons/year	192.70	9.42	2.36
Carbon Monoxide			
lb/hr	47.58	3.96	353.46
tons/year	69.69	2.06	12.82
Hydrocarbons			
lb/hr	4.59	0.53	133.7
tons/year	6.72	0.27	4.85
Lead			
lb/hr	3.33E-04	3.42E-05	Neg.
tons/year	4.88E-04	2.66E-05	Neg.
Arsenic			
lb/hr	1.57E-04	1.61E-05	Neg.
tons/year	2.30E-04	1.25E-06	Neg.
Beryllium			
lb/hr	9.36E-05	9.60E-06	Neg.
tons/year	1.37E-05	7.46E-06	Neg.
Mercury			
lb/hr	9.36E-05	9.60E-06	Neg.
tons/year	1.37E-05	7.46E-06	Neg.
Fluoride			
lb/hr	1.22E-03	1.25E-04	Neg.
tons/year	1.78E-03	9.72E-05	Neg.
Sulfuric Acid Mist			
lb/hr	1.49	0.15	Neg.
tons/year	2.19	0.12	Neg.

[a] lb/hr based on three 1,650-BHP engines running at full load; tons/year based on fuel usage of 2,833 gallons/day for 280 days, or 793,333 gallons/year.

[b] lb/hr based on three 250-BHP engines running at full load; tons/year based on fuel usage of 480 gallons/day for 90 days, or 43,200 gallons/year.

[c] lb/hr based on maximum of 22.5 MMcf/day actual maximum expected to be 2.5 MMcf/hr for 2 hours only; tons/year based on a total of 68 MMcf.

Table 3-2. Stack Parameters for Destin Dome Block 97 Drilling Rig

Parameter	Main Electric Power Engines[a]	Crane Logging & Auxiliary Diesels[a]	Well Testing Flare[b]
Number of Sources	3	3	1
Stack Height (ft)	75	89.0	61.0
Diameter (ft)	1.5	0.5	0.3
Flow (scfm)	4,765.0	625.0	15,625.0
(acfm)	11,414.0	1,456.0	--
Temperature (°F)	800	770	~1,000
Velocity (ft/sec)	107.7	123.6	3,684

[a] Per engine; stack heights reflect height above sea level for non-hurricane season. During hurricane season (June - November), height increases by 15 ft.

[b] Flow rate and velocity based on average daily gas usage only, not combustion products.

Table B-1. Estimated Emissions for Destin Dome Block 97 Drilling Rig (Page 1 of 6)

	Units	Main Electric Power Engines	Crane Logging & Auxiliary Diesels
Source Characteristics:			
Type		Diesel	Diesel
Number		3	5
Brake Horsepower		1,650	250
RPP		900	900
Fuel Characteristics:			
Heat Content	Btu/lb	19,200	19,200
Density	Lb/gal	7.2	7.2
Operation	days	280	90
Fuel Usage:			
Maximum	gal/hr	90	14
	lb/hr/eng.	650	100
	MMBtu/hr	12.48	1.92
Average[a]	lb/hr	850	144
	gal/hr	118	20
	gal/day	2,833	480
	10^3 lb/yr	5,712	311
	10^3 BHP/yr	14,500	778
	MMBtu/yr	109,670	5,972
	gal/yr	793,333	43,200
Criteria Pollutant Emissions:			
Particulates (PM10)			
Basis		AP-42	AP-42
Rate	g/BHP	0.16	0.16
Maximum[b]	lb/hr/eng.	0.6	0.09
	lb/hr/rig	1.7	0.26
Annual[c]	TPY	2.6	0.14
Sulfur Dioxide			
Basis		0.5% Sulfur	0.5% Sulfur
Rate	g/BHP	1.8	1.8
Maximum	lb/hr/eng.	6.5	1.0
	lb/hr/rig	19.5	3.0
Annual	TPY	28.6	1.6
Nitrogen Oxides			
Basis		Vendor	AP-42
Rate	g/BHP	12.1	11.00
Maximum	lb/hr/eng.	43.9	6.06
	lb/hr/rig	131.6	18.17
Annual	TPY	192.7	9.42

Table B-1. Estimated Emissions for Destin Dome Block 97 Drilling Rig (Page 2 of 6)

	Units	Main Electric Power Engines	Crane Logging & Auxiliary Diesels
Carbon Monoxide			
Basis		Vendor	AP-42
Rate	g/BHP	4.4	2.40
Maximum	lb/hr/eng.	15.9	1.32
	lb/hr/rig	47.6	3.96
Annual	TPY	69.7	2.06
Hydrocarbons			
Basis		Vendor	AP-42
Rate	g/BHP	0.4	0.32
Maximum	lb/hr/eng.	1.5	0.18
	lb/hr/rig	4.6	0.53
Annual	TPY	6.7	0.27
Lead			
Basis		EPA(1990)	EPA(1990)
Rate	$lb/10^{12}$ Btu	8.9	8.9
Maximum	lb/hr/eng.	1.11E-04	1.71E-05
	lb/hr/rig	3.33E-04	3.42E-05
Annual	TPY	4.88E-04	2.66E-05
Regulated Pollutants:			
Arsenic			
Basis		EPA(1990)	EPA(1990)
Rate	$lb/10^{12}$ Btu	4.2	4.2
Maximum	lb/hr/eng.	5.24E-05	8.06E-06
	lb/hr/rig	1.57E-04	1.61E-05
Annual	TPY	2.30E-04	1.25E-05
Beryllium			
Basis		EPA(1990)	EPA(1990)
Rate	$lb/10^{12}$ Btu	2.5	2.5
Maximum	lb/hr/eng.	3.12E-05	4.80E-06
	lb/hr/rig	9.36E-05	9.60E-06
Annual	TPY	1.37E-04	7.46E-06
Mercury			
Basis		EPA(1990)	EPA(1990)
Rate	$lb/10^{12}$ Btu	2.5	2.5
Maximum	lb/hr/eng.	3.12E-05	4.80E-06
	lb/hr/rig	9.36E-05	9.60E-06
Annual	TPY	1.37E-04	7.46E-06

Table B-1. Estimated Emissions for Destin Dome Block 97 Drilling Rig (Page 3 of 6)

	Units	Main Electric Power Engines	Crane Logging & Auxiliary Diesels
Fluoride			
Basis		EPA(1980)	EPA(1980)
Rate	lb/10^{12} Btu	32.5	32.5
Maximum	lb/hr/eng.	4.06E-04	6.25E-05
	lb/hr/rig	1.22E-03	1.25E-04
Annual	TPY	1.78E-03	9.72E-05
Sulfuric Acid Mist			
Basis		5% of SO2	5% of SO2
Rate	g/BHP	0.14	0.14
Maximum	lb/hr/eng.	0.5	0.1
	lb/hr/rig	1.5	0.2
Annual	TPY	2.2	0.1
Non-Regulated Pollutants:			
Manganese			
Basis		EPA(1990)	EPA(1990)
Rate	lb/10^{12} Btu	14.0	14.0
Maximum	lb/hr/eng.	1.75E-04	2.69E-05
	lb/hr/rig	5.24E-04	5.38E-05
Annual	TPY	7.68E-04	4.18E-05
Nickel			
Basis		EPA(1990)	EPA(1990)
Rate	lb/10^{12} Btu	170.0	170.0
Maximum	lb/hr/eng.	2.12E-03	3.26E-04
	lb/hr/rig	6.36E-03	6.53E-04
Annual	TPY	9.32E-03	5.08E-04
Cadmium			
Basis		EPA(1990)	EPA(1990)
Rate	lb/10^{12} Btu	10.5	10.5
Maximum	lb/hr/eng.	1.31E-04	2.02E-05
	lb/hr/rig	3.93E-04	4.03E-05
Annual	TPY	5.76E-04	3.14E-05
Chromium			
Basis		EPA(1990)	EPA(1990)
Rate	lb/10^{12} Btu	47.5	47.5
Maximum	lb/hr/eng.	5.93E-04	9.12E-05
	lb/hr/rig	1.78E-03	1.82E-04
Annual	TPY	2.60E-03	1.42E-04

Table B-1. Estimated Emissions for Destin Dome Block 97 Drilling Rig (Page 4 of 6)

	Units	Main Electric Power Engines	Crane Logging & Auxiliary Diesels
Copper			
Basis		EPA(1990)	EPA(1990)
Rate	lb/10^{12} Btu	280.0	280.0
Maximum	lb/hr/eng.	3.49E-03	5.38E-04
	lb/hr/rig	1.05E-02	1.08E-03
Annual	TPY	1.54E-02	8.36E-04
Vanadium			
Basis		EPA(1990)	EPA(1990)
Rate	lb/10^{12} Btu	69.5	69.5
Maximum	lb/hr/eng.	8.67E-04	1.33E-04
	lb/hr/rig	2.60E-03	2.67E-04
Annual	TPY	3.81E-03	2.08E-04
Selenium			
Basis		EPA(1990)	EPA(1990)
Rate	lb/10^{12} Btu	23.4	23.4
Maximum	lb/hr/eng.	2.92E-04	4.50E-05
	lb/hr/rig	8.77E-04	8.99E-05
Annual	TPY	1.28E-03	6.99E-05
Benzene			
Basis		EPA(1992)	EPA(1992)
Rate	lb/10^{12} Btu	776.0	776.0
Maximum	lb/hr/eng.	9.68E-03	1.49E-03
	lb/hr/rig	2.91E-02	2.98E-03
Annual	TPY	4.26E-02	2.32E-03
Toluene			
Basis		EPA(1992)	EPA(1992)
Rate	lb/10^{12} Btu	281.0	281.0
Maximum	lb/hr/eng.	3.51E-03	5.40E-04
	lb/hr/rig	1.05E-02	1.08E-03
Annual	TPY	1.54E-02	8.39E-04
Xylenes			
Basis		EPA(1992)	EPA(1992)
Rate	lb/10^{12} Btu	193.0	193.0
Maximum	lb/hr/eng.	2.41E-03	3.71E-04
	lb/hr/rig	7.23E-03	7.41E-04
Annual	TPY	1.06E-02	5.76E-04
Propylene			
Basis		EPA(1992)	EPA(1992)
Rate	lb/10^{12} Btu	2,790.0	2,790.0
Maximum	lb/hr/eng.	3.48E-02	5.36E-03
	lb/hr/rig	6.96E-02	1.07E-02
Annual	TPY	1.53E-01	8.33E-03

Table B-1. Estimated Emissions for Destin Dome Block 97 Drilling Rig (Page 5 of 6)

	Units	Main Electric Power Engines	Crane Logging & Auxiliary Diesels
Formaldehyde			
Basis		EPA(1992)	EPA(1992)
Rate	lb/10^{12} Btu	78.9	78.9
Maximum	lb/hr/eng.	9.85E-04	1.51E-04
	lb/hr/rig	2.95E-03	3.03E-04
Annual	TPY	4.33E-03	2.36E-04
Acetaldehyde			
Basis		EPA(1992)	EPA(1992)
Rate	lb/10^{12} Btu	25.2	25.2
Maximum	lb/hr/eng.	3.14E-04	4.84E-05
	lb/hr/rig	9.43E-04	9.68E-05
Annual	TPY	1.38E-03	7.52E-05
Acrolein			
Basis		EPA(1992)	EPA(1992)
Rate	lb/10^{12} Btu	7.9	7.9
Maximum	lb/hr/eng.	9.83E-05	1.51E-05
	lb/hr/rig	2.95E-04	3.03E-05
Annual	TPY	4.32E-04	2.35E-05
Polycyclic Aromatic Hydrocarbons			
Basis		EPA(1992)	EPA(1992)
Rate	lb/10^{12} Btu	212.0	212.0
Maximum	lb/hr/eng.	2.65E-03	4.07E-04
	lb/hr/rig	7.94E-03	8.14E-04
Annual	TPY	1.16E-02	6.33E-04
Antimony			
Basis		EPA(1980)	EPA(1980)
Rate	lb/10^{12} Btu	21.8	21.8
Maximum	lb/hr/eng.	2.73E-04	4.19E-05
	lb/hr/rig	8.18E-04	8.39E-05
Annual	TPY	1.20E-03	6.52E-05
Barium			
Basis		EPA(1980)	EPA(1980)
Rate	lb/10^{12} Btu	19.5	19.5
Maximum	lb/hr/eng.	2.44E-04	3.75E-05
	lb/hr/rig	7.31E-04	7.50E-05
Annual	TPY	1.07E-03	5.83E-05
Cobalt			
Basis		EPA(1980)	EPA(1980)
Rate	lb/10^{12} Btu	9.1	9.1
Maximum	lb/hr/eng.	1.13E-04	1.74E-05
	lb/hr/rig	3.39E-04	3.48E-05
Annual	TPY	4.97E-04	2.71E-05

