April 11, 2014

The Honorable Gina McCarthy
Administrator
Environmental Protection Agency
William Jefferson Clinton Federal Building
1200 Pennsylvania Avenue, N.W.
Washington, DC 20460

Dear Administrator McCarthy,

The Independent Petroleum Association of America (IPAA) represents thousands of producers that develop American oil and natural gas. Independent producers drill 95 percent of U.S. wells, produce 85 percent of its natural gas and 54 percent of its oil. Companies range from large publicly traded corporations to small businesses. Production ranges from large federal offshore wells to the rapidly emerging shale gas and shale oil plays throughout the country to America's marginal wells that account for 80 percent of U.S. oil wells and two-thirds of its natural gas wells. IPAA's past engagement with the Environmental Protection Agency has been limited, but it clearly needs to be more extensive. This meeting is an early step in what IPAA hopes will become a more regular and productive dialogue. IPAA seeks to develop with EPA better opportunities to provide useful stakeholder input.

Historically, upstream oil and natural gas regulation has been dominated by state regulatory programs – either because they fall outside federal laws or because the states have responsibility for managing federal laws. Recently, federal initiatives – and environmental petitions to request federal actions – have elevated independent producer involvement with the Environmental Protection Agency and other federal agencies.

The nation faces economic and energy options that have not been possible in generations. Clearly, these options for the development of oil and natural gas must be done in an environmentally sound manner. But, at the same time the intensity of regulation can impede development without environmental benefits. Consequently, it is essential for the Agency to understand the implications of its actions on both new and existing production.

Moreover, IPAA believes it is essential for the Agency to understand the nature of independent producers, the role of independent producers in U.S. oil and natural gas development and the challenges of managing regulatory compliance, particularly for the small business component of IPAA's membership as it considers the federal government's regulatory choices.

To suggest the scope of IPAA's concerns, following is a list of the operative, pending or potential regulatory and analytical actions at the Agency that affect independent producers:

Safe Drinking Water Act –

Guidelines for regulation of hydraulic fracturing when diesel fuel is used

Induced Seismicity – Class II UIC wells

EPA Office of Research and Development study related to the relationship between hydraulic fracturing and drinking water

- EPA Office of Inspector General research initiative related to hypothetical risks associated with hydraulic fracturing and other oil and natural gas development processes
- Multi-agency Research Initiative Related to Unconventional Oil and Natural Gas Development

Clean Air Act –

- Subpart OOOO – New Source Performance Standard on natural gas well completions/tank emissions management
- Subpart OOOO – National Emissions Standards for Hazardous Air Pollutants
- Subpart OOOO – Petitions to expand requirements to existing production operations and to crude oil
- Federal initiatives related to fugitive methane emissions and flaring
- NAAQS – Revisions to ambient standards for ozone and $PM_{2.5}$
- Aggregation – Efforts to apply requirements based on considering multiple wells as one unit
- Green House Gases (GHG) Inventory – Subpart W continues to require GHG emissions reporting
- GHG Regulations – Electric generation facilities carbon capture and storage requirements
- LNG Export Licensing – EPA participation in FERC permitting actions

Clean Water Act –

- Waters of the United States definition regulations
- Effluent Limitations Guidelines –
  - Shale Gas Extraction (SGE) pretreatment continuation
  - Coal Bed Methane (CBM) waste water discharges suspension
- SPCC and storm water permit issues

Resource Conservation and Recovery Act –

- Environmental petition to regulate drilling fluids/produced water as hazardous waste
- Revision of EPA “Green Book”
- Waste issues associated with TENORM/NORM

Toxic Release Inventory –

- Environmental petition to apply reporting requirements to oil and natural gas production

Toxic Substances Control Act –

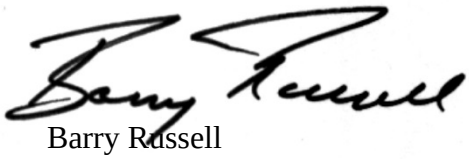
- Environmental petition, partially accepted by EPA, to apply testing and disclosure requirements to oil and natural gas production chemicals

EPA’s Enforcement Initiative

Attached are more detailed descriptions of key points within these issues.

IPAA is committed to the environmentally sound development of American oil and natural gas and recognizes the importance of developing cost effective regulations to meet this objective. Working with the Agency as it considers regulatory actions would provide both industry and the Agency the opportunity to find the most expeditious paths to address environmental protection within the state-federal regulatory process that governs industry operations.

