

Lobbyists Focus on Taxes, Environmental Regulations

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Oklahoma independent oil and gas executives lobbying Wednesday in Washington, backed by U.S. Sen. Don Nickles, R-Okla., focused on tax issues, but also met with federal officials to talk about environmental regulations in the energy industry.

The group met with William K. Reilly, administrator of the Environmental Protection Agency, in Nickles' office to discuss pending consideration of reclassifying oil field wastes as hazardous.

Reauthorization of the Resource Conservation and Recovery Act is forthcoming, which is where the new regulation would manifest itself. There were hearings in Washington last fall and a full debate may occur this spring.

Under Reilly, whose agency has been the bane of many oil and gas operators, the EPA has thus far maintained that drilling wastes should continue to be exempt from hazardous treatment. A 1987 EPA study estimated that reclassification would cost the oil and gas industry, and ultimately U.S. consumers, as much as \$6 billion annually. Other cost estimates are far higher.

"Reclassifying drilling wastes as hazardous materials would wipe out the Oklahoma energy industry," Nickles said at a midday news conference in Washington on Wednesday.

"The Independent Petroleum Association of America says such a reclassification would shut down virtually all stripper wells. In Oklahoma, that would mean nearly 71,000 wells and the loss of 28,000 jobs, an economic catastrophe which would be made even worse by a resulting increase in oil imports." The devastation to the oil and gas industry would be nationwide, industry exports say.

Joining Nickles in the Capital campaign were F.W. "Pete" Brown, president of independent oil firm Brown & Borelli Inc. of Kingfisher and president of the Oklahoma Independent Petroleum Association; Mike Smith of Oklahoma City, vice president of OIPA; Mike Cantrell of Oklahoma Basic Economy Corp. of Ada; Sam Cerny, former chairman of Grace Petroleum Corp. of Oklahoma City; Jack Graves, president of Calumet Oil Co. of Tulsa; and H.G.

"Buddy" Kleemeier, president of Kaiser-Francis Oil Co. of Tulsa.

While the EPA has not budged on its stance about reclassification of oil field wastes, there is a strong private environmentalist push lobbying in Washington for stricter federal scrutiny.

Rep. Al Swift of Washington, chairman of the House Energy and Natural Resources Committee, indicated during hearings last fall that at least the leadership of his committee was leaning toward passing the new regulation.

The Oklahoma group also met with David McIntosh, director of the Competitiveness Council, on environmental regulation issues and tax relief, plus other Washington officials.