Table B-1. Estimated Emissions for Destin Dome Block 97 Drilling Rig (Page 6 of 6)

	Units	Main Electric Power Engines	Crane Logging & Auxiliary Diesels
Zinc			
Basis		EPA(1980)	EPA(1980)
Rate	lb/10^{12} Btu	683.3	683.3
Maximum	lb/hr/eng.	8.53E-03	1.31E-03
	lb/hr/rig	2.56E-02	2.62E-03
Annual	TPY	3.75E-02	2.04E-03
Chlorine			
Basis		0.5 ppm	0.5 ppm
Rate	lb/10^{12} Btu	2,604.2	2,604.2
Maximum	lb/hr/eng.	3.25E-02	5.00E-03
	lb/hr/rig	9.75E-02	1.00E-02
Annual	TPY	1.43E-01	7.78E-03

[a] Annual fuel usage based on 793,333 gal/yr which is 280 days of operation at the average daily fuel usage of 2,833 gal/day

[b] Maximum lb/hr/rig based on 3 main electric operating at full load and 3 crane/logging/auxiliary engines operating at full load. Calculations on lb/hr/eng. based on emission rate (example for PM: 0.16 g/BHP x 1,650 BHP-hr x 1/454 g/lb = 0.6 lb/hr; lb/hr/rig based on number of engines).

[c] Annual emissions based on average fuel usage.Calculations of tons/year based on emission rate times annual fuel usage (example for PM: 0.16 g/BHP-hr x 14,5000 10^3 BHP/yr x 1/454 g/lb x 1/2,000 lb/ton = 2.6 tons/yr)

Table B-4a. Fuel Usage for Mobile Emission Estimates

Source[a]	Trips[b]	Fuel Usage per Hour (gal/hour)[c]	Hours (to and from 25 mile Distance and at rig)[d]	Total Fuel Used (gal)
Crew Boat 120 ft				
Travel to Rig	200	130.0	3.33	86,667
Maneuvering	200	32.5	0.5	3,250
Hotelling	NA	5	600	3,000
Supply Boat 180 ft				
Travel to Rig	80	110.0	4.17	36,667
Maneuvering	80	27.5	12	26,400
Hotelling	NA	5	240	1,200
Helicopter #1	280	28	0.50	3,920
Helicopter #2	100	90	0.38	3,462
Utility Boat 120 ft				
Travel to Rig	3	65	6.67	1,300
Maneuvering	NA	16.3	104	1,690
Hotelling	NA	5	8,760	43,800

[a] Hotelling defined as only the auxiliary electric generators running. Crew Boat has 40 kW generator and Supply and Utility Boats have about 200 kW generators operating.

[b] Based on 5 trips/week for the Crew Boat and 2 trips/week for the Supply Boat; 40 weeks operation assumed. Helicopter #1 operates everyday and Helicopter #2 operates 3 trips/week.

[c] Travel fuel usage for boats and helicopters provided by contractors; margins (>25%) added to produce conservative fuel usage; maneuvering fuel use conservatively assumed to be 25% of full load; hotelling fuel use includes margin of 50%.

[d] Travel time based on the speeds obtained from contractors and a distance of 50 miles (i.e., 25 miles to and from the rig).

Crew Boat = 15 miles/hour (mph)
Supply Boat = 12 mph
Helicopter #1 = 100 mph
Helicopter #2 = 130 mph
Hotelling based on 3 hours of generators running independently from maneuvering.

Table B-4b. Emission Estimates for Vessels (Page 1 of 2)

Source	Pollutant	Emission Factor ($lb/10^3$ gal)	Estimated Emissions (tons/yr)
Crew Boat 120 ft			
Traveling	PM	17	0.74
Maneuvering	PM	17	0.03
Hotelling	PM	17	0.03
Supply Boat 180 ft			
Travel to Rig	PM	17	0.31
Maneuvering	PM	17	0.22
Hotelling	PM	17	0.01
Utility Boat 120 ft			
Travel to Rig	PM	17	0.01
Maneuvering	PM	17	0.01
Hotelling	PM	17	0.37
		Total:	1.73
Crew Boat 120 ft			
Traveling	SO_2	72	3.12
Maneuvering	SO_2	72	0.12
Hotelling	SO_2	72	0.11
Supply Boat 180 ft			
Travel to Rig	SO_2	72	1.32
Maneuvering	SO_2	72	0.95
Hotelling	SO_2	72	0.04
Utility Boat 120 ft			
Travel to Rig	SO_2	72	0.05
Maneuvering	SO_2	72	0.06
Hotelling	SO_2	72	1.58
		Total:	7.34
Crew Boat 120 ft			
Traveling	NO_x	450	19.50
Maneuvering	NO_x	450	0.73
Hotelling	NO_x	226	0.34
Supply Boat 180 ft			
Travel to Rig	NO_x	300	5.50
Maneuvering	NO_x	300	3.96
Hotelling	NO_x	140	0.08
Utility Boat 120 ft			
Travel to Rig	NO_x	300	0.20
Maneuvering	NO_x	300	0.25
Hotelling	NO_x	140	3.07
		Total:	33.63

Table B-4b. Emission Estimates for Vessels (Page 2 of 2)

Source	Pollutant	Emission Factor ($lb/10^3$ gal)	Estimated Emissions (tons/yr)
Crew Boat 120 ft			
Traveling	CO	61	2.64
Maneuvering	CO	61	0.10
Hotelling	CO	61	0.09
Supply Boat 180 ft			
Travel to Rig	CO	61	1.12
Maneuvering	CO	61	0.81
Hotelling	CO	61	0.04
Utility Boat 120 ft			
Travel to Rig	CO	61	0.04
Maneuvering	CO	61	0.05
Hotelling	CO	61	1.34
		Total:	6.22
Crew Boat 120 ft			
Traveling	HC	24	1.04
Maneuvering	HC	24	0.04
Hotelling	HC	24	0.04
Supply Boat 180 ft			
Travel to Rig	HC	24	0.44
Maneuvering	HC	24	0.32
Hotelling	HC	24	0.01
Utility Boat 120 ft			
Travel to Rig	HC	24	0.02
Maneuvering	HC	24	0.02
Hotelling	HC	24	0.53
		Total:	2.45

[a] Emission Factors for PM, CO and VOC based on EPA (1991). NO_x Based on the following:

Crew Boat: 4 x 550 BHP; 12 g/BHP; assume 450 lb/1000 gal; (12 g/bhp x 550 BHP x 4/130 gal/hr x 1000 gal x lb/454g = 447.3 lb/100gal). Engines are turbocharged and intercooled resulting in lower NO_x emissions. Hotelling based on AP-42 for 40 kW generator.

Supply Boat: 2 x 1,125 BHP; 6 g/BHP; assume 300 lb/1000 gal; (6 g/bhp x 1,125 BHP x 2/100 gal/hr x 1,000 gal x lb/454g = 297 lb/1,000 gal). Engines are turbocharged and intercolled resulting in lower NO_x emissions. Hotelling based on AP-42 for 200 KW generator.

Utility Boat: Same NO_x emissions as Supply Boat.

Table B-4c. Emission Estimates for Helicopter

Pollutant	Emission Factor (lb/lb fuel)	Estimated Emissions (tons)
Particulate Matter	0.0009	0.020
Sulfur Dioxide	0.0005	0.011
Nitrogen Oxides	0.0072	0.162
Carbon Monoxide	0.0056	0.126
Total Hydrocarbons	0.0008	0.018

[a] Based on AP-42 for T58 engine at climb-out and approach. See Table II-I-8 in AP-42.
[b] Based on total fuel usage from Table B-4a and 6.1 lb/gal for Jet A kerosene.

Table B-4d. Mobile Source and Fugitive Emissions

Pollutant	Estimated Emissions (tons)
Particulate Matter	1.77
Sulfur Dioxide	7.35
Nitrogen Oxides	33.79
Carbon Monoxide	6.35
Total Hydrocarbons	3.45

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION IV

345 COURTLAND STREET, N.E.
ATLANTA, GEORGIA 30365

RECEIVED

JUN 23 1993

Division of Air
Resources Management

4APT-AEB

JUN 15 1993

Ms. Sandi M. Fury
ESF&H Representative
Chevron U.S.A. Production Company
935 Gravier Street
New Orleans, Louisiana 70112

RE: Chevron U.S.A. Proposed Drilling Activity,
Destin Dome Block 97

Dear Ms. Fury:

This letter is in response to your Outer Continental Shelf (OCS) air permit application, received on May 17, 1993. The application has been reviewed in accordance with the OCS air regulations (40 C.F.R. Part 55) and deemed to be incomplete at the present time. The deficient areas are outlined below:

-- The application submitted used the incorrect definition of "potential to emit" as a basis for Prevention of Significant Deterioration (PSD) applicability. For OCS sources, the definition of potential to emit is in § 55.2 and does include surface vessels servicing or associated with an OCS source. They are considered direct emissions from such a source while at the source, and while enroute to or from the source when within 25 miles of the source, and shall be included in the potential to emit for an OCS source. In addition, the definition of an OCS source in Section 328 (a)(4)(C)(iii) of the Clean Air Act Amendments of 1990 includes vessel emissions in the direct emissions from the OCS source.

-- Based on the potential emissions of regulated pollutants in the OCS application, including emissions from vessels, this facility would be a major source for the purposes of PSD for nitrogen oxides (total NO_x emissions greater than 250 tons: 225.25 tons from the primary facilities and approximately 381.7 tons from the vessels). On this basis, Chevron would be required to submit an application for and obtain a PSD permit to fulfill the OCS permitting requirements, as outlined in § 55.13.

7/6/93

Patty
This is being permitted by EPA and Steve is keeping a file - Logan is doing engineering review and I am involved.
Preston

Patty
Did you get a copy of this?
Preston
6/28

Preston 7/2
I haven't been tracking or keeping a file on this - Is he working on it?
Patty

Your OCS application can be deemed complete upon the receipt of material that satisfies the deficiencies listed above. If you have any questions or comments, please contact Mr. Scott Davis of my staff at (404) 347-5014. Additionally, we appreciate having had the opportunity to meet here at EPA Region IV with the staff from Chevron USA and KBN Engineering and Applied Sciences involved with this OCS permit application.