Sincerely,



Barry Russell

Key Issues Affecting Independent Oil and Natural Gas Producers

Safe Drinking Water Act

EPA's Guidance for the Usage of Diesel Fuels in Hydraulic Fracturing

The Guidance Document, released in February 2014, establishes guidelines for EPA regions to use for hydraulic fracturing using diesel fuels in states where EPA has not delegated primacy to the states. The Guidance uses Chemical Abstracts Services Registration Numbers (CASRN) to identify five chemical products as "diesel fuels". While the Guidance is an effort to clarify EPA's action in publishing a regulation on its website, there are a number of issues that continue to concern independent producers. These are:

- The Guidance Document does not alter the underlying website regulatory requirement. Because states do not regulate HF as UIC, they can be exposed to challenges to their primacy delegation. Consequently, EPA could be petitioned to withdraw primacy from delegated states unless the states alter the HF regulatory structure. Precedent exists for such action after *LEAF v. EPA.*
- EPA leaves open the possibility that it could add additional products in the future, at the agency's discretion.
- EPA does not allow for any threshold for the chemicals. For example, a corrosion inhibitor – that in and of itself is a small component of the overall hydraulic fracturing fluid - that may contain small amounts of kerosene as part of its composition would be considered as fracturing with diesel fuels in EPA's Guidance Document.
- EPA's action provides guidance to its regions, but no regional office is required to use the Guidance Document and could create entirely different requirements. That is, an EPA Region could use a different definition for diesel fuels and/or different permitting requirements.
- Industry requested that EPA clarify that it will not enforce the guidance retroactively – specifically, that any liability for failing to obtain a Class II permit would only be prospective from the date of the revised guidance. However, EPA takes the position that the interpretations in the Guidance Document are based on *existing* statutory and regulatory requirements, and that EPA did not need to issue the guidance in order to enforce such existing requirements for both past and current violations. Consequently, EPA explicitly states that it does not have a policy regarding enforcement actions for past violations of these requirements.

The Guidance is based on a perception of hydraulic fracturing fluids that is outdated and results in a risk to the UIC primacy delegation process without generating any environmental benefit.

Induced Seismicity Guidance

Induced seismicity has drawn increasing attention in oil and natural gas development areas, frequently being incorrectly ascribed to hydraulic fracturing. Developing an accurate understanding of the potential causes would help frame a pathway to alleviate local apprehensions and revise regulatory requirements if needed.

EPA has indicated that it is working with stakeholders to develop recommendations and best practices to assess impacts to underground storage caused by seismic activity to assist state and EPA UIC programs. The work is being led by EPA's Dallas Regional Office and is formally called the Underground Injection Control National Technical Workgroup (Workgroup). The

Workgroup is preparing a report to be called the "Draft Report on Injection Induced Seismicity -- Practical Tools for UIC Regulators." IPAA understands that the purpose of the Workgroup is to make technical recommendations to address potential induced seismicity events at Class II UIC disposal sites. Currently, Class I and Class VI UIC disposal sites require evaluation of seismic risks. With respect to Class II through Class V, the SDWA grants the UIC Director discretion to decide if and when seismic evaluations are necessary to protect underground sources of drinking water (USDW). At this point, EPA's timeline for release of its induced seismicity guidance is unclear. A draft of EPA induced seismicity guidance was released earlier this year as a result of a Freedom of Information Act (FOIA) request.

Induced seismicity is an area that directly affects the perception of oil and natural gas production and IPAA wants to participate in efforts that could adversely affect the industry.

EPA Study Regarding the Relationship Between Hydraulic Fracturing and Drinking Water

The study of the relationship between hydraulic fracturing and drinking water has been used by oil and natural gas development opponents to try to delay regulations and permitting. The study pathway has been spotty at best. When the study was stipulated by the Congress, industry assumed it would be addressing current practices. However, to date it appears that the study will look at past instances – some approaching a decade past – when the fracturing process and fracturing fluids were very different than now. IPAA has had recurring concerns about quality control in the study.

At this point, it is hard to assess what the ultimate value of a study looking at old, previously investigated instances using different technologies and fluids will have in the overall deliberations on the future of hydraulic fracturing. If it finds some instances of contamination, the nature of those events will not be consistent with today's practices. If it finds – as the prior investigations have – that the issues were unrelated to fracturing, opponents will dismiss it as too narrow or politically motivated.

