

EPA's oil & gas production waste study
(RCRA) EPA General (#3800)

10, 90, 3800

August 25, 1987

Mr. Julian G. Martin
Executive Vice President,
Texas Independent Producers & Royalty Owners Association
1910 First Republic Bank Tower
515 Congress Avenue
Austin, Texas 78701



Dear Mr. Martin:

This will acknowledge receipt of your recent communication expressing your concerns and those of TIPRO regarding the oil and gas production waste study which the Environmental Protection Agency (EPA) is conducting pursuant to the Resource Conservation and Recovery Act (RCRA) Amendments of 1980. I appreciated having this communication, and let me assure you that I share TIPRO's concerns.

You will find attached a copy of the letter which I and some of the other Members of the Texas Delegation sent to EPA Administrator Lee Thomas earlier this month with regard to this study. I can assure you that we will continue to monitor EPA's actions in this connection, and will be doing everything possible to maintain the current regulatory exemption for onshore petroleum exploration and production wastes.

Thank you for contacting me as you have, and with kind regards, I remain

Sincerely yours,

Charles W. Stenholm
Member of Congress

CWS:jah
Enclosure



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Producers & Royalty
Owners Association**

August 19, 1987

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The Honorable Charles Stenholm
United States House of Representatives
1226 Longworth Office Building
Washington, DC 20515

Dear Congressman Stenholm:

The Texas Independent Producers and Royalty Owners Association is extremely concerned with the study currently being undertaken by the EPA regarding regulation and management of petroleum production and exploration wastes under the Resource Conservation and Recovery Act (RCRA).

The draft report recently released by the EPA reflects serious misstatements of fact regarding on-site practices and an inadequate understanding of the excellent job the State of Texas is doing regulating wastes through the Underground Injection Control (UIC) arm of the Texas Railroad Commission. The EPA seems to be leaning dangerously close to recommending removal of the current regulatory exemption for onshore petroleum exploration and production wastes. If EPA makes such a recommendation, it will be based on information gained from a seriously flawed study.

New regulation of produced wastes would have devastating effects on the petroleum producing industry and on the faltering economy of the State of Texas. The loss of production, severance taxes, royalty payments and the discouragement of new drilling are all severe consequences the State can ill afford. Several groups have written excellent technical commentaries on the EPA study that echo our concerns. In particular, I point to work submitted to EPA by Jerry Mullican, Director of UIC for the Texas Railroad Commission and a report by the American Petroleum Institute.

In the best interests of the state and the petroleum producing industry, we will sincerely appreciate your efforts in defending the existence of this vital exemption to the EPA.

Respectfully yours,

Julian G. Martin
Executive Vice President


TIPRO

1910 First RepublicBank Tower
515 Congress Avenue
Austin, Texas 78701
512/477-4452

PA

10, 90, 3800

September 9, 1987

Honorable Bob Bullock 
Comptroller of Public Accounts
LBJ State Office Building
Austin, Texas 78774

Dear Bob:

This will acknowledge receipt of your recent communication expressing your concerns regarding the oil and gas production waste study which the Environmental Protection Agency (EPA) is conducting pursuant to the Resource Conservation and Recovery Act (RCRA) Amendments of 1980. I appreciated having this communication, and let me assure you that I share your concerns.

You will find attached a copy of the letter which I and some of the other Members of the Texas Delegation sent to EPA Administrator Lee Thomas in August regarding this study. I can assure you that we will continue to monitor EPA's actions in this connection, and will be doing everything possible to maintain the current regulatory exemption for onshore petroleum exploration and production wastes.

Thank you for contacting me as you have, and with kind regards, I remain

Sincerely yours,

Charles W. Stenholm
Member of Congress


CWS:jah
Enclosure



512-463-4600

LBJ
State Office
Building

August 31, 1987

Bob Bullock 
Comptroller of Public Accounts
Austin, Texas 78774

The Honorable Charles W. Stenholm
U.S. House of Representatives
Longworth House Office Bldg., Room 1226
Washington, DC 20515

Dear Charlie:

We in the State of Texas are very concerned with the study by the EPA (Environmental Protection Agency) regarding regulation and management of petroleum production and exploration wastes under the Resource Conservation and Recovery Act (RCRA). I would like to go on record as opposing changes in the current regulatory exemption for onshore petroleum exploration and production wastes.

This major change in federal regulatory policy would have serious and unnecessary economic consequences for Texas. It would heavily burden an already troubled industry, costing billions of additional dollars. The loss of production, severance taxes and royalty payments alone could cost the State of Texas directly more than \$200 million per year.

