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WHITE PAPER
RCRA Hazardous Waste Regulation

In Senate and House Testimony

IPAA OPPOSES ADDITIONAL FEDERAL REGULATION OF OIL FIELD WASTES

IPAA President Denise Bode told two congressional committees last week that the nation's energy security and independent oil and gas producers will be severely harmed if oilfield wastes are regulated as hazardous waste under the Resource Conservation and Recovery Act (RCRA). Drilling muds, produced waters and other wastes associated with exploration and production (E&P) operations currently are regulated by the States and several federal statutes but are exempt from RCRA hazardous waste regulation.

The IPAA voiced strong opposition to legislation that would create an overlay of federal regulation on E&P wastes that, in our view, are properly and safely regulated by the States. In testimony before subcommittees of the Senate Environment and Public Works Committee and the House Energy and Commerce Commerce, the IPAA president stressed the following points:

1. IPAA agrees with EPA report that E&P wastes rarely pose a significant threat to human health or the environment.

2. E&P wastes are properly and extensively regulated under current state and federal level authorities and that additional federal regulation is not justified.

3. Existing state oil field waste control programs protect the environment and public health and are being improved through the IOGCC peer review process.

4. A federal RCRA-based regulatory program would shut down practically all stripper wells and a sizeable number of additional low-volume wells, forcing many domestic independent producers and almost all smaller independents out of business.

INDEPENDENTS ARE PROTECTING THE ENVIRONMENT

Bode said independent producers are "good environmental stewards" in a forceful response to environmentalists who used slides and case studies from the EPA oil and gas waste report to argue for greater federal regulation.

Pointing out that those incidents resulted from violations of the law, Bode said: "Independents are as appalled as anyone, perhaps more so, by incidents of environmental damage. But the facts are that existing laws and regulations, as well as current industry waste management practices, are doing the job. Anecdotes do not justify a new overlay of regulation on law-abiding businesses whose operations do not pose a threat to the environment."

Bode also pointed out the consequences of unnecessary and unavoidably costly federal regulation of oil field wastes. "More dependence on imported oil, less domestic clean-burning natural gas, and the diversion of scarce resources away from *real* toxic waste problems and to very low-toxicity, high-volume wastes that the EPA says are already being managed in a safe manner by state and federal regulations. Is that good environmental policy?" she asked. "Not from our perspective!"

STRIPPER WELLS VITAL TO ENERGY SECURITY

Bode emphasized the impact of additional federal regulation on stripper well producers. "Independents operate most of the nation's 452,000-plus stripper wells that individually produce less than 10 barrels of oil or 60 Mcf of natural gas per day equivalent. Together,

these wells make up 75 percent of all the producing wells in the United States and produce more than a million barrels of oil per day. That's more oil than the U.S. imports from Saudi Arabia, our largest foreign oil supplier, and more than half of all the oil we import from the Persian Gulf."

OTHER WITNESSES:

1. **William Fontenot**—Louisiana Attorney General's Office, (House & Senate)—presented a slide show with vivid accounts of oilfield waste damage and argued that the E&P exemption should be lifted.

2. **Chris Shuey**—(Senate), **Dave Linette** (House)—Representatives of environmental groups testified in support of minimum Federal RCRA standards that would be developed by EPA and applied to each state. They also supported removing the E&P exemption for associated waste.

3. **Robert Krueger**—Commissioner, Texas Railroad Commission (House & Senate)—Current state and Federal programs adequately regulate E&P waste.

4. **Larry Bell**—Vice President of ARCO testifying for API and the MidContinent Oil & Gas Association, (House & Senate)—addressed the same issues as IPAA. He introduced the oil and gas econometric model developed by Gruy Engineering. This model shows how the RCRA proposal would shut in 70 to 80 percent of all wells in the United States.

5. **Tim Dowd**—Interstate Oil and Gas Compact Commission (IOGCC) (Senate)—Current State programs are improving using guidelines developed by States, EPA, IPAA, API and environmentalists under IOGCC guidance. State oil and gas regulators are reviewing the programs of each State and making recommendations for change.

6. **Don Clay**-U.S. EPA Assistant Admistrator for Solid Waste (House)—Wastes do not pose a threat to human health and the environment when managed properly. Any changes to RCRA on E&P wastes would be premature.

MEMBER REACTIONS

Senate

Chairman Max Baucus (D-Mont.) and Jim Jeffords (R-Vt.) were the only two Senators present. Baucus raised several questions on the possibility of minimum Federal requirements on E&P wastes. After the slide presentation by Fontenot, he commented, "Looks like there might be a problem."

House

The following members attended the hearing:

Swift — D-Wash., Chairman
Eckart — D-Ohio
Richardson — D-N.M.
Tauzin — D-La.
Ritter — R-Pa.
Fields — R-Texas
Schaefer — R-Colo.

Swift—indicated that additional federal oil field waste regulations will be approved in the House of Representatives, perhaps by floor amendment, even if the industry is able to kill such proposals in Committee. "RCRA will not be silent on E&P wastes—we will do something with or without your cooperation."

Eckart—questioned the adequacy of associated wastes regulations and said that he plans to introduce legislation which will classify them as "hazardous" under RCRA.

Tauzin —indicated that he shared many of the concerns raised by independents. He extensively cross-examined the witness from the Louisiana Attorney General's Office (who urged that oil field wastes be declared "hazardous") and pointed out that the Attorney General did not speak for the State of Louisiana. He also pointed out factual inconsistencies in a written statement submitted by the Louisiana Department of Environmental Quality.

Fields—challenged the environmentalists on their assertion that minimum federal standards are needed. He also emphasized in his statement and questioning of the witnesses the major energy security and economic implications of further regulation.