EPA Office of Inspector General Research Initiative Related to Hypothetical Risks Associated with Hydraulic Fracturing and Other Oil and Natural Gas Development Processes

Recently, the EPA Office of Inspector General (OIG) has indicated its intent to initiate a new analysis of water issues associated with hydraulic fracturing. Not only does this effort seem to duplicate the purpose of the Congressionally recommended study, it seems to divert significant resources from the historic role of the OIG during a time when budget constraints are being widely identified as threatening the efficacy of the OIG's actions. IPAA sees no value added in this new effort to the Agency's efforts to understand the management of hydraulic fracturing environmental risks.

Multi-agency Research Initiative Related to Unconventional Oil and Natural Gas Development

A broader, federal research initiative related to hydraulic fracturing was announced in a Memorandum of Agreement (MOA) between EPA, Department of Energy (DOE) and the United States Geological Survey (USGS) on April 13, 2012. The original MOA coordinated research between the three federal agencies and plans to assess "potential air, ecosystem, and water quality impacts of hydraulic fracturing." IPAA understands additional federal agencies may also

participate. The proposed areas of study are wide ranging – including everything from air quality issues to ecological impacts and human effects. It is still unclear how this MOA relates to the ongoing EPA hydraulic fracturing study.

Each agency indicated it would issue a progress report coinciding with the President's budget request release for each year the MOA is ongoing. Little information has been released regarding what actions the agencies are taking.

Additionally, one recurring issue with the hydraulic fracturing/drinking water study has been a process that largely prevents the participation on industry experts in the design or execution of the study. IPAA believes that industry can provide valuable, unique perspectives that can only improve any analysis.

Clean Air Act

New Source Performance Standards – Subpart OOOO

In August 2012, EPA finalized Clean Air Act (CAA) New Source Performance Standards (NSPS) and National Emission Standards for Hazardous Air Pollutants (NESHAPS) for the Oil and Natural Gas Sector. IPAA, along with a number of state cooperating associations, filed a petition for review of EPA's NSPS rulemaking in DC Circuit Court and petitioned EPA for voluntary reconsideration of the rule. The petition for voluntary reconsideration was limited to those issues that IPAA was unable to raise during the notice and comment period. Therefore IPAA's petition focused on (1) the low-pressure well exemption (and whether that definition includes vertical wells) and (2) the economic impacts of the rulemaking on smaller operators.

IPAA continues to be involved with the EPA on the many actions that have sprung out of this rulemaking. Recognizing that the initial dynamic driving the Subpart OOOO rulemaking came from a consent decree, the process is at best confusing. IPAA has always been concerned that the court ordered timing for action prevented a full understanding of the nature of air emissions from fractured natural gas wells and from oil storage. This limitation has led to rule structures that do not reflect the standards of Section 111 of the CAA. Now, however, EPA has identified new issues that are different from those previously addressed. EPA proposed to study/evaluate five additional issues which it described as "additional emissions sources" associated with: 1) liquids unloading; 2) hydraulically fractured oil wells or "hybrid wells"; 3) upstream leaks; 4) compressors and 5) pneumatics. Meanwhile, there are previously identified issues such as small vertical wells that are not hydraulically fractured which remain unaddressed or inadequately resolved. IPAA intends to remain actively engaged, but some better order needs to be developed.

Methane Regulation from Existing Sources

On August 29, 2012, a number of environmental organizations, including the Sierra Club, the Natural Resource Defense Council and the Environmental Defense Fund, petitioned EPA to further curb emissions of methane from oil and natural gas operations. Specifically, these groups petitioned EPA to determine whether standards of performance for methane are appropriate and, if so, to prescribe new standards and accompanying guidelines under the CAA NSPS.

This petition is a reflection of a number of concerns raised by environmental organizations with respect to EPA's regulation of oil and natural gas air emissions. Specifically, environmentalists are upset that (1) EPA continues to negotiate with industry over implementation of Subpart

OOOO; (2) EPA's usage of VOC as a proxy to capture methane emissions does not go far enough (i.e. EPA is not directly regulating methane emissions); and (3) EPA has failed to regulate existing oil and natural gas sources (i.e. existing operations). IPAA believes that these environmental organizations are petitioning EPA to undertake a novel interpretation of the CAA to satisfy their concerns. IPAA is concerned that EPA does not negotiate a consent decree that replicates the problems that have arisen in the context of Subpart OOOO. If the Agency intends to consider action on this petition, industry should have an equal opportunity to participate.