Sincerely yours,

Jewell A. Harper, Chief
Air Enforcement Branch
Air, Pesticides, and Toxics
Management Division

cc: Clair Fancy, FDER
John Brown, FDER
Preston Lewis, FDER

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION 4

345 COURTLAND STREET, N.E.
ATLANTA, GEORGIA 30365

APR 19 1995

4APT-AEB

Lisa B. George
Office of Environmental Affairs
State of Florida
Executive Office of the Governor
Capitol
Tallahassee, Florida 32399-0001

SUBJ: Draft Outer Continental Shelf Air Permit, Exploratory Operation in Destin Dome Block 57

Dear Ms. George:

Enclosed is a copy of the Notice of Proposed Outer Continental Shelf Air Permit (Number OCS-FL-002), Public Comment Period and Public Hearing for the proposed exploratory, natural gas drilling operation by Chevron U.S.A., Inc., Conoco Inc., and Murphy Exploration & Production Company in Destin Dome Area Block 57. This notice is being published in the Northwest Florida Daily News, Miami Herald, Orlando Sentinel, Panama City News Herald, Pensacola News-Journal, Tallahassee Democrat, and Tampa Tribune on April 23, 1995. The comment period for the draft Outer Continental Shelf Air Permit, Number OCS-FL-002, will be open until May 31, 1995. Any comments may also be presented at the public hearing on May 25, 1995, in Fort Walton Beach.

We appreciate your interest in the Outer Continental Shelf air permitting program in Region 4. If you have any questions, please contact either Mr. Brian Beals or Mr. Scott Davis of my staff at (404) 347-3555, extension 4167 or 4144 respectively.

Sincerely,

Bruce P. Miller for

Winston A. Smith
Director
Air, Pesticides and Toxics
Management Division

Enclosure

PUBLIC NOTICE: 95FL0063 April 23, 1995

U.S. Environmental Protection Agency
Region 4
Air, Pesticides and Toxics Management Division
345 Courtland Street, NE
Atlanta, GA 30365
404/347-5014

NOTICE OF PROPOSED OUTER CONTINENTAL SHELF AIR PERMIT, PUBLIC COMMENT PERIOD AND PUBLIC HEARING

The United States Environmental Protection Agency (EPA) proposes to issue an Outer Continental Shelf air permit to Chevron U.S.A., Inc. (935 Gravier Street, New Orleans, Louisiana 70112), Conoco Inc. (400 East Kaliste Saloom Road, Lafayette, Louisiana 70505), and Murphy Exploration & Production Company (P.O. Box 61780, New Orleans, Louisiana 70161). The proposed project will be permitted under the provisions of the Outer Continental Shelf Air Regulations (40 C.F.R. Part 55). This proposed permit will be for exploratory, offshore, natural gas drilling operations in the Eastern Gulf of Mexico. The proposed source will be located in Destin Dome Area Block 57, approximately 25 miles offshore of Pensacola, Florida.

The administrative record for the draft Outer Continental Shelf air permit may be viewed at the following locations beginning on May 1, 1995: (1) between 8:00 a.m. and 4:00 p.m. on weekdays at the EPA Region 4 Library, 345 Courtland Street, NE, Atlanta, Georgia 30365. For additional information, contact the EPA Library staff at (404) 347-4216; (2) between 8:00 a.m. and 5:00 p.m. on weekdays at the Air Resources Management Division, Florida Department of Environmental Protection, 111 South Magnolia Drive, Tallahassee, Florida 32399. For additional information, contact Mr. Al Linero at (904) 488-1344; (3) between 9:00 a.m. and 8:00 p.m. Tuesday through Thursday and between 9:00 a.m. and 5:00 p.m. Friday and Saturday at the West Florida Regional Library, 200 West Gregory, Pensacola, Florida 32501-4878. For additional information, contact Ms. Bonnie DeMars at (904) 435-1763; (4) between 9:00 a.m. and 9:00 p.m. Monday through Friday, between 9:00 a.m. and 6:00 p.m. Saturday, and between 1:00 p.m. and 5:00 p.m. Sunday at the Orange County Library, 101 East Central Boulevard, Orlando, Florida 32801. For additional information, contact Mr. Craig Wilkins at (407) 425-4694; (5) between 9:00 a.m. and 9:00 p.m. Monday through Thursday and between 9:00 a.m. and 5:00 p.m. Friday and Saturday at the Fort Walton Beach Public Library, 105 Miracle Strip Parkway, Fort Walton Beach, Florida 32548. For additional information, contact Ms. Christina Vostrez at (904) 244-5361.

Pursuant to Federal regulation 40 C.F.R. Section 124.13, EPA is soliciting comments on the draft Outer Continental Shelf air permit. Comments on the draft permit must be received on or before 5:00 p.m. on May 31, 1995. Comments from any person, including the applicants, must raise all reasonably ascertainable issues and submit all reasonably available arguments in full, supporting their position, by the close of the comment period. Send comments and requests to receive notice of future actions addressed to Mr. Winston A. Smith, Director, Air, Pesticides, and Toxics Management Division, at the above EPA address (Attention: R. Scott Davis). Submit all comments in duplicate and identify the permit to which the comments apply, the commenter's name, address, and telephone number, and the affiliation the writer has to the permittee. All relevant, timely comments submitted within the comment period will be considered by EPA in preparing the final permit decision, except those issues not related to the Outer Continental Shelf air permit. For information concerning the draft permit, contact Mr. R. Scott Davis at the above EPA address or (404) 347-5014.

EPA will hold a public hearing for the purpose of allowing the public to contribute to the decision-making process by clarifying any significant air issues affecting the draft Outer Continental Shelf air permit. The hearing will be held at the Holiday Inn-Okaloosa Island, 1110 Santa Rosa Boulevard, Fort Walton Beach, Florida, on Thursday, May 25, 1995, beginning at 6:00 p.m. and continuing until 11:00 p.m. For information concerning the public hearing, contact Ms. Lena Scott at the above EPA address or (404) 347-3004.

After consideration of all relevant, written comments submitted during the comment period; of all comments, statements and data presented at the hearing; and of the requirements and policies in the Clean Air Act and appropriate regulations; the Regional Administrator for EPA Region 4 will make a final decision regarding the Outer Continental Shelf air permit. The administrative record for the final decision will contain all comments received during the public comment period, the transcript from the scheduled public hearing (or a summary thereof), any written materials submitted at the hearing, the EPA response to comments, other relevant information or evaluations developed after publication of the technical evaluation, and a copy of the final Outer Continental Shelf air permit. EPA Region 4 will notify the applicants and each person who has submitted written comments or participated in the scheduled public hearing of the final permit decision and provide a copy of the EPA response to comments. This notice will contain information on the appeal procedures as set out in Federal regulation 40 C.F.R. Section 124.19.

TECHNICAL EVALUATION

AND

PRELIMINARY DETERMINATION

FOR

Chevron U.S.A., Inc.
Conoco Inc.
Murphy Exploration & Production Company

Offshore Exploratory Drilling Operation In
Destin Dome Area Block 57
Destin Dome Block 56 Unit

Outer Continental Shelf Air Permit

Permit Application Number

OCS-FL-002

United States Environmental Protection Agency

Region 4

Atlanta, GA

Prepared on April 21, 1995

Prepared By: R. Scott Davis

I. Project Description:

A. Applicants:

Chevron U.S.A., Inc.
935 Gravier Street
New Orleans, LA 70112

Conoco Inc.
400 East Kaliste Saloom Road
Lafayette, LA 70505

Murphy Exploration & Production Company
P.O. Box 61780
New Orleans, LA 70161

B. Company Contact (Authorized Representative):

Ms. Sandi M. Fury
Special Projects Group
Chevron U.S.A., Inc.
935 Gravier Street
New Orleans, LA 70112
Telephone: (504) 592-6095

C. Project and Location:

The applicants, Chevron U.S.A., Inc., Conoco Inc., and Murphy Exploration & Production Company, applied on February 13, 1995, to Region 4 of the U.S. Environmental Protection Agency (EPA) for an Outer Continental Shelf construction and operating permit to authorize the construction and operation of one exploratory, natural gas drilling rig. The rig is to be located at Destin Dome Area Block 57, approximately 25 miles offshore of Pensacola, Florida. The surface coordinates of the rig will be approximately 29 degrees 55 minutes North latitude and 87 degrees 9 minutes West longitude. The designated corresponding onshore area for this proposed Outer Continental Shelf source is Escambia County in the State of Florida, an area with an air quality designation of attainment or unclassifiable for all listed air pollutants.

D. Process and Controls:

This permit will authorize the construction and operation of one relocatable, exploratory, natural gas drilling rig. The exploratory well will be drilled to a depth of approximately

24,000 feet to determine the hydrocarbon potential of the Block (Destin Dome Area Block 57). Natural gas is the primary hydrocarbon expected in the block. Proposed activities include the drilling of the well, to be performed utilizing a jackup type drilling rig, testing of the hydrodcarbon formation (if determined to exist), and suspension of the well. The operation is expected to be completed in 307 days. The rig is being permitted as a relocatable source within Destin Dome Block 56 Unit, which encompasses Destin Dome Area Blocks 12, 13, 14, 15, 16, 54, 55, 56, 57, 99, and 100. The equipment to be used on this rig will include three main diesel engines for electric power, each with a rated power output of approximately 1,650 brake-horsepower. The marine vessel engines will be rated at approximately 550 brake-horsepower for the crewboat and approximately 1,125 brake-horsepower for the supply boat and the utility boat. Proposed emission controls for the main engines will be through engine retardation and through limiting the annual diesel fuel oil usage. Proposed emission controls for the marine vessels will be through the use of engines equipped with turbocharging and intercooling and through limiting the annual diesel fuel oil usage. The fuel to be burned in the diesel engines on the main rig and the vessels will be fuel oil with a maximum sulfur content of 0.5%, by weight, however, the permittee will attempt to use whenever possible fuel oil with a very low sulfur content of 0.05%, by weight.

E. Application Information:

Received on: February 14, 1995
Application Complete: April 7, 1995

II. Rule Applicability

This project is subject to the air permitting review and requirements of the Outer Continental Shelf Air Regulations, title 40 part 55 of the Code of Federal Regulations, as promulgated on September 4, 1992, and its amendments.

This project is subject to the applicable air requirements of preconstruction review requirements of Chapter 62-210 (Stationary Sources - General Requirements) Chapter 62-212 (Stationary Sources - Preconstruction Review), Florida Administrative Code (F.A.C.).

The proposed project is not subject to the new source review requirements of 40 C.F.R. 52.21 (Prevention of Significant Deterioration) and Chapter 62-212, F.A.C., because the facility is a minor source of air emissions.

III. Summary of Emissions

Criteria Pollutant	Potential Emissions (tons per year)		
	Facility	Vessels	Total
Lead	5.48E-04	8.67E-05	6.35E-04
Particulate Matter (PM_{10})	3.22	1.24	4.46
Volatile Organic Compounds	12.36	2.70	15.06
Carbon Monoxide	90.27	4.45	94.72
Sulfur Dioxide	221.32	5.10	226.42
Nitrogen Oxides	218.39	22.45	240.84

Review of the potential emissions data submitted by Chevron, Conoco, and Murphy was conducted at EPA Region 4 by staff of the Air, Pesticides and Toxics Management Division. In addition, the Outer Continental Shelf air permit application was made available for review and comment to the Air Permitting Branch of the Florida Department of Environmental Protection (Florida DEP), the Air Quality Branch of the U.S. Fish and Wildlife Service, the Air Quality Division of the National Park Service, the Southern Regional Office of the U.S. Fish and Wildlife Service, the Panama City Field Office of the U.S. Fish and Wildlife Service, and the Refuge Manager for the Breton National Wildlife Refuge. Based on EPA review of the information provided by the applicant, supporting material, and comments provided from other state and federal regulatory agencies, the proposed facility should not exceed the maximum potential emissions estimated by the applicant.

IV. Conclusions:

The emission limits proposed by the applicant will meet all of the requirements of Chapter 62-296 (Stationary Sources - Emission Standards), F.A.C.

The State of Florida air regulations provide for the following emissions standards for minor sources of air emissions:

POLLUTANT	EMISSION STANDARD	REFERENCE (F.A.C.)
Visible Emissions	20% Opacity	Chapter 62-296.310(2)
Volatile Organic Compounds	Apply vapor emission control devices or systems deemed necessary and ordered by the Florida DEP*	Chapter 62-296.320(1)

* For the proposed facility, a flare will be used to vent natural gas.

