Navajo Nation EPA Storage Tank Program Program Guidance No. 4 Definition of Petroleum

I. Introduction

The Navajo Nation Underground and Aboveground Storage Tank Act ("NNSTA"), 4 N.N.C. §§ 1501-1577, applies to storage tanks containing "regulated substances." Regulated substances are defined in the Act to include both "petroleum" and all hazardous substances that are defined in § 101(14) of the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. §§ 9601(14), but not to include hazardous wastes regulated under § 3001 of the Resource Conservation and Recovery Act, 42 U.S.C. § 6921. See 4 N.N.C. § 1502(V) (definition of "regulated substance"). This program guidance addresses the definition of "petroleum," which may be found at 4 N.N.C. § 1502(T), and clarifies that the term includes natural gas and natural gas liquids, as well as synthetic fuels which may be derived from substances such as coal, oil shale, tar sands, and biomass, among others.

II. "Petroleum" Includes Both Crude Oil and Synthetic Fuel

The definition of "petroleum" in the NNSTA, 4 N.N.C. § 1502(T), is as follows:

"Petroleum" means petroleum, including crude oil or any fraction thereof that is liquid at 60 degrees Fahrenheit and 14.7 pounds per square inch absolute pressure, and petroleum-based substances comprised of a complex blend of hydrocarbons derived from crude oil through processes of separation, conversion, upgrading, and finishing, such as motor fuels, jet fuels, distillate fuel oils, residual fuel oils, lubricants, petroleum solvents, and used oils.

This definition, by using the word "including," provides examples of the meaning of "petroleum" as used in the NNSTA but not an exclusive list. Additional examples are provided by the definition of "petroleum product," which immediately follows in 4 N.N.C. § 1502(U) and reads as follows:

"Petroleum product" means petroleum, including crude oil, and/or fraction thereof which is not otherwise specifically listed or designated as a hazardous substance under Subparagraphs (A) through (F) of 42 U.S.C. § 9601(14), natural gas, natural gas liquids, liquefied natural gas, and synthetic gas usable for fuel (or mixtures of natural gas and such synthetic gas). The word fraction refers to certain distillates of crude oil, including gasoline, kerosene, diesel oil, jet fuels, and fuel oil, pursuant to Standard Definition of Petroleum Statistics.

The term "petroleum product" clearly includes natural gas, natural gas liquids, and synthetic fuels.

The term "petroleum product" is used only once in the NNSTA, in the Declaration of Policy at 4 N.N.C. § 1503, which states the Navajo Nation Council's concern with releases of petroleum products and so indicates the Council's intent to regulate "petroleum" in the broadest sense of the word. The Storage Tank Program is following the Council's direction by interpreting the term "petroleum" broadly and clarifying that it includes natural gas and synthetic fuels as well as fuels derived from crude oil. Moreover, by effectively combining the terms "petroleum" and "petroleum product," this guidance resolves any confusion that might arise from what otherwise appears to be a superfluous definition in the NNSTA. Finally, this guidance is consistent with EPA's proposed revisions to the federal definitions of "regulated substance" and "motor fuel," which would clarify that natural gas and synthetic fuels are intended to be included, as explained in EPA's preamble to the supplement to the original proposed UST regulations.