Air Aggregation

Title V of the CAA requires every "major source" of air pollution to obtain a Title V operating permit. Under Title V, EPA defines a major source to include "any stationary facility or source of air pollutants which directly emits, or has the potential to emit, one hundred tons per year of any pollutant." To determine a single source, EPA relies on three criteria but ultimately makes determinations on a case-by-case basis.

For multiple facilities to be consolidated for purposes of being defined as a "major source," EPA looks at whether they: (1) are under common control; (2) are located on one or more contiguous or adjacent properties; and (3) belong to the same major industrial grouping. Criteria 2 – the issue of adjacency - has experienced much tumult. Specifically, in September 2009, EPA promulgated guidance addressing the issue of CAA source determinations in the oil and gas sector. The 2009 guidance withdrew earlier guidance from EPA which concluded that the three-prong aggregation analysis for oil and gas activities focus on the proximity of surface locations. As such, under the Obama Administration EPA, emissions points may be aggregated even if they are many miles apart if EPA finds them otherwise 'interrelated'.

In August 2012, the U.S. Court of Appeals for the Sixth Circuit clarified the definition of "adjacent" in *Summit Petroleum v. EPA.* In that case, EPA asserted that Summit's facilities met the three criteria to be classified as a major source. In a 2-1 decision, the court disagreed, focusing on the only disputed fact of whether the facilities are adjacent to one another (i.e. Criteria 2). "Having determined that the word 'adjacent' is unambiguous, we apply no deference in our review of the EPA's interpretation of it." In response to EPA's argument that its liberal interpretation of "adjacent" was a long-standing policy, the court concluded that "an agency may not insulate itself from correction merely because it has not been corrected soon enough, for a longstanding error is still an error."

Yet, EPA has corrected its error in only the most limited fashion. According to a December 2012 EPA memo, "EPA may no longer consider interrelatedness in determining adjacency...in areas under the jurisdiction of the 6th Circuit, i.e., Michigan, Ohio, Tennessee and Kentucky...Outside the 6th Circuit, at this time, the EPA does not intend to change its longstanding practice of considering interrelatedness in the EPA permitting actions in other jurisdictions."

IPAA continues to be concerned about EPA's actions on aggregation and believes that it should apply the *Summit* standard throughout the country as it did with its pre-*Summit* position.

National Ambient Air Quality Standards

Over the past decade EPA has revised the National Ambient Air Quality Standard (NAAQS) for ozone and proposed further modification. In 2011, the Obama Administration decided not to proceed with a further tightening of the ozone NAAQS. In reality, it is unlikely that the current

standard is attainable in major areas of the country, subjecting cities to more intense regulation. However, at the lower proposed standard, as much as 90 percent of the U.S. would be in ozone NAAQS nonattainment compelling massive new regulatory requirements that would stretch into rural areas including key oil and natural gas production regions. For oil and natural gas exploration and production operations, one key area of concern will the implications on developing new projects where emissions offsets could be required but the areas are so rural in nature that offsets would not be available. This consequence could dramatically inhibit the ability of the nation to effectively develop its oil and natural gas resources. Additionally, EPA finalized a new NAAQS for small particulate matter ($PM_{2.5}$) which can have broad implications across the country and may interact with the ozone requirements.

IPAA is concerned about questions that have been raised concerning the public availability of studies used to frame the arguments for the lower standard. IPAA opposes further adjustments to the NAAQS while the country is still implementing plans to try to meet the current NAAQS.

Greenhouse Gas (GHG) Regulation

On September 20, 2013, the U.S. Environmental Protection Agency (EPA) announced its first steps to reduce carbon pollution from power plants. The standards will minimize carbon pollution by guaranteeing reliance on advanced technologies like efficient natural gas units and efficient coal units implementing partial carbon capture and storage (CCS). Much of EPA's justification of the availability of CCS relies on experience from the use of CO_2 Enhanced Oil Recovery (EOR) and thereby raises concerns that no action on these regulations adversely impacts EOR use. IPAA is also concerned about efforts to compel the use of CCS on natural gas powered units that would be economically unrealistic.

IPAA is also closely watching the Supreme Court action on the recent case focused on the following question: "Whether EPA permissibly determined that its regulation of greenhouse gas emissions from new motor vehicles triggered permitting requirements under the Clean Air Act for stationary sources that emit greenhouse gases." A particular issue in that litigation raises the question of the facility definition under the CAA since CO_2 emissions can easily exceed the 100 tons/year or 250 tons/year threshold under the Act for extremely small operations.