The General and Specific Conditions listed in the proposed permit (attached) will assure compliance with all the applicable requirements of Chapter 62-296 and Chapter 62-297 (Stationary Sources - Emissions Monitoring), F.A.C. The permit will allow for no violation of any applicable state or federal rule or regulation.

V. Proposed Agency Action:

Pursuant to title 40, part 55 and part 124 of the Code of Federal Regulations, Region 4 of the U.S. Environmental Protection Agency hereby gives notice of its intent to issue a permit to construct and operate the aforementioned air pollution source in accordance with the draft permit and its conditions as stipulated.

UNITED STATES OF AMERICA
BEFORE THE
ENVIRONMENTAL PROTECTION AGENCY, REGION IV
PUBLIC HEARING

Re: Permit to Construct and Operate Under
The Outer Continental Shelf Air Regulations
(Statement of Basis)

Holiday Inn
San Rosa Boulevard
Fort Walton Beach, Florida

Thursday,
May 25, 1995

The above-entitled matter came on for public hearing, pursuant to Notice, commencing at 6:10 p.m.

Reporting:

JEFFREY ROESER

APPEARANCES:

On Behalf of the Environmental Protection Agency:

SCOTT DAVIS
BRUCE MILLER
ALAN DION
BRIAN BEALS
TED BISTERHELD
LENA SCOTT

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P R O C E E D I N G S

(6:10 p.m.)

MR. MILLER: I would like to welcome you to our hearing on the proposed Outer Continental Shelf air permit for Chevron USA, Conoco and Murphy Exploration & Production Company.

My name is Bruce Miller, I'm the Deputy Division Direction of the Air, Pesticides, and Toxics Management Division at the Environmental Protection Agency's Regional office in Atlanta, Georgia.

My role here today is to act as a moderator and to solicit your comments on the proposed air permit for Chevron, Conoco and Murphy.

We have brought several people from our EPA Office in Atlanta to assist us here today. From our Air Division we have Brian Beals; Scott Davis, an engineer in the Source Evaluation Unit; Ted Bisterfeld, a biologist from our Environmental Policy Section; and Alan Dion, an attorney with our Office of Regional Counsel.

And in the audience we have Frank Redman, Chief of the Office of Public Affairs. We also have Lena Scott from our Office of Public Affairs at the registrar's desk. She has done an excellent job in making arrangements for today's hearing and assisting

you in registering today. Thank you very much, Lena.

The purpose of the hearing today is to solicit comments from you on any significant air issues relating to the draft air permit for the proposed project. Copies of the draft Outer Continental Shelf air permit and a summary of facts related to the proposed project are available at the registrar's table.

The primary purpose of today's meeting is to solicit your input. We will not be making a determination today on whether the proposed permit is approved or not. That determination will be made at the end of the public comment period.

At that time, the final permit decisions will be made by the EPA Region IV Administrator. For this draft air permit, the public comment period will end at 5:00 p.m. on Wednesday, May 31st, 1995. All written comments but be received at our regional office on or before that date in order to be considered in the final permit decision.

For those people who request it, we will be happy to send you copies of the final permit decision. Please leave your names and address with the registrar. The final permit decision will contain responses to your oral or written comments in writing, in addition

to responses to all written comments received during the public comment period.

Before we begin our proceedings today, we will first have some brief presentations concerning the permitting and regulatory processes which have occurred prior to this hearing.

In addition to upcoming related processes concerning EPA permits in the Eastern Gulf of Mexico. When oil and gas leases were proposed for the Gulf of Mexico, an Environmental Impact Statement was completed by the Minerals Management Service of the Department of the Interior. This Environmental Impact Statement addressed the entire spectrum of environmental concerns and the range of impacts associated with oil and gas drilling, gas leasing.

Lease blocks were purchased by the applicant in November 1985 for the area included in the draft EPA air permit. In July 1986, EPA issued the final National Pollutant Discharge Elimination System General Permit for the Gulf of Mexico to regulate discharges from activities in the Outer Continental Shelf of the Gulf of Mexico.

Conoco received approval from the Minerals Management Service in January 1989 for its initial Plan of Exploration for these exploratory drilling projects.

The Plan of Exploration included a description of the proposed activity, an assessment of the environmental impacts, contingency plans for the project, and impacts from any accidental hydrocarbon discharges.

The initial Plan of Exploration has been revised and subsequently approved twice by the Minerals Management Service, in June of 1987 and June of 1989.

Two exploratory wells have been drilled previously in Destin Dome Area Block 56 under those approved Plans of Exploration. A revised Plan of Exploration and revised Environmental Report for this third exploratory well were submitted recently and are presently under review by the Minerals Management Service.

Additionally, an Application for Permit to Drill for this exploratory well, approved by the Minerals Management Service, is required prior to the drilling of this third exploratory well.

Chevron, Conoco and Murphy applied for an Outer Continental Shelf air permit, which we are here today to discuss, in February of 1995. EPA and other federal and state agencies have reviewed this application and our preliminary findings have resulted in the draft Outer Continental Shelf air permit for exploratory operations in Destin Dome Block 57.

Under the provisions of the federal Outer Continental Shelf air regulations, this draft Outer Continental Shelf air permit must be equivalent to a comparable onshore minor source air permit for the State of Florida.

If there are any comments you have on significant air issues related to the application submitted or the draft Outer Continental Shelf air permit, we would like to hear them from you today.

In addition, we will accept other general comments from you related to offshore drilling. However, our final decision will be based on issues related to the air permit; it will not be made on the basis of impacts or comments that were made previously on the final permits issued by the Minerals Management Service or EPA's Water Management Division. Those final decisions have been made previously for those permits.

Let me discuss the procedure I would like to follow for today's hearing. I have a list of names of people who have signed up to make comments concerning specific air issues or general comments concerning offshore drilling.

I would like to give everyone who has signed up to speak approximately five minutes to make their

comments. Well, with the number of people we have today, I don't think we're going to hold anybody to the five-minute-comment period.

All comments will become part of the hearing transcript and responded to in our Response to Comments Document. However, those air-related comments are the only comments which may have direct impact on the draft Outer Continental Shelf air permit for Chevron, Conoco and Murphy.

If you have anything in writing you would like to submit, please leave this material with our registrar by the front entrance. We will collect those comments at the conclusion of tonight's hearing and they will be incorporated into the hearing record and be responded to in writing in the Final Permit Decision and Administrative Record.

For tonight's hearing, I would appreciate it if you would maintain the following courtesy for speaking: If you're going to speak, please come up front as your name is called. Speak clearly and loud enough into the microphone for everyone to hear.

Also, please give your name and if there is an organization you represent, the name of that organization, before you begin your comments.

This will ensure that the audience and our

panel will hear your remarks.

Our brief presentations will be followed by comments from any elected officials present tonight. And then from persons on our registrar's lists.

Our first presentation is the NPDS Permitting Presentation by Ted Bisterfeld. Ted?

MR. BISTERHELD: Thanks, Bruce.

Good evening. My name is Ted Bisterfeld, and I am on the staff of the Environmental Policy Section of EPA's Office of Policy and Management, Region 4 in Atlanta, Georgia.

Since the subject of this hearing is a proposed Chevron Exploratory Well for Natural Gas, I would first like to tell you the status of the other EPA permitting relative to the Chevron Project. EPA regulates wastewater discharges to offshore Gulf Waters by the National Pollutant Discharge Elimination System, abbreviated NPDES, from authority provided by the Clean Water Act.

This project was granted coverage in 1991 under a General NPDES Wastewater Discharge Permit applicable to offshore oil and gas activities. EPA has no other -- no regulatory actions pending other than the proposed air permit for Chevron's Exploration Project.

To date, there has been no oil or gas production within the Eastern Planning Area. Minerals Management Service Regulations, in accordance with the Outer Continental Shelf Lands Act, require that agency to prepare EIS's on development and production in such frontier areas.

If Chevron decides to produce in its Destin Dome Leases, Minerals Management Service has indicated it would prepare an EIS on the development and production plan. Because EPA, likewise, must comply with the National Environmental Policy Act for proposed issuance of new source NPDES permits for production activities, we would likely work with MMS on an EIS.

Next, I would like to briefly discuss an EIS EPA Region 4 is preparing on oil and gas activities within offshore waters of the Gulf of Mexico under Federal Jurisdiction. The subject is the proposed issuance of NPDES permits for wastewater discharges from oil and gas facilities located seaward of State Waters offshore from Alabama, Florida and Mississippi.

The EPA Region 6 Office to our west has likewise undertaken a similar analysis completing a final EIS in December 1994. They expect to issue a general permit in late June.

The EIS work was triggered by EPA's issuance

of New Source Performance Standards and Effluent Guidelines for this industry in 1993. In so doing, EPA is now required to make any permits issued for new activities consistent with these more stringent wastewater discharge limits.

Further, EPA is also obligated by its regulations to consider issuance of a new general permit for such activities in place of an old general permit in effect since 1986.

This EIS will present the results of Region 4's analysis of a range of permitting alternatives available to EPA.

The environmental analysis is looking at potential regional, cumulative effects, in addition to those which may occur in the immediate vicinity of a rig or platform. The EIS will be a supplement to a Minerals Management Service EIS in order to reduce duplication of information.

We are also making use of recently revised projections by MMS of the future levels of oil and gas activity as the basis for our environmental analyses.

Our scheduling calls for issuing a draft in July of this year. We will be requesting comments on the EIS and proposed permitting at that time. And we plan to conduct one or more public hearings in August.

Availability of this document will be noticed fully by means of State-wide and locally circulated newspapers.

I am here tonight to listen to your comments on air issues and other environmental issues attendant to offshore oil and gas activity. Because the EIS is being prepared in accordance with the National Environmental Policy Act, EPA Region 4 is considering in the EIS process all relevant environmental and socio-economic concerns about oil and gas activities.

Thank you for your attendance here tonight. I welcome your comments during the hearing, and I will be available to talk informally after the hearing is concluded.

Also, you may send comments or information to me which you think are relevant to our EIS preparation. The address is included in the hand-out for this hearing.

Bruce, that concludes my prepared remarks.

MR. MILLER: Thanks, Ted.

Next we're going to have Scott Davis review for us the Minerals Management Service permitting decisions that have been made previously and then Scott will also talk about the Outer Continental Shelf air permit.

MR. DAVIS: Thanks, Bruce.

Initially, I'll begin by discussing the processing and permitting of exploratory operations by Conoco and Chevron, which were completed by the Minerals Management Service of the U.S. Department of Interior.

And this is on Page 2 and 3 of this summary sheet, if you want to follow along.

The Notice of Intent and Call for Information for the Draft Environmental Impact Statement for proposed oil and gas leases in the Gulf of Mexico were published in the Federal Register in November 1982 and, also, in September 1983 by Minerals Management Service soliciting public comment.

Public hearings on the Draft EIS were held by Minerals Management Service in September 1984. The final Environmental Impact Statement for lease sales 94, 98 and 102 was published by Minerals Management Service in December 1984.

This Final EIS addressed potential environmental concerns for activity in the Eastern Gulf of Mexico. These included the Impacts on Sensitive Coastal Habitats; Sensitive Offshore Habitats; Water Quality; Air Quality; Endangered and Threatened Species; Marine Mammals; Coastal and Marine Birds;

Commercial Fishing Industry; Offshore Marine Recreational Fishing; Major Shorefront Recreational Beaches; Designated Environmental Preservation Areas; Cultural Resources; Tourist Activity and the Tourist Industry; Military Use and Warning Areas; Water Supply; Local Employment, Income and Population; Community Infrastructure; State and Local Land Use Management; and Ports and Marine Transportation.

The Lease Sale for the Eastern Gulf of Mexico, which was Sale 94, was held in November 1985.