The Texas Railroad Commission has the responsibility, as the state's mineral regulatory body, for regulating oil and gas production wastes. To date, they have done an outstanding job.

I hope you'll give this issue careful consideration and lend your support to the retention of the current exemption for onshore production and exploration wastes.

Sincerely,




BOB BULLOCK
Comptroller of Public Accounts

BB/wps

EPA

10, 90, 3800

September 9, 1987

Mr. Harry A. Spannaus 
Executive Vice President,
Permian Basin Petroleum Association
P. O. Box 132
Midland, Texas 79702


Dear Harry:

This will acknowledge receipt of your recent communication expressing your concerns regarding the oil and gas production waste study which the Environmental Protection Agency (EPA) is conducting pursuant to the Resource Conservation and Recovery Act (RCRA) Amendments of 1980. I appreciated having this communication, and let me assure you that I share your concerns.

You will find attached a copy of the letter which I and some of the other Members of the Texas Delegation sent to EPA Administrator Lee Thomas in August regarding this study. I can assure you that we will continue to monitor EPA's actions in this connection, and will be doing everything possible to maintain the current regulatory exemption for onshore petroleum exploration and production wastes.

Thank you for contacting me as you have, and with kind regards, I remain

Sincerely yours,

Charles W. Stenholm 
Member of Congress

CWS:jah
Enclosure

*A country
that runs on oil
can't afford
to run short*



Permian Basin Petroleum Association

P. O. Box 132

• (915) 684-6345

• Midland, Texas 79702


August 18, 1987

The Honorable Charles W. Stenholm
U. S. House of Representatives
1226 Longworth House Office Building
Washington, D. C. 20515

Dear Congressman Stenholm:

We are aware that the Environmental Protection Agency (EPA) is conducting an oil and gas production waste study to determine if such production wastes are a hazard to the environment.

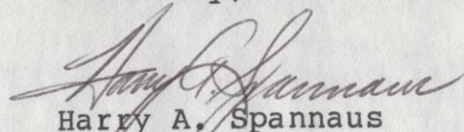
We are concerned that such a study will not address the facts and that the EPA's position to classify such wastes as hazardous, will over-shadow any findings which suggest that such fluids are safe to the environment and pose no pollution problems to our country.

The EPA's interim report titled "Wastes from the Exploration Development and Production of Crude Oil, Natural Gas and Geothermal Energy" was not complementary to say the least. 

- * The report contains many conclusions that are unsubstantiated.
- * Damage cases do not support the need for additional Federal regulations.
- * Industry waste volume is overstated.
- * Flexibility of state regulatory requirements is criticized unjustly.

We are in agreement with the Independent Petroleum Association of America that the accuracy and reasonableness of the EPA's findings on this issue are critically important, both to properly protect human health and the environment and to prevent unnecessary economic impacts on domestic oil and gas producers and those engaged in drilling fluid manufacturing and distribution. We hope you share a like position and will insist on fairness in and from the report.

Sincerely,



Harry A. Spannaus
Executive Vice President

HAS/as

EPA

10,90,3800

September 9, 1987

WILLIA

The Honorable William P. Clements, Jr.
Governor, State of Texas
Office of the Governor
Austin, Texas 78711

Dear Governor Clements:

This will acknowledge receipt of your recent communication expressing your concerns regarding the oil and gas production waste study which the Environmental Protection Agency (EPA) is conducting pursuant to the Resource Conservation and Recovery Act (RCRA) Amendments of 1980. I appreciated having this communication, and let me assure you that I share your concerns.

You will find attached a copy of the letter which I and some of the other Members of the Texas Delegation sent to EPA Administrator Lee Thomas in August regarding this study. I can assure you that we will continue to monitor EPA's actions in this connection, and will be doing everything possible to maintain the current regulatory exemption for onshore petroleum exploration and production wastes.

Thank you for contacting me as you have, and with kind regards, I remain

Sincerely yours,

Charles W. Stenholm
Member of Congress

CWS:jah
Enclosure



STATE OF TEXAS
OFFICE OF THE GOVERNOR
AUSTIN, TEXAS 78711

WILLIAM P. CLEMENTS, JR.
GOVERNOR

August 20, 1987

The Honorable Charles Stenholm
U.S. House of Representatives
1232 Longworth House Bldg.
Washington, D.C. 20515

Dear Congressman Stenholm:

This letter is to solicit your help regarding a study currently being conducted by the Environmental Protection Agency (EPA) for its Report to Congress on oil and gas exploration and production wastes.

In my view, the Congressional decision in 1980 to exempt oil and gas wastes from the Resource Conservation and Recovery Act (RCRA) regulation was appropriate and should be maintained.