Subpart W Greenhouse Gas Inventory

The GHG inventory, while authorized in a single-year appropriations bill has become a permanent reporting program. EPA's authority to require GHG reporting stems from the Consolidated Appropriations Act, 2008. The Subpart W GHG inventory requires operators to dedicate thousands of man hours to collect millions of pieces of data that EPA has no plan to use. EPA has acknowledged that it has no capacity to deal with all of the incoming data from the GHG inventory. Therefore EPA is only collecting the data to post the information online.

IPAA has advocated for changing the definition of "facility" that EPA is applying to onshore petroleum and natural gas systems under Subpart W of the rule. Specifically, EPA has created a definition of the term "facility" that is different than the one applied under the CAA. EPA used a definition of facility that includes all petroleum or natural gas equipment on a well pad or associated with a well pad under common ownership or control, including leased, rented, or contracted activities by an onshore petroleum and natural gas production owner or operator, that are located in a single hydrocarbon basin. For example, under this definition, all wells under common ownership along the Gulf Coast of Texas and Louisiana and deeply into the mainland

of those states would be considered as one facility. Nothing in the CAA suggests that EPA can define an onshore petroleum and natural gas production facility as broadly as it did. Nevertheless, EPA acted. A proper definition of "facility," as found in the CAA, should be adopted to make this rule consistent with other federal environmental air policies.

In March 2013, a number of environmental organizations petitioned EPA to revise its GHG inventory with respect to the oil and natural gas industry. EPA has recently noticed amendments to Subpart W. IPAA is working with its member companies to determine what, if any, impacts these amendments pose for independent producers. Additionally, IPAA remains concerned about the burden imposed on small producers because of the facility definition.

LNG Export Licensing – EPA Participation in FERC Permitting Actions

The Federal Energy Regulatory Commission (FERC) responsibilities related to licensing liquefied natural gas (LNG) export facilities include evaluating the environmental implications of the export facilities. Recently, EPA's Region VI submitted comments to FERC suggesting that its review was flawed because it failed to consider the impacts of additional natural gas development using hydraulic fracturing. This objection is similar to those voiced by The Sierra Club – an organization committed to ending the use of natural gas in the US. The Administration has consistently taken a position that it supports the development of natural gas and states that it can be done in an environmentally safe manner. IPAA believes that EPA Region VI acted inconsistently with this well founded Administration position and that EPA should not be suggesting that FERC should expand its LNG export facility review beyond the implications of the facility.

Clean Water Act

Navigable Waters Definition

In September 2013, EPA announced that it and the Corps have now sent a draft proposed rule to clarify federal CWA jurisdiction – shifting from "navigable waters" to "waters of the United States" (WOTUS) – to OMB for interagency review. In connection with the transmission of the draft regulations, EPA's Science Advisory Board recently released for public comment a draft scientific report, "Connectivity of Streams and Wetlands to Downstream Waters: A Review and Synthesis of the Scientific Evidence." EPA released its proposed WOTUS regulation in March 2014 for public review and comment.

Any proposal that could restructure the scope of the CWA is a critical issue confronting American natural gas and petroleum production. The CWA has already far-reaching applications that affect the permitting and compliance activities of the oil and natural gas industry. For example, the rulemaking broadly affects the breadth of well site construction that may require permitting (including pipelines used for gathering oil and natural gas as they move into the marketplace) and the number of facilities subject to Spill Prevention, Control and Countermeasure (SPCC) planning and requirements.

Effluent Limitation Guidelines - Coalbed Methane and Shale Gas Extraction Pretreatment

EPA is proceeding with a Shale Gas Extraction (SGE) Pretreatment Effluent Limitation Guideline (ELG) and had proposed a Coalbed Methane (CBM) ELG under CWA. IPAA has encouraged EPA to start over with any proposed oil and natural gas related ELGs and gather information to determine whether any new rulemakings are needed or whether the current regulatory system is satisfactory.

With respect to the CBM ELG, EPA announced its intent to delist the proposed CBM ELG. IPAA submitted comments in support of EPA's decision to do so. EPA is currently reviewing the comments submitted before proceeding to a final action to delist.