An Initial Plan of Exploration for exploratory drilling operations by Conoco for three leases was submitted to MMS in January 1986. This was for Destin Dome Lease Blocks 56, 57 and 99. The Plan of Exploration included an Environmental Report which assessed the specific environmental impacts of the proposed exploratory drilling of three exploratory wells in Destin Dome Area Blocks 56, 57 and 99.

And this report included description of the proposed activity, description of the effected environment, environmental impacts, Conoco's proposed contingency plans and impacts from any accidental hydrocarbon discharges.

This initial Plan of Exploration was approved by Minerals Management Service in January

1987. Chevron was subsequently designated the operator and submitted a revised Plan of Exploration and an Application for Permit to Drill for Destin Dome Area Block 56, Well Number 1 to the Minerals Management Service in May 1987.

The revised Plan of Exploration and the Application for Permit to Drill was approved by the Minerals Management Service in June 1987.

Exploratory drilling was conducted by Chevron on Destin Dome Area Block 56, Well Number 1 from June 1987 through January 1988.

The Destin Dome Block 56 Unit was approved effective January 1, 1989 with Conoco designated the operator for six area leases.

Subsequent additions increased the Block 56 Unit to 11 leases, and these were Destin Dome Area Blocks 12, 13, 14, 15, 16, 54, 55, 56, 57, 99 and 100.

And Chevron was also designated the successor unit operator for the Block 56 Unit.

A revised Plan of Exploration for Destin Dome Block 56 Unit was submitted by Conoco to the Minerals Management Service in April 1989 and approved by the Minerals Management Service in June 1989.

An Application for Permit to Drill for Destin Dome Area Block 56, Well Number 2 was submitted by

Chevron to the Minerals Management Service in August 1989 and approved by the Minerals Management Service in October 1989.

Exploratory drilling was conducted by Chevron on Destin Dome Area Block 56, Well Number 2 from October 1989 through November 1990.

Chevron submitted a Revised Plan of Exploration in a Revised Environmental Report to the Minerals Management Service in March 1995 for the third exploratory well in the original plan.

And this was designated Destin Dome Area Block 57, Well Number 1. The Revised Plan of Exploration and Environmental Report are presently under review by the Minerals Management Service.

And Application for Permit to Drill will be filed with the Minerals Management Service for the Proposed Exploratory Drilling in Destin Dome Area Block 57.

And that concludes the summary on Minerals Management Service.

I'll conclude the summaries tonight with the discussion of the Outer Continental Shelf Air Permit Processing Activities, which have been completed to date by EPA.

Chevron U.S.A., Conoco and Murphy Exploration

& Production Company submitted an Outer Continental Shelf Air Permit Application to EPA Region 4 in February 1995 for the construction and operation of one relocatable, exploratory natural gas drilling rig, for Destin Dome Area Block 57.

This proposed Outer Continental Shelf source will be located approximately 25 miles offshore of Pensacola, Florida. The operation is expected to be completed in 307 days.

The rig is being permitted as a relocatable source within Destin Dome Block 56 Unit, which encompasses Destin Dome Area Blocks 12, 13, 14, 15, 16, 54, 55, 56, 57, 99 and 100.

EPA will be the permitting authority for this source under provisions of the Outer Continental Shelf Air Regulations, which provide the Federal EPA authority for the Eastern Gulf of Mexico.

For the Outer Continental Shelf air permitting purposes, the proposed project must comply with State Emission Regulations which are in effect on the mainland in the State of Florida.

A copy of the application package was made available for review and comment to the Air Permitting Branch of the Florida Department of Environmental Protection in Tallahassee, Florida. The Air Quality

Branch of the U.S. Fish & Wildlife Service, the Air Quality Division of the National Park Service, the Southern Regional Office of the U.S. Fish & Wildlife Service, the Panama City Field Office of the U.S. Fish and Wildlife Service and the Refuge Manager for the Breton National Wildlife Refuge.

The application was deemed complete by EPA Region 4 on April 7, 1995. Based on the maximum potential emissions of regulated air pollutants estimated for the project, the source would be classified as a minor source of air emissions, which is a stationary source which emits or has the potential to emit less than 250 tons per year of any regulated air pollutant.

Therefore, under the Outer Continental Shelf air regulations, the applicant was required to fulfill the permitting requirements for a comparable minor source air permit located in the State of Florida.

The technical evaluation and preliminary determination and the draft Outer Continental Shelf air permit were completed on April 21st, 1995. Public Notices for the draft permit, for the public comment period and for the public hearing tonight, were published in the Northwest Florida Daily News, the Panama City News Herald, The Miami Herald, the

Pensacola News Journal, Tallahassee Democrat, the Tampa Tribune, and the Orlando Sentinel on April 23rd, 1995.

The Outer Continental Shelf air permit application administrative record is presently available for public review and copying at the EPA Region 4 Library in Atlanta, Georgia, the Offices of the Florida Department of Environmental Protection in Tallahassee, the Fort Walton Beach Public Library in Fort Walton Beach, Florida, the West Florida Regional Library in Pensacola, Florida and the Orange County Library in Orlando, Florida.

Written comments must be received by the EPA Region 4 Office on or before 5:00 p.m. on May 31st, 1995.

All relevant comments, specifically related to air emissions which are presented during the public comment period and the public hearing, will be considered in issuing a final permit decision. The criteria that EPA must use to evaluate the permit application and issue the final air permit decision centers around whether the project will meet emission limits established by existing Florida regulations.

The final permit decision will be made by the EPA Region 4 Administrator after the close of the public comment period.

This proposed draft air permit will authorize the construction and operation of one relocatable exploratory natural gas drilling rig. The exploratory well will be drilled to a depth of approximately 24,000 feet to determine the hydrocarbon potential of the block, Destin Dome Area Block 57.

Proposed activities include drilling of the well, to be performed utilizing a jack-up type drilling rig, testing of the hydrocarbon formation and suspension of the well.

The equipment to be used on this rig will include three main diesel engines for electric power, each with the rated power of approximately 1,650 brake horsepower. The Marine vessel engines will be rated at approximately 550 brake horsepower for the crew boat and approximately 1,125 brake horsepower for the supply boat and the utility boat.

Proposed emission controls for the main engines will be through engine retardation and through limiting the annual diesel fuel oil usage.

Proposed emission controls for the Marine vessels will be through the use of engines equipped with turbo charging and inner cooling and, also, through limiting the annual diesel fuel oil usage.

The fuel oil to be burned in the diesel

engines on the main rig and in the vessels will be fuel oil with a maximum sulfur content of 0.5 percent by weight. However, the permitee will attempt to use, whenever possible, fuel oil with a very low sulfur content of 0.05 percentage by weight.

The general and specific conditions of the permit as listed will assure compliance with all the applicable requirements of Chapter 62-296, which is the Emission Standards, and Chapter 62-297, which is Emissions Monitoring of the Florida Administrative Code.

The permit will allow for no violation of any applicable state or federal rule or regulation.

And that concludes the summary of the air permitting processing to date, as well.

MR. MILLER: Thank you, Scott and Ted, for those informative presentations.

As you can see, the air permitting process occurring under the Outer Continental Shelf air regulations is only a portion of the permitting that is required for this proposed project.

The last page of the summary sheets depicts the chronology of federal approvals and processes which have either been accomplished to date or are presently ongoing.

As you can see from the chronology and from these presentations, a broad and comprehensive range of issues are addressed in the various stages of review and processing.

Today we are here to listen to your comments. In particular, anything which can be considered a significant air issue with respect to the Draft Outer Continental Shelf air permit.

We will respond to all of your comments in writing as part of the final permit decision administrative record.

If there are any issues related to the supplemental Environmental Impact Statement and Draft and New Draft NPDES permit, which Ted Bisterfeld mentioned previously, we would be happy to take any written comments you have on those topics and pass them along for inclusion in the upcoming public participation phase of that project.

I believe we can begin the proceeding now. Our first commenter is from the Governor's Office, Shelly Robins.

MS. ROBINS: Thank you all for having me here.

I'm Shelly Robins. I'm with the Governor's Office.

And I'd like to read a statement on behalf of Governor Lawton Chiles, who is speaking on behalf of the People of the State of Florida.

I want to thank the representatives from the U.S. Environmental Protection Agency for holding this hearing to allow the public to comment on this important issue.

Because of other important issues being addressed across the State, I am not able to be here this evening. My absence should in no way be construed as a lack of interest in the protection of Florida's coastal and offshore resources from the potential impacts of offshore oil and gas exploration and development.

Indeed, my position has been unwavering since I was first elected Governor in 1990. I continue to urge the administration to develop and implement a rational, progressive National Energy Program which emphasizes the development and use of alternative and renewable energy sources, fuel efficiency, conservation and a significant decrease in our dependence on finite supplies of fossil fuel.

I also believe that numerous comprehensive scientific and socio-economic studies need to be completed and analyzed before offshore activity is

considered off the Coast of Florida. Given that our oceans are some of the least studied in the country.

The U.S. Department of the Interior has listened to the people of Florida on this one, and has drawn up a list of studies which should be completed the long term. Assuming timely funding, timely completion and no complications, all of the studies currently proposed are to be completed no earlier than the year 2002.

As such, it disturbs me that Chevron wishes to move forward with the current plan of exploration on Destin Dome Block 57 without comprehensive knowledge of the long term effects of oil and gas development on Florida's coasts and on Florida's people.

The tremendous importance of the Florida Panhandle is two-fold. First, it is a near pristine ecological wonderland. Coastal habitats include salt marshes, tidal flats, barrier beaches, submerged sea grass meadows and open bay waters, which provide food, shelter, rookeries, nesting areas and breeding grounds for the area's abundant wildlife.

Several endangered and threatened species are found here, including marine turtles. The near shore Gulf of Mexico waters and the adjacent Continental Shelf Region play a vital role in the health and

productivity of the region which, in turn, provides the livelihood of Floridians who live here.

Second, the economy of Florida's Northwest Coast, like the remainder of the State, is tied to its warm climate, clean air and waters, unspoiled natural resources, beautiful beaches and abundant fresh and saltwater recreational opportunities.

Florida's yearly $316 billion economy results largely from tourism, services, trade and government. All growth related and generally considered to be environmentally clean industries.

These are industries which we have made a conscious effort to attract and which are compatible with Florida's Environment.

Tourism, Florida's largest industry, generates over $32 billion in taxable spending each year. More than $41 million domestic and international travelers visited the State in 1993. And over seven million of these visitors came to the Florida Panhandle to be rejuvenated by warm sunshine, white sand beaches and tranquil natural scenery.

I expect to see a sharp rise in these figures as the press reports year after year that Florida's Panhandle beaches are the best in the country.

Conde Nast Traveler Magazine just published

a study ranking St. Andrew's State Recreation Area in Panama City as the number one beach in the country.

Grayton Beach State Recreation Area was ranked number one last year. And, as such, was excluded from the competition.

St. George Island and St. Joseph Peninsula State Park ranked and number four and number five this year.

Every year the Panhandle beaches have dominated the nation's top ten list. Just as important to me as the ranking itself, is the criteria for the ranking of 650 beaches across the United States.

The Panhandle beaches, quote, "Scored high for white sand, warm water, cleanliness and a relative absence of development," unquote.

It is the scarcity of environmentally threatening industry that accounts for these clean, unpolluted beaches.

The coastal geologist who conducted the study said that, quote, "St. Andrews has some of the whitest, finest sand in the world. It's so white that you have to wear sunglasses to protect your eyes," unquote.

Additional criteria included proximity of pollution sources, oil and tar balls, litter and

misfits, which were described as nearby power plants, offshore dumping and other industrial intrusions.

This survey in ranking demonstrates that oil and gas production and development are not compatible with the activities currently associated with Florida's Panhandle beaches. I simply cannot imagine what our incomparable beaches would be like with visible gas rigs offshore, gas processing facilities on the white sand beaches and pipelines cutting up the Continental Shelf hard bottom fishing grounds.