Ritter—raised pointed questions about the high cost and doubtful benefits of duplicative environmental programs. He effectively supported several of IPAA's major points.

ISSUES—PROPOSAL/IMPACTS/ARGUMENTS AGAINST

(1) *Environmental Proposal #1—Regulate Associated Wastes as Hazardous.* These wastes are spent workover fluids, tank bottoms and produced sand.

impacts:
- Roadspreading, landscaping and burial of associated waste would be prohibited.
- Spent workover fluids could not be injected in class II wells.
- Workover pits, emergency pits and gas well blowdown pits would be closed and replaced with tanks.
- All stripper wells would be shut in.

IPAA Arguments Against
- One half of E&P associated wastes are workover fluids already regulated by federal Safe Drinking Water Act injection rules under UIC program.
- Tank bottoms managed properly present little risk to human health and the environment.

(2) *Environmental Proposal #2—Increased Solid Waste Requirements under "Subtitle D" of RCRA.*
- Currently E&P wastes are *not* regulated under Baucus Bill (S.976), but this may soon change.

impacts:
- Reserve pits and production pits would be closed and replaced with tanks.
- Roadspreading, land spreading and burial of associated wastes will no longer be allowed.
- Salt water disposal facilities and blow down tanks at gas well sites would require *hazardous waste permits.*
- All stripper wells would be shut in.

IPAA Arguments Against
- Huge costs, no environmental benefit.
- Wastes presents no hazard to human health and the environment.

(3) *Environmental Proposal # 3—Require EPA to Set Minimum Standards for State Programs to Regulate E&P Waste.*

impacts:
- Congress or EPA might set something like IOGCC guidelines or something more stringent. This will impact "weaker state programs."

IPAA Arguments Against
- Minimum standards will not buy more protection.
- Minimum standards will not give states more resources.
- Minimum standards are not necessary given IOGCC "peer review" process (see above).

STATUS/TIMING

House and Senate Subcommittees may soon incorporate some of these "options" into proposed legislation. It is important that we voice strong opposition to these proposals now to prevent that.

IPAA MEMBER ACTION

Contact members of House or Senate Subcommittees listed below to oppose changes to RCRA that would further regulate the oil and gas industry.

Senate Environment & Public Works Committee
Environmental Protection Subcommittee
Washington, D.C. 20510

(alphabetical listing)

Member	Room	Phone	Fax
Max Baucus (D-Mont.), (Chair)	**458 Dirksen**	**(202) 224-6176**	**not public**
John Chafee (R-R.I.)	567 Dirksen	(202) 224-2921	(202) 224-7472
Dave Durenberger (R-Minn.)	154 Russell	(202) 224-3244	(202) 224-9486
Bob Graham (D-Fla.)	241 Dirksen	(202) 224-3041	(202) 224-6843
James Jeffords (R-Vt.)	530 Dirksen	(202) 224-5141	(202) 224-1507
Frank Lautenberg (D-N.J.)	506 Hart	(202) 224-4744	(202) 224-9707
Joe Lieberman (D-Conn.)	502 Hart	(202) 224-4041	(202) 224-9750
Howard Metzenbaum (D-Ohio)	140 Russell	(202) 224-2315	(202) 224-8906
George Mitchell (D-Maine)	176 Russell	(202) 224-5344	(202) 224-6853
Daniel Moynihan (D-N.Y.)	464 Russell	(202) 224-4451	(202) 224-9293
Alan Simpson (R-Wyo.)	261 Dirksen	(202) 224-3424	(202) 224-1315
Steve Symms (R-Idaho)	509 Hart	(202) 224-6142	(202) 224-5893
John Warner (R-Va.)	225 Russell	(202) 224-2023	(202) 224-6295

House Energy & Comerce Committee
Hazardous Materials & Transportation Subcommittee
Washington, D.C, 20515

Member	Room	Phone	Fax
Rick Boucher (D-Va.)	405 Cannon	(202) 225-3861	not public
H.L. "Sonny" Callahan, (R-Ala.)	1330 Longworth	(202) 225-4931	(202) 225-0562
Cardiss Collins (D-Ill.)	2264 Rayburn	(202) 225-5006	(202) 225-8396
Dennis Eckart (D-Ohio)	1111 Longworth	(202) 225-6331	(202) 225-1035
Jack Fields (R-Texas)	108 Cannon	(202) 225-4901	(202) 225-6899
Thomas Manton (D-N.Y.)	331 Cannon	(202) 225-3965	(202) 225-1452
Bill Richardson (D-N.M.)	332 Cannon	(202)225-6190	(202) 225-1950
Matthew Rinaldo (R-N.J.)	2469 Rayburn	(202) 225-5361	(202) 225-5679
Don Ritter (R-Pa.)	2202 Rayburn	(202) 225-6411	(202) 225-5248
Dan Schaefer (R-Colo.)	1007 Longworth	(202) 225-7882	(202) 225-7885
Phil Sharp (D-Ind.)	H2-231, Annex II	(202) 225-3021	(202) 225-8140
Gerry Sikorski (D-Minn.)	403 Cannon	(202) 225-2271	(202) 225-4347
Jim Slatterly (D-Kan.)	1512 Longworth	(202) 225-6601	(202) 225-1445
Al Swift (D-Wash.), (Chair)	**324 House Annex II**	**(202) 225-9304**	**(202) 225-2608**
W.J. "Billy" Tauzin (D-La.)	2342 Rayburn	(202) 225-4031	(202) 225-0563

For additional information, contact Barry Russell 1-800-433-2851.