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April 24, 2017

VIA ELECTRONIC MAIL

Deb Thomas
Acting Regional Administrator
United States EPA Region 8
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Lawrence Starfield
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Dear Ms. Thomas and Mr. Starfield:

The purpose of my letter is to request clarification on behalf of CPA membership as to whether you support the continuation of EPA Region 8's ongoing enforcement campaign against oil and gas operators in Colorado regarding alleged violations of *state air quality regulations* affecting storage tank emissions and design.

The Colorado Petroleum Association (CPA) advocates and educates on issues, legislation, and regulations pertinent to the interests of the petroleum refiners, processors, pipeline and transportation, and exploration and production sectors in order to protect and advance the interests of its members by promoting greater safety, awareness, increased access to information, and partnerships with the general public, safety advocates, government and industry stakeholders resulting in greater regulatory predictability, industry stability, community safety and a healthier environment.

I'm sure you are familiar with the approximately \$75 million settlement EPA Region 8 reached with Noble Energy, Inc. in 2015. This was the first federal consent decree reached under this enforcement campaign. The alarming nature of this settlement was not necessarily the dollar amount, but that Region 8's enforcement action was predicated entirely on its enforcement of *Colorado air quality regulations*.

On March 2nd, Administrator Pruitt notified EPA Headquarters Assistant Administrators (AAs) and Regional Administrators (RAs) of his intent to retain approval authority for actions having significant

regulatory and enforcement effect.¹ Specifically, the electronic memo directed AAs and RAs to "identify and send upward any proposed decisions or final agency actions for the Administrator's review," those items that "would limit the flexibility of the States, <u>limit energy resource use</u>, <u>impose significant costs on industry or commerce</u> or otherwise result in significant public attention on the proposed decisions." (emphasis added). CPA believes EPA's enforcement campaign, which is based almost entirely on its enforcement of *state-only air quality regulations*, clearly meets the criteria identified in the above-referenced memo, which necessitates a review by Administrator Pruitt before further action is taken. One needs look no further than EPA's 2015 settlement with Noble Energy, Inc. to see the significant costs to industry this effort seeks to achieve.

Furthermore, President Trump's March 28, 2017 Executive Order, *Promoting Energy Independence and Economic Growth* states that "[i]t is in the national interest to promote clean and safe development of our Nation's vast energy resources, while at the same time avoiding regulatory burdens that unnecessarily encumber energy production, constrain economic growth, and prevent job creation." Consistent with that national policy, the President has ordered the heads of agencies to "review all existing regulations, orders, guidance documents, *policies*, and *any other similar agency actions*... that potentially burden the development or use of domestically produced energy resources, with particular attention to oil [and] natural gas." Executive Order, Section 2(a) (emphasis added). In fact, in CPA's view, the Executive Order *prohibits* the EPA from moving forward with its national enforcement initiative until it has undergone the review and approval contemplated in the Executive Order.

CPA understands that EPA Region 8 continues to execute its enforcement campaign in Colorado and is, in addition to seeking unreasonable monetary penalties, seeking injunctive relief that arguably dictates to operators how to design and operate their own facilities and to manage their own employees. This onerous, unduly burdensome, and potentially unattainable injunctive relief sought by EPA could result in operators permanently plugging and abandoning many wells that would cease to be economically viable, depriving Colorado and royalty owners of taxes and royalties.

CPA's membership is committed to environmental stewardship and worked closely with the Colorado Department of Public Health and Environment (CDPHE) in promulgating and implementing some of the strongest oil and gas air quality regulations in the nation. We ask not for a break from EPA; rather, we ask that EPA recognize the principle of cooperative federalism, a key tenant of the Clean Air Act, and allow CDPHE and operators to develop solutions that benefit the environment and a continued working relationship.

Thank you for consideration of our comments and request. If you have any questions or require additional information, please contact me at angie@coloradopetroleumassociation.org.

Sincerely,

Angie Binder

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Executive Director, Colorado Petroleum Association

Cc: Administrator Scott Pruitt, EPA

Samantha Dravis, EPA Brittany Bolen, EPA

¹ **Pruitt Withdraws Decision-Making Powers From Senior Officials,** https://insideepa.com/daily-news/pruitt-withdraws-decision-making-powers-senior-officials-email-shows