It is also important to me to note that Florida's residents do not grandstand on environmental issues. Floridians back their commitment to environmental issues with hard work and hard earned dollars.

As an example, Florida's voters approved the Preservation 2000 Land Acquisition Program in 1990, and spend $300 million every year to purchase environmentally sensitive lands such as the Panhandle Coast Line for preservation and recreational enjoyment by Florida's citizens and visitors.

And Florida's wise land use decisions of the past, which may have cost them development at the time, will soon pay off as echo tourism adds to the State's economy.

One comprehensive Florida visitor study recently indicated that more vacationers are seeking natural echo tourism opportunities. With fresh and saltwater fishing, hunting, boating, snorkeling, cave diving, beach recreation and plenty of marshes, swamps, estuaries and sand hill forests to trek through, the Panhandle is the ideal echo tourist destination.

All of these points clearly indicate the importance of a clean environment to the Florida Panhandle economy. This is the very reason why I oppose oil and gas operations within a hundred miles of Florida's Coasts.

I have recently written to the Acting Director of the Department of the Interiors Minerals Management Service to ask that the Federal Waters off of Florida not be included in the next five year oil and gas leasing plan, which will run from 1997 to 2002.

This will give Interior plenty of time to complete the studies that we have requested to determine whether or not development and production of hydrocarbons should ever be allowed off of Florida's pristine Panhandle Coast.

I will demand no less than this for Florida's environment, Florida's economy and Florida's citizens.

Thank you.

And, in addition to that, Treasurer Nelson, Treasurer Bill Nelson has asked me to read a letter that he has sent along. He, too, is very interested in this issue. So I will include that as well.

This is to Mr. Winston A. Smith, Director, Air, Pesticides and Toxics Management Division, U.S. EPA, Region 4.

Dear Mr. Smith: I appreciate the opportunity to address the Chevron U.S.A. application of an air permit for its proposed offshore oil exploration drill site.

As you may know, the Florida Cabinet discussed the issue of offshore oil drilling in the Gulf of Mexico just two days ago at our meeting. Offshore oil drilling is not in Florida's best interests.

In 1995, the risks of a spill are not worth the benefits that may or may not exist. Each time an oil rig is proposed, we are essentially being asked to gamble with Florida's environment and economy.

Florida's Gulf Coast contains beautiful beaches and valuable natural resources. Our beaches have been rated as some of the best in the world. Sea grass beds, marsh habitats, (Phonetic) estrian systems, sea life, oyster beds and other marine life are fragile

elements of the Florida Gulf's unique echo system.

These resources promote the beauty of our State and directly benefit our economy. Chevron's request today is the first step in putting these natural gifts in jeopardy.

I submit this letter on behalf of the citizens of the State of Florida, that it is not in the best interest to permit offshore oil drilling.

Sincerely, Bill Nelson.

Thank you.

MR. MILLER: Thanks a lot, Shelly.

Any other elected officials or representatives of elected officials that would like to speak at the present time?

Okay. We'll now go to the cards that have been submitted for the speakers.

And if I mispronounce your name, I apologize in advance. The first one will be Barbara Mohon.

MS. MOHON: Yes. I'm Barbara Mohon. I'm from Gulf Breeze, Florida. And thank you for letting me speak.

I'm here representing a local grass roots organization called Gulf Coast Environmental Defense. We're an organization consisting of Panhandle citizens, and we live slightly closer to where this rig would be

than the Fort Walton Beach residents.

We want you and Chevron Oil Corporation, Conoco and Murphy to know that Chevron is not welcomed to invade and threaten our industries and way of life by drilling off our coast.

Less than two years ago, GCED presented you with the signatures of over 14,000 citizens who petitioned against offshore drilling.

Tonight we would like to present you with the names of a 159 businesses from the Pensacola Beach area alone that have signed resolutions against offshore drilling.

Only, two years later, the environmental and socio-economic risks of drilling remain too high for finite amounts of fossil fuels found offshore.

Floridians need guidance from agencies such as yours to pursue alternatives that lessen our dependency on fossil fuels. We also need your protection.

We would like for your agency to tell us why there's no water permitting hearing, since drilling offshore, exploratory or not, seriously effects the (Phonetic) Benthic community and water quality in our closed Gulf system even more than air quality.

The Gulf of Mexico is essentially a closed

system where pollution and trash and recirculated. The health of the Gulf upon which our local tourist and retirement economy almost entirely depends has declined in recent years caused in part by the growing demand upon its resources and in part by the neglect of its environment.

The barrier islands estuary salt marshes, wetlands and sea grasses from an intricate set of echo systems which support a multitude of life and purifies our waters. These echo systems must be protected from the cumulative effects of routine pollution and dumping, chronic leaks and spills, and cumulating air pollution that accompanies offshore drilling, as well as the threat of a catastrophic accident.

These threats are not unrealistic, since Chevron's safety record is more them blemished. Three years ago Chevron pled guilty to 65 violations of the Clean Water Act for illegal discharges of drilling wastes on its oil and gas rigs. These violations were reported by whistleblowers, not discovered by regulatory agents.

Can your agency guarantee it will be able to police this oil company and those that would follow when they illegally discharge wastes?

It has been more than a decade since the

Environmental Impact Statement for the oil and gas -- the gas drilling in the Eastern Gulf of Mexico was written. There have been many changes and additional impacts on the Gulf environment.

The adequacy and applicability of a 1984 EIS are questionable. The efficacy of an EIS is generally considered to be five to seven years. Changes to our environment through area development and use have been substantial since 1984.

Natural resources have become more scarce as habitats have been reduced or lost. Water quality has been diminished. And natural communities have been unable to sustain themselves as a result of general environmental degradation.

Some resources, once plentiful, are now threatened. And any degree of impact is unacceptable.

A recent Draft EIS states that drilling can pose a potential threat to several species of endangered or threatened marine mammals.

In the last ten years, much new scientific data and ecological understanding has been acquired. Environmental assessments must be based on the best available scientific data, the best new information needs to be incorporated in the impact analysis.

A 1990 National Research Council Study of

three similar drilling proposals found the existing environmental, oceanographic and socio-economic data inadequate for offshore drilling to be considered as having no significant impact.

Chevron has been unable to adequately prove that a catastrophic expulsion of methane gas by one or more rigs into our humid Gulf air would be handled safely and without harm to our environment.

For these reasons, Gulf Coast Environmental Defense urges you to deny Chevron's request for an air permit until a complete study can be performed by the National Academy of Sciences.

We support the Governor's position of a 100 mile buffer against offshore drilling.

Thank you for letting us speak.

MR. MILLER: Okay. Thank you very much, Barbara.

MR. BISTERHELD: Ms. Mohon, let me comment quickly on the water permitting.

As you heard earlier, this Chevron project is covered under an older general permit for wastewater discharges which EPA issued a number of years ago.

In the last -- in the past two years, EPA is very seriously considering that permitting and how we might do a better job of that permitting in the future.

As I said, we're going to be coming out with a Draft Supplemental Environmental Impact Statement in another couple months, and that will lay out some various options for us. And I certainly urge you to certainly keep your ear attuned to when that comes out. As I said, it will be widely noticed.

MS. MOHON: -- (inaudible) available, will we be notified --

MR. BISTERHELD: Yes. We will -- I will be obtaining the mailing list from our Air Permits Group, so that we can incorporate the various interested parties from this hearing and the previous hearing on Chevron's first well over in Pensacola.

MR. DAVIS: Okay. Our next speaker will be Frances Dunham.

MS. DUNHAM: I'm Frances Dunham. I live in Gulf Breeze, Florida, which is just -- between Pensacola and Pensacola Beach.

I don't have a lot to add to the excellent statements that were read by Shelly and also by Barbara. I will say this, I grew up in the oil business. My dad was a petroleum geologist.

And, nonetheless, I think this is the most short-sided and foolhardy policy to switch from liquid petroleum to natural gas.

It's apt to be a conversion behind which we'll do a lot of spending and in the long run, it will have very serious effects for the whole country, and particularly for Florida. Any global warming will effect us here first.

We're low, we're coastal and our coastal resources are our real economic base here, and that's an important thing to remember.

I also greatly fear for any renegotiated water permit. As you know, the political climate is very unfavorable at the moment. And if the Clean Water Act is amended, as in 961, we'd have additional problems with that.

So assurances of renegotiating a permit don't necessarily sound so reassuring.

In general, I would say that what with the carbon dioxide and the liquid wastes on both the produced waters and the -- and the drilling muds, their disposal, wherever that may be, whether in the water or on shore, it could be incredibly expensive to this state in addition to the possible rise in water levels.

I urge you to, at the very least, wait for those statements, for those studies and the consensus that may arise from those. There's no need to make this decision now. There isn't that much gas here, we

don't need it that badly.

And I would remind you that it hasn't been very long ago that we were squandering this natural gas resource which now we're being asked to sacrifice our coast for. It was being flared off at -- at oil rigs.

Just as now we're squandering the resources that are available through both energy efficiency and renewables. We just have too much at stake here to go forward with this. Especially in such a reckless, unsteadied manner.

Thank you.

MR. DAVIS: Thank you, Ms. Dunham.

Next speaker will be Alan Peterson.

MR. PETERSON: Good evening. My name is Alan Peterson. I live near Gulf Breeze.

And I hardly support the messages from the Governor and the secretary.

I'm here both as a private citizen and as also a member of GCED, Gulf Coast Environmental Defense. It has a long record of presentations at hearings like this. And I think that their views are well known.

I know that the business of business is business. But it's also the business of business to

always minimize the risks. And in minimizing risks here, we have the myth that this is a clean industry. I think the evidence is legion that that is not the case.

But the business of living for the residents here is life, and we feel that that is threatened by all of the statements that have gone before.

We've chosen the area for its natural values, the area of long range enduring economic impact, not the short-sighted message of the oil companies.

Further, every accommodation we make to the fossil fuel industry further puts out of the picture the investment in alternative sources.

The future of this area is its natural beauty, echo tourism and the rest -- the reason that many of us moved here.

I urge the denial of this and all drilling, venting and exploration permits.

Thank you.

MR. DAVIS: Thank you, Mr. Peterson.

Next is David Duplante.

MR. DUPLANTE: David Duplante with Chevron.

I would just urge the EPA to go forward and grant the draft permit as noticed.

The only thing I would like to add is I'd

like to point out that we operated under a permit recently, only a year ago, when we drilled the well in Destin Dome 97. We reported all of the air emissions to the EPA.

The EPA visited those operations when they were ongoing. The MMS visited those operations, and individuals from the State of Florida visited those operations while they were ongoing.

We operated under those permits safely and efficiently and within the regulations. And I see no reason why the EPA shouldn't issue the draft permit as noticed.

Thank you.

MR. DAVIS: Thank you, Mr. Duplante.

Are there any more cards from over on the side, registration?

MS. PETERSON: My name is Kay Peterson. And I'm a resident also of Gulf Breeze, along with my friends here.

I know that most of you don't live here. And I don't know how many in the crowd actually live here. But these are some facts on air pollution that I know you're aware of. But I just want to mention it to everybody else.

Drilling rig engines emit large quantities of

pollutants themselves. For example, the MMS, who you've been quoting all evening, estimates that one offshore drilling rig produces daily emissions equal to 7,000 cars each driving 50 miles a day. That's just the engines.

Also in a response to -- This was on the -- on the California Coast, but in -- in response to a mandate of the Clean Air Act Amendments of 1990, the U.S. EPA formulated new requirements for the offshore industry in October of '92.

The new rule allows States to impose their stricter air emission regulations on offshore drilling, even when it occurs in Federal Waters out to 25 miles. This is good news for California, where substantial reductions in nitrogen oxide and volatile organic compounds emissions can now be achieved from the existing 23 offshore platforms.