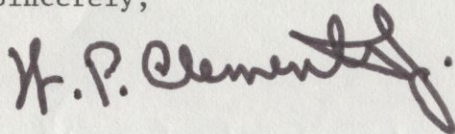
As you are aware, the Railroad Commission of Texas long has had the responsibility of protecting our water resources from pollution which might result from oil and gas drilling and producing activities. I believe the Railroad Commission has done an outstanding job in that regard. Further, the Commission's current programs governing water protection incorporate sound state-of-the-art rules which are actively enforced. I understand that the Railroad Commission is actively working with the EPA in providing information in an attempt to assure that the final report is factual and impartial. The EPA study must take into account fully the adequacy of current regulations, both Federal and State. The vast majority of produced waters, for example, are reinjected underground and are subject to an existing, vigorous regulatory program under the Federal Safe Drinking Water Act. In addition to this and other Federal programs, all other phases of oil and gas waste management practices are effectively managed under comprehensive Railroad Commission regulatory programs.

The EPA must also take into account the enormous economic impacts of imposing alternative waste management regulations for oil and gas operations. Such a decision would have severe economic consequences for the State of Texas, as well as the Nation, without any anticipated benefits to the environment.

The Honorable Charles Stenholm
August 20, 1987
Page 2

I respectfully ask you to give personal attention to this extremely important matter by voicing your concern to the EPA Administrator, Mr. Lee M. Thomas, as he considers this issue.

Sincerely,

A handwritten signature in dark ink, appearing to read "W.P. Clements, Jr.", with a stylized flourish at the end.

William P. Clements, Jr.
Governor

WPC:rtp/ls

September 30, 1987

Mr. Lee M. Thomas
Administrator
U. S. Environmental Protection Agency
401 M Street S.W.
Washington, D.C. 20460

Dear Mr. Thomas:

I have recently reviewed a copy of the August 31, 1987 EPA draft Report to Congress on Oil, Gas and Geothermal Energy Wastes and am concerned with several key aspects of this report. I believe it has largely overlooked the evidence provided by Texas's efforts regarding oil and gas waste management.

The Texas General Land Office (GLO) manages 2900 producing oil and gas leases and is the largest royalty owner in this state. In fiscal year 1987, royalty income from these leases totaled over \$130 million for the Permanent School Fund -- an endowment dedicated to the support of public education. These leases are on public lands managed by GLO -- much of which is located in environmentally sensitive areas. As Texas Land Commissioner, I have the dual responsibility of maximizing public education revenues through oil and gas development, while ensuring that industry practices do not foul our waterways, aquifers, and surface acreage. Obviously, I have a great interest in both oil and gas production and waste disposal management. I am confident that Texas state regulation and management of oil and gas wastes is of the highest caliber.

The draft report appears to assume that state regulatory programs are either nonexistent or ineffective. I can assure you that in Texas, neither is the case. The Texas Railroad Commission does a very good job of policing oil and gas waste disposal. The study does not appear to take into account the Texas Railroad Commission's strenuous enforcement procedures including: denial of hundreds of permits for unlined salt water disposal pits; vigorous administrative fines totaling \$2,665,000 for violation of environmental regulations since March, 1984; and 587,255 on-site lease inspections. Also, Texas operators pay \$100 for each drilling permit, which is dedicated to a fund used to plug abandoned wells.

Garry Mauro
Commissioner
General Land Office

Stephen F. Austin Building
1700 North Congress Avenue
Austin, Texas 78701
(512) 463-5256

Mr. Lee Thomas
September 30, 1987
Page 2

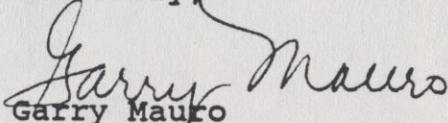
Additionally, part of the study's problem is that Texas has been lumped together with Oklahoma to form one study zone. The study claims that states grouped together have "generally similar geologic formations, drilling and production activities, ..." However, Texas alone could constitute at least three separate geologic study zones. Furthermore, the grouping implies that regulation of drilling and production is the same in both Oklahoma and Texas. Such an implication is simply not true.

If the exemption for oil and gas waste regulation were removed, the Independent Petroleum Association of America estimates the national costs to be \$15 billion initially, and \$5 billion each year thereafter. These costs would make it impossible for domestic producers to compete in a market which is flooded with cheap foreign oil. In Texas, the General Land Office estimates that virtually all stripper wells would be shut-in as uneconomical to produce due to the huge cost of compliance. The increased compliance costs could result in a substantial loss of annual royalties to the Permanent School Fund.