IPAA is concerned with the contemplated SGE ELG since EPA has not undertaken any analysis whether such an ELG is needed. EPA argues that it must create an ELG to prevent and/or strictly regulate produced water (from fossil fuel extraction operations) from going to Publicly Owned Treatment Works (POTWs). The desire to create an SGE ELG likely originated with reports of elevated bromide levels in Pennsylvania waterways. However, the Pennsylvania Department of Environmental Protection (DEP) prohibited any produced water, from Marcellus Shale wells, from being sent to Pennsylvania POTWs. In virtually all other oil and natural gas producing states, produced water is disposed pursuant to the SDWA UIC program – which is already a federally regulated practice. IPAA is concerned that a rigid, one-sized-fits-all ELG standard would be unworkable, particularly in light of the fact that an SGE ELG is not needed since the CWA provides for a flexible permitting process, Best Professional Judgment (BPJ).

Resource Conservation and Recovery Act

In September 2010, the NRDC petitioned EPA to regulate oil and natural gas production wastes under Subtitle C, the hazardous wastes provision, of the Resource Conservation and Recovery Act (RCRA).

RCRA was enacted to address the increasing volume of municipal and industrial wastes. Subtitle C was established to manage hazardous wastes from cradle to grave to ensure that hazardous waste is handled in a manner that protects human health and the environment. Subtitle D of RCRA regulates non-hazardous solid wastes. Most waste generated during oil and gas exploration and production (E&P waste) is governed by Subtitle D.

In 1987, EPA issued a Report to Congress and, in 1988, issued a final regulatory determination finding that regulation of oil and natural gas production wastes under RCRA Subtitle C was not warranted. EPA based its findings on the fact that other state and federal programs could protect human health and the environment more efficiently, that Subtitle C was not appropriate for regulating these oil and natural gas wastes, and that application of Subtitle C to oil and natural gas production wastes would significantly harm US oil and natural gas production. No evidence suggests that EPA would reach a different regulatory determination. In fact, changes in the land disposal requirements of Subtitle C that were not existent at the time of regulatory determination would make the costs of managing production wastes far more costly.

IPAA believes that EPA should abide by its long standing position that oil and natural gas drilling fluids and produced waters do not warrant Subtitle C treatment and, as such, deny NRDC's petition.

Emergency Planning and Community Right-to-Know Act – Toxics Release Inventory

On October 24, 2012, a number of environmental groups, led by the Environmental Integrity Project (EIP) petitioned EPA to include oil and natural gas production in EPA's Toxic Release Inventory (TRI). In the past, EPA has considered expanding the program to include oil and natural gas exploration and production activities. However, EPA has not done so because EPA determined that individual oil and natural gas facilities (e.g. well pads) may not employ enough people or use enough of the listed chemicals to trigger reporting requirements. Recently, EIP

sent EPA a letter based on its own calculations alleging air emissions that IPAA believes – using the data EIP supplied in its letter – grossly overstates any actual emissions.

IPAA believes that for the TRI to be meaningful, there is little value and great cost associated with expanding it to cover small, widely dispersed emissions sources. IPAA encourages EPA to reject the EIP petition.

Toxic Substances Control Act

In 2011, 120 environmentalist organizations petitioned EPA to issue Toxic Substances Control Act (TSCA) Section 4 (toxicity testing) and Section 8 (reporting of health and safety studies) rules on oil and gas exploration and production chemicals. Specifically, the petition requested EPA to adopt rules to require all manufacturers and processors of oil and natural gas production chemicals conduct toxicity tests of all exploration and production chemicals and that all chemicals mixtures and substances tested be identified.

While EPA denied the petition with regard to its Section 4 request, it indicated that it would partially grant the requests under Section 8 by initiating a rulemaking process to obtain data on chemical substances and mixtures used in hydraulic fracturing. However, action on the petition has been delayed until 2014. This portion of the petition seeks to burden the industry and the EPA with reports on the chemical mixtures used in the fracturing process. EPA action is unnecessary because states have initiated chemical disclosure reporting through FracFocus. Given the 60 year history that fracturing has not posed unmanaged environmental risks, IPAA believes that additional, user-level reporting is inappropriate. However, since EPA has made the decision to move forward with portions of the petition, IPAA looks for ways to engage with EPA on this issue.

EPA Enforcement Initiative

EPA continues to include oil and natural gas production operations in its national enforcement and compliance priorities for Fiscal Years 2014 through 2016. Natural gas and oil production operations have been and continue to be regulated under a wide variety of federal and state environmental laws. While EPA has retained regulatory authority in limited cases or is the sole regulator under certain federal laws, state programs dominate the regulatory regime. These state programs have been in place for decades and function effectively. IPAA is concerned about the underlying intent of using a federal enforcement initiative as a pathway to expand the federal role in oil and natural gas production regulation where there is no compelling need to do so.