However, the U.S. EPA exempted the entire Gulf of Mexico offshore producing region from the new rule, thus, allowing thousands of oil and gas producing rigs there to continue operating under the more permissive emission standards.

I think what my feeling is about this as a funding of your employment is that the fact that we even need a permit for air emissions is the problem.

No rigs equals no air emissions. That is -- that is the common sense, laymen's term for what I see going on.

I am a coastal species in need of protection. Along with my son and my family. There's also a myth or a theory of the fact that the leases were purchased fair and square and where were we when they were up for sale. Well, we weren't exactly told as a general public just what that meant. And that's kind of what happens in regulatory agencies.

But the theory that it was bought square and fair and they should be able to do what they would like to is not actually true. The purchase of the lease never guaranteed the fact that the permits would be approved, that they would be able to drill on the leases. This was a funding for the State of Florida at the time.

And I just wanted to share one more little item. I've -- I went to Louisiana recently, and every year in Morgan City, Louisiana, they have a nice little festival called the shrimp and petroleum festival.

Now, here we have arts festivals, we have music festivals, we have a variety of things. But I will rue the day and so will everybody else if we have to put out a brochure like this from our chamber of

commerce.

These are the facts. This is what -- It's not an emotional issue. These are just the facts. If you don't have rigs, you don't have air emissions. You don't have all the residual pollution problems. And I, along with everybody else, implore you to not make this decision so quickly. There may be a few of us here, but it wasn't exactly located, you know, due north of the drilling rig that's proposed.

And I appreciate you spending the time this evening.

MR. DAVIS: Thank you, Ms. Peterson.

Whoever would like to speak next, just -- Oh, Frank's got some cards.

Okay. Our next speaker will be Sammy Mattocks.

MS. MATTOCKS: Hi. I just am here simply as a citizen of this State, and I love this State.

And I would like for you to just simply say no to oil drilling. Okay? We don't need it. Our beaches do not need to be ruined.

We cannot destroy Florida. Okay? Let's save it. Save something for our children. Something that they can enjoy. Okay? Can we do that, please?

I mean, there's no reason to just destroy for

money and for greed. Okay?

MR. DAVIS: Thank you, Ms. Mattocks.

Whoever would like to speak next can approach the microphone. Did you want to speak?

MR. TRENARY: My name is Larry Trenary. I'm from Fort Walton Beach.

I've lived in Florida since -- forever, 22 years, I guess. I'm not sure this is clever for me to get up here and speak to ya'll. I'm not really one hundred percent in favor of ya'll's ideas.

I don't think they have a bad idea at all. I think they have very reasonable things for the EPA to observe and watch out for.

From my appearance I'm sure you can realize that I've seen a good deal in my lifetime. I've seen and lived in the oil fields of Oklahoma, up Texas. So I know that some of the ills that follow the oil derrick. But we used to -- we used to drill by knocking a hole in the ground. That's the way we used to drill.

Today we drill in rotary rigs, we spirally drill down through the earth and it's not at all as primitive as knocking a hole in the ground.

So it is with other things. We used to have lots of oil spills, but those things have gone by the boards too. The oil companies in the past got a bad,

bad name because they didn't do a whole lot to keep things cleaned up.

And I'm for balance. In contrary to what a lot of people think, in my opinion, and I read a fair amount, the United States needs oil. Now, where they're going to get the oil from, I don't have any idea. And far be it from me to suggest that if it was at the -- if the derricks built were going to create some of the hazards that people imagine -- I use the word "imagine" advisedly, because I think --

I have -- I have an inventory friend in Houston. He has a half a dozen or so patents on things dealing with the oil drilling itself on how to keep -- Even a barrel of sludge escaping from the drilling process. Even a barrel. Can you imagine that?

So there are people that are thinking about this kind of thing. How can we drill oil wells without damaging any portion of our society and our environment?

When -- in 1941, that's 50 years ago, do you know that there was a nation of farmers and we didn't have that first doggone airplane that was able to fight. Not one. Had a few airplanes that people used to train in, but not any to fight.

Well, that nation of farmers got busy. There

was a -- there was a problem at hand and they got busy and you know what happened from there. And that's -- Of course, if it hadn't happened, ya'll wouldn't be sitting there today, would you? It'd be somebody else.

So I have great confidence in the ability of the American engineer, the American society to look at a problem, solve the problem. Our problem, our current -- We have really a financial problem. We have the Arab oil to contend with.

And whenever we get to be totally dependent on Arab or Russian or any other oils, the United States will have a problem it can't handle. We must have oil. Enough from this country so we aren't dependent on those.

So while I support environmentally safe drilling, we must also think about the rest of the problem. How do we preserve the lifestyles that all of us enjoy?

One last thing, you can have many, many thoughts about pesticides. I think that idea is applicable here. In mid '30s and the mid '40s, there wasn't anybody living in Florida, so help me. The reason was the doggone mosquitoes.

And so now then we developed now a bad thing called DDT and we made the area livable. And so now

all of us are living down here in this wonderland, free of a lot of insects that we would otherwise have if we hadn't taken the idea of development, relying on the American people, relying on our scientists to do what they're supposed to do and relied on our industry to do what they're best at.

So I hope I haven't offended any of these good people here. But, nonetheless, I think ya'll's job is to search for the balance. And the balance being keep our environment the way it is, but allow our resources to continue.

Thank you.

MR. MILLER: Thank you. Is there anyone else in the audience who hasn't filled out a card who would like to speak?

I think what we might do is maybe suspend the hearing for a little bit. Give us a chance to talk informally with anybody who's in the audience right now. And then reconvene a little later for anyone who might come in afterwards.

So at this point, why don't we suspend for a bit, speak informally to anyone who wants to speak and then we'll reconvene the formal part of the hearing at 9:00 o'clock.

(Whereupon, a brief recess was taken, after

which the following proceedings were had:)

MR. MILLER: It's nine p.m. We've recessed for an hour and a half, and apparently we have no more applicants to make any statements. So I think we're going to officially close this hearing on the Outer Continental Shelf air permit. And if anyone comes after this, they can submit written comments and we'll put a note to that effect on the door.

So at this time, we're going to cease and close the hearing.

Thank you.

Just one last reminder as we close, any comments that are written, in order to be considered before our decision on this permit, must be received prior to 5:00 p.m. on May 31st, 1995. And, once again, thank you.

(Whereupon, the proceedings were concluded at 9:05 p.m.)

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C E R T I F I C A T E

STATE OF FLORIDA

COUNTY OF OKALOOSA

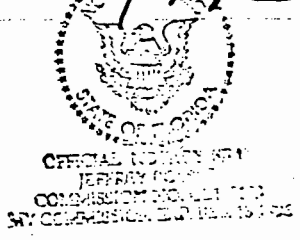
I, JEFFREY ROESER, Court Reporter and Notary Public in and for the State of Florida at Large, do hereby certify that I reported the foregoing proceedings.

I further certify that the foregoing pages, numbered 1 through 50, inclusive, constitute a true, complete and accurate transcript of said proceedings as contained on the tapes and notes reported by me at said proceedings and transcribed at my direction.

I further certify that I am not of counsel, nor related to any party or attorney involved herein, nor am I financially interested in the outcome of this action.

WITNESS my hand and official seal this 2nd day of June, 1995.

Jeffrey Roeser



FACT SHEET

PORTLAND CEMENT MANUFACTURING NESHAP

Brief description of the rule

The rule will cover new and existing cement kilns, clinker coolers, and other emission sources at a cement plant, such as raw mill, finish mill, etc. The kiln is a combustion device, and the largest emission source at a cement plant. There are about 210 kilns in the US, located at 113 plants. About 45 kilns in the US burn hazardous waste as a supplemental fuel; these kilns will be subject to air emission standards being developed by OSW under joint CAA/RCRA authority.

What are the main components of the rule?

The main components of the rule will be the emission limits and monitoring requirements. For kilns, we are currently considering emission limits for PM (surrogate for metal HAPs), dioxin/furan, hydrogen chloride (HCl), total hydrocarbon (THC); surrogate for other organic HAPs), and mercury (Hg). The clinker cooler and other facilities are not combustion devices, and only emit PM/metals. We will have PM and opacity limits for these facilities. We will require monitoring and/or testing for the pollutants we set emission limits for.

What are the concerns/issues of the rule?

It is uncertain how many plants are area sources; we estimate one-third to one-half are area. Section 112(c)(6) would give us authority to regulate area sources. Since plants typically only control for PM, the MACT floors for most of the HAPs are no control. Decisions on whether to go beyond the floor will depend on results of benefits and cost/econ analyses. There is some concern how this rule will be affected by, coordinated with, and implemented in conjunction with the OSW rule for kilns that burn hazardous waste; specific issues include applicability and permitting. Another group within OSW may develop rules to control fugitive air emissions from cement kiln dust-waste. We will coordinate and work with them on this matter.

What is the status of the rule?

The rule is scheduled to be proposed in January 1996. We are on schedule. Briefings for management and WG will begin shortly. We will shortly begin analysis of impacts/benefits of rule. Presumptive MACT meetings will begin shortly.

Statutory and court ordered date (if any)?

Statutory deadline is Nov. 15, 1997.

Who will be affected by this rule?

The portland cement industry, states, etc.

What are the recommended control requirements?

The rule will not dictate what controls to use. We will set emission limits based on control technology, but we let the plant decide how to comply. There are MACT floors for PM and

dioxin/furan; we are looking at beyond the floor control options for HCl, Hg, and THC.

What are the benefits of this rule?
There will be reductions in emissions of PM, metals, opacity, and dioxins/furans. Depending on the cost/benefits analysis for controlling HCl, Hg, and THC, there may be reduced emissions of these pollutants as well as reductions in SO_2, and organic HAPs.

What are the economic impacts and annualized costs of this rule?
ISEG will begin economic impacts analysis soon.

Project lead and phone number:
Joe Wood (919) 541-5446

EPA REGION 4 SUMMARY SHEET
CHEVRON/CONOCO/MURPHY PROPOSED EXPLORATORY DRILLING OPERATIONS
DESTIN DOME AREA BLOCK 57

OUTER CONTINENTAL SHELF (OCS) AIR PERMITTING SUMMARY
CHEVRON OCS AIR PERMIT APPLICATION
DESTIN DOME AREA BLOCK 57

Chevron U.S.A., Inc., Conoco, Inc., and Murphy Exploration & Production Company are proposing the construction and operation of one relocatable, exploratory, natural gas drilling rig for Destin Dome Area Block 57. This proposed OCS source will be located approximately 25 miles offshore of Pensacola, Florida. The operation is expected to be completed in 307 days. The rig is being permitted as a relocatable source within Destin Dome Block 56 Unit, which encompasses Destin Dome Area Blocks 12, 13, 14, 15, 16, 54, 55, 56, 57, 99, and 100. EPA will be the permitting authority for this source under the provisions of the Outer Continental Shelf Air Regulations, which were promulgated on September 4, 1992. These federal regulations are located in part 55 of chapter I of title 40 of the Code of Federal Regulations (40 C.F.R. Part 55). For OCS air permitting purposes, the proposed project must comply with state emission regulations which are in effect on the mainland.

Chevron, Conoco, and Murphy submitted an OCS air permit application package on February 14, 1995, to the Air, Pesticides and Toxics Management Division of EPA Region 4, located in Atlanta, Georgia. A copy of this application package was also made available for review and comment to the Air Permitting Branch of the Florida Department of Environmental Protection (Florida DEP), the Air Quality Branch of the U.S. Fish and Wildlife Service, the Air Quality Division of the National Park Service, the Southern Regional Office of the U.S. Fish and Wildlife Service, the Panama City Field Office of the U.S. Fish and Wildlife Service, and the Refuge Manager for the Breton National Wildlife Refuge. The application was deemed complete by EPA Region 4 on April 7, 1995. Based on the maximum potential emissions of regulated pollutants estimated for this project, the source would be classified as a minor source of air emissions (a stationary source which emits or has the potential to emit less than 250 tons per year of any regulated air pollutant). Therefore, under the OCS air regulations, the applicant was required to fulfill the permitting requirements for a comparable minor source air permit located in the State of Florida.