I have one final concern. Should the exemption for oil and gas wastes under RCRA be removed, it is likely that many operators will be forced to abandon their wells and find themselves unable to afford the costs of proper plugging. The Texas Railroad Commission has conducted a preliminary review based on EPA estimates of minimum production levels required to economically operate wells in Texas. Their review indicates that the number of wells which would require plugging could approach 100,000 under a conservative set of assumptions. With an approximate per well cost of plugging estimated at \$4100, the total cost could reach over \$400 million. The Railroad Commission estimates that up to 50% of operators who are forced to abandon their wells may not be able to afford the cost of plugging. Therefore, the loss of the oil and gas waste exemption could result in an even worse environmental hazard than the hypothetical situation envisioned in your report. Certainly this is not EPA's intent.

It appears that EPA has worked well with the members of the study committee and the public at large. Increasingly improved and revised versions of the draft report show that a valuable and frank exchange of ideas and data has resulted. In that vein, I would urge you to look more closely at the regulatory experience in Texas. My staff and I are available to work closely with you and your staff to resolve our concerns and help you produce the best possible report for Congress.

Sincerely,


Garry Mauro

cc: Texas Congressional delegation
Mr. Dan Derkics, EPA

EPA

12, 79, 3800

October 20, 1987

Ms. Nadine H. Hicks
Ronapata Oil and Gas Co.
P. O. Box 766
Sterling City, Texas 76951

Dear Ms. Hicks:

This will acknowledge receipt of your recent communication expressing your concerns regarding the oil and gas production waste study which the Environmental Protection Agency (EPA) is conducting pursuant to the Resource Conservation and Recovery Act (RCRA) Amendments of 1980. I appreciated having this communication, and let me assure you from the onset that I share your concerns.

I have been working with the other Members of the Texas Delegation to ensure that the EPA takes a reasonable approach to conducting and completing this study. I have written to EPA officials, advising them of my concerns, and I am enclosing a copy of their response to me.

I will continue to monitor EPA's actions in this connection, and will be working with the other Members of the Texas Delegation to maintain the current regulatory exemption for onshore petroleum exploration and production wastes.

Thank you for contacting me as you have, and with kind regards, I remain

Sincerely yours,



Charles W. Stenholm
Member of Congress

CWS:jah
Enclosure



RONAPATA OIL AND GAS CO.

P. O. Box 766

PHONE 915-378-4441

STERLING CITY, TEXAS 76951

The Honorable Charles W. Stenholm
U.S. House of Representatives
Washing, D. C. 20515

Dear Congressman Charles W. Stenholm:

We are aware that the Environmental Protection Agency (ERA) is conducting an oil and gas production waste study to determine if such production wastes are hazard to the environment.

We are concerned that such a study will not address the facts and that the EPA's position to classify such wastes as hazerdous, will over-shadow any findings which suggest that such fluids are safe to the environment and pose no pollution problems to our country.

The EPA's interim report titled "Wastes From The Exploration Development and Production of Crude Oil, Natural Gas and Geothermal Energy" was not complementary to say the least.

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- * Industry waste volume is overstated.
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We are in agreement with the Independent Petroleum Association of America and the Permian Basin Petroleum Association that the accuracy and reasonableness of the EPA's findings on this issue are critically important, both to properly protect human health and the environment and to prevent unnecessary economic impacts on domestic oil and gas producers and those engaged in drilling fluid manufacturing and distribution. We hope you share a like position and will insist on fairness in and from the report.

Sincerely,

Nadene W. Hicks

A country
that runs on oil
can't afford
to run short



Permian Basin Petroleum Association

P. O. Box 132 • (915) 684-6345 • Midland, Texas 79702

December 31, 1987

The Honorable Charles W. Stenholm
U. S. House of Representatives
1232 Longworth House Office Building
Washington, D. C. 20515



Dear Congressman Stenholm: *Charles*

With the welcome news of the Environmental Protection Agencies announcement that it sees no need to classify drilling and production fluids as hazardous materials above current classifications, we close out 1987 with a note of thanks for your support in assisting us in achieving this determination.

We also thank you for the many efforts you have made on behalf of the petroleum industry and for all Americans whose businesses, lifestyles and security depend upon a strong domestic fossil energy capability. Hopefully, with your continued assistance, 1988 will bring about new developments which will strengthen our domestic energy profile and provide a more secure America.

On behalf of President Charles R. Perry and the Permian Basin Petroleum Association, Happy New Year and best wishes for a successful 1988.

Sincerely,

Harry A. Spannaus
Executive Vice President

HAS/as