The Technical Evaluation and Preliminary Determination and the draft OCS air permit were completed on April 21, 1995. Public notices for the draft permit, public comment period, and public hearing were published in the Northwest Florida Daily News, Panama City News Herald, Miami Herald, Pensacola News-Journal, Tallahassee Democrat, Tampa Tribune, and Orlando Sentinel on April 23, 1995.

A public hearing is scheduled for May 25, 1995, at the Holiday Inn-Okaloosa Island, 1110 Santa Rosa Boulevard, Fort Walton Beach, Florida. The hearing is scheduled for the hours of 6:00 p.m. to 11:00 p.m.

The public participation procedures will follow the applicable provisions of 40 C.F.R. Part 124, Procedures for Decision making. The OCS air permit application administrative record is presently available for public review and copying at the EPA Region 4 Library in Atlanta, Georgia, the offices of the Florida DEP in Tallahassee, Florida, the Fort Walton Beach Public Library in Fort Walton Beach, Florida, the West Florida Regional Library in Pensacola, Florida, and the Orange County Library in Orlando, Florida. All timely comments will be considered, except those issues not relevant to the OCS air permit. Written comments must be received by the EPA Region 4 office on or before 5:00 p.m. on May 31, 1995.

EPA will consider all relevant comments specifically related to air emissions which are presented during the public comment period and public hearing. These comments will be considered in issuing a final permit decision. The criteria that EPA must use to evaluate the permit application and issue the final air permit decision centers around whether the project will meet emission limits established by existing Florida regulations. For this reason, EPA is particularly interested in any comments relating to this project's air emissions as they relate to emission limits established by the State of Florida.

CONTACT: Scott Davis
Air, Pesticides and Toxics Management Division
U.S. EPA, Region 4
345 Courtland Street, NE
Atlanta, GA 30365

NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM (NPDES)
GENERAL PERMITTING FACTS

July 9, 1986 - Final NPDES General Permit for the Oil and Gas Point Source Category of the Outer Continental Shelf of the Gulf of Mexico was issued by EPA.

June 5, 1991 - EPA Region 4 granted Conoco Inc. coverage under the NPDES General Permit for oil and gas related activities occurring in Destin Dome Lease Block 57.

ACTIVITIES ASSOCIATED WITH THE NEW NPDES GENERAL PERMIT AND SUPPLEMENTAL ENVIRONMENTAL IMPACT STATEMENT FOR OIL AND GAS ACTIVITIES IN THE OUTER CONTINENTAL SHELF OF THE EASTERN GULF OF MEXICO

December 11, 1992 - EPA Region 4 published in the Federal Register a Notice of Intent to prepare a Supplemental Environmental Impact Statement in conjunction with the proposed issuance of a new NPDES General Permit to regulate discharges from oil and gas activities in the outer continental shelf area of the eastern Gulf of Mexico.

March 4, 1993 - EPA published in the Federal Register the Effluent Guidelines and New Source Performance Standards for the Oil and Gas Extraction Point Source Category, Offshore Subcategory; Final Rule.

July 1995 (projected) - EPA Region 4 will publish in the Federal Register a Notice of Availability of the Draft Supplemental Environmental Impact Statement and Draft NPDES General Permit for discharges in the Offshore Subcategory of the Oil and Gas Extraction Point Source Category for activities in the outer continental shelf area of the eastern Gulf of Mexico.

August 1995 (projected) - Public hearings will be held to receive comments concerning issues related to the Supplemental Environmental Impact Statement and the new Draft NPDES General Permit.

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MINERALS MANAGEMENT SERVICE PROCESSING AND PERMITTING

The Notice of Intent and Call for Information for the Draft Environmental Impact Statement (EIS) for proposed oil and gas lease sales in the Gulf of Mexico were published in the Federal Register on November 8, 1982, and September 9, 1983, by the Minerals Management Service (MMS) soliciting public comment.

Public hearings on the Draft EIS were held by MMS on: September 11, 1984, in Corpus Christi, Texas; September 13, 1984, in Panama City, Florida; and September 14, 1984, in Metairie, Louisiana.

The Final EIS for Proposed Oil and Gas Lease Sales 94, 98, and 102 was published by MMS in December 1984. The Final EIS addressed the following potential environmental concerns for activity in the Eastern Gulf of Mexico:

(1) Impacts on Sensitive Coastal Habitats (Wetlands)
(2) Impacts on Sensitive Offshore Habitats
(3) Impacts on Water Quality
(4) Impacts on Air Quality
(5) Impacts on Endangered and Threatened Species
(6) Impacts on Marine Mammals
(7) Impacts on Coastal and Marine Birds
(8) Impacts on Commercial Fishing Industry

CHRONOLOGY OF FEDERAL APPROVALS AND PROCESSES

December 1984 - The Final EIS for Proposed Oil and Gas Lease Sales 94, 98, and 102 was published by MMS. The following potential environmental concerns for activity in the Eastern Gulf of Mexico were addressed:
(1) Sensitive Coastal Habitats (Wetlands) (2) Sensitive Offshore Habitats (3) Water Quality (4) Air Quality
(5) Endangered and Threatened Species (6) Marine Mammals (7) Coastal and Marine Birds
(8) Commercial Fishing Industry (9) Offshore Marine Recreational Fishing
(10) Major Shorefront Recreational Beaches (11) Designated Environmental Preservation Areas
(12) Cultural Resources (13) Tourist Activity/Industry (14) Military Use/Warning Areas (15) Water Supply
(16) Local Employment, Income, and Population (17) Community Infrastructure
(18) State and Local Land Use Management (19) Ports and Marine Transportation

November 1985 - The Lease Sale for the Eastern Gulf of Mexico (Sale 94) was held by MMS.

March 1, 1986 - The Lease Dates effective for Destin Dome Area Blocks purchased by Chevron and Conoco.

July 9, 1986 - EPA issues Final NPDES General Permit for the Oil and Gas Point Source Category of the Outer Continental Shelf (OCS) of the Gulf of Mexico.

January 28, 1986 - Initial Plan of Exploration (POE) for exploratory drilling by Conoco for three leases, Destin Dome Area Blocks 56, 57, and 99, submitted to MMS (POE included an Environmental Report assessing the specific environmental impacts of the proposed exploratory drilling in Destin Dome Area Blocks 56, 57, and 99, including a description of the proposed activity, a description of the affected environment, environmental impacts, Conoco's proposed contingency plans and the impacts from any accidental hydrocarbon discharges).

January 29, 1987 - POE for Conoco approved by MMS.

May 21, 1987 - Revised POE and Application for Permit to Drill (APD) for Destin Dome Area Block 56 Well #1 was submitted to MMS by the subsequent designated operator, Chevron.

June 5, 1987 - Revised POE and APD for Chevron approved by MMS.

June 12, 1987 to January 26, 1988 - Exploratory drilling by Chevron on Destin Dome Area Block 56 Well #1.

January 1, 1989 - The Destin Dome Block 56 Unit was approved effective, with Conoco designated operator for six area leases. Subsequent additions increased the Block 56 Unit to eleven leases (Destin Dome Area Blocks 12, 13, 14, 15, 16, 54, 55, 56, 57, 99, and 100) and Chevron was designated successor unit operator.

April 13, 1989 - Revised POE for Destin Dome Block 56 Unit submitted by Conoco to MMS.

June 7, 1989 - Revised POE for Conoco approved by MMS.

August 18, 1989 - APD for Destin Dome Area Block 56 Well #2 was submitted by Chevron to MMS.

October 18, 1989 - APD for Chevron approved by MMS.

October 31, 1989 to Nov. 22, 1990 - Exploratory drilling by Chevron on Destin Dome Area Block 56 Well #2.

June 5, 1991 - EPA Region 4 granted Conoco coverage under the NPDES General Permit for activities in the Destin Dome Lease Block 57 (regulate discharges from activities in the OCS/eastern Gulf of Mexico).

February 14, 1995 - Chevron, Conoco, and Murphy submitted OCS air permit application to EPA Region 4 (proposed project must comply with state emission regulations in effect on the mainland/Florida).

March 8, 1995 - Chevron submitted revised POE and revised Environmental Report to MMS for Destin Dome Area Block 57 Well #1. This material is presently under review by MMS.

April 23, 1995 - Public notices for the Technical Evaluation and Preliminary Determination and the draft OCS air permit, public comment period, and public hearing were published by EPA Region 4.

May 31, 1995 - Written comments must be received by the EPA Region 4 office on or before 5:00 p.m.

(9) Impacts on Offshore Marine Recreational Fishing
(10) Impacts on Major Shorefront Recreational Beaches
(11) Impacts on Designated Environmental Preservation Areas
(12) Impacts on Cultural Resources
(13) Impacts on Tourist Activity/Industry
(14) Impacts on Military Use/Warning Areas
(15) Impacts on Water Supply
(16) Impacts on Local Employment, Income, and Population
(17) Impacts on Community Infrastructure
(18) Impacts on State and Local Land Use Management
(19) Impacts on Ports and Marine Transportation

The Lease Sale for the Eastern Gulf of Mexico (Sale 94) was held in November 1985.

The Lease Dates for the Destin Dome Area Blocks purchased by Chevron and Conoco were effective on March 1, 1986.

An Initial Plan of Exploration for exploratory drilling operations by Conoco for three leases was submitted to MMS on January 28, 1986, for Destin Dome Lease Blocks 56 (OCS-G-6406), 57 (OCS-G-6407), and 99 (OCS-G-6410). The Plan of Exploration included an Environmental Report which assessed the specific environmental impacts of the proposed exploratory drilling of three exploratory wells in Destin Dome Area Blocks 56, 57, and 99. This report included a description of the proposed activity, a description of the affected environment, and environmental impacts. This report also detailed Conoco's proposed contingency plans and the impacts from any accidental hydrocarbon discharges. The Plan of Exploration was approved by MMS on January 29, 1987.

Chevron was subsequently designated the operator and submitted a revised Plan of Exploration for Destin Dome Area Block 56 Well #1 on May 1, 1987. An Application for Permit to Drill for Destin Dome Area Block 56 Well #1 was submitted by Chevron to MMS on May 21, 1987. The revised Plan of Exploration and the Application for Permit to Drill were approved by MMS on June 5, 1987. Exploratory drilling was conducted by Chevron on Destin Dome Area Block 56 Well #1 from June 12, 1987, through January 26, 1988,

The Destin Dome Block 56 Unit was approved effective January 1, 1989, with Conoco designated operator for six area leases. Subsequent additions increased the Block 56 Unit to eleven leases (Destin Dome Area Blocks 12, 13, 14, 15, 16, 54, 55, 56, 57, 99, and 100) and Chevron was designated successor unit operator.

A revised Plan of Exploration for Destin Dome Block 56 Unit was submitted by Conoco to MMS on April 13, 1989, and approved by MMS on June 7, 1989. An Application for Permit to Drill for Destin Dome Area Block 56 Well #2 was submitted by Chevron to MMS on August 18, 1989, and approved by MMS on October 18, 1989. Exploratory drilling was conducted by Chevron on Destin Dome Area Block 56 Well #2 from October 31, 1989, through November 22, 1990.

Chevron submitted a revised Plan of Exploration and a revised Environmental Report to MMS on March 8, 1995, for the third exploratory well in the original plan, designated Destin Dome Area Block 57 Well #1. The revised Plan of Exploration and Environmental Report are presently under review by MMS. An Application for Permit to Drill will be filed with MMS for the proposed exploratory drilling in Destin Dome Area Block 57.

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