



**Texas Independent Producers and Royalty Owners Association**

**919 Congress, Suite 1000, Austin, Texas 78701, (512) 477-4452, fax (512) 476-8070**

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November 25, 2019

The Honorable Andrew Wheeler, Administrator  
US Environmental Protection Agency  
1200 Pennsylvania Avenue, N.W.  
Washington, DC 20460

**VIA E-MAIL AND E-FILING**

**Re: Environmental Protection Agency's Oil and Natural Gas Sector: Emission Standards for New, Reconstructed, and Modified Sources Review at 84 Federal Register 50,244 (September 24, 2019)**

**Docket ID No. EPA-HQ-OAR-2017-0757**

Dear Administrator Wheeler:

The Texas Independent Producers & Royalty Owners Association (TIPRO) appreciates the opportunity to submit comments on the above referenced proposed rulemaking (Proposed Rulemaking). TIPRO is a trade association representing the interests of nearly 3,000 independent oil and natural gas producers and royalty owners throughout Texas. As one of the nation's largest statewide associations representing both independent producers and royalty owners, members include small businesses, the largest, publicly-traded independent producers, and mineral owners, estates, and trusts. TIPRO membership provides networking and educational forums, marketing opportunities, industry intelligence, and extensive legislative and regulatory resources. A large percentage of TIPRO members are dependent, either directly as an operator or indirectly as a royalty owner, on low production wells or conventional operations and the Proposed Rulemaking has particular significance to these members.

TIPRO has actively been involved in the various rulemakings and associated legal challenges to those rulemakings individually and as a part of a larger coalition of associations that are primarily comprised of or support "independent producers" of oil and natural gas. Consistent with certain earlier rulemakings, TIPRO endorses and incorporates by reference the comments submitted on this proposed rulemaking by the coalition of trade and support associations lead by the Independent Petroleum Association of America and collectively referred to as the "Independent Producers."

TIPRO supports the primary or two fundamental proposed actions in the Proposed Rulemaking:

1. TIPRO supports EPA's proposal to rescind the methane requirements of the New Source Performance Standards (NSPS) applicable to sources in the production and processing segments of the source category. If evaluated from a "cost-benefit" analysis, this single measure would likely have the greatest benefit to our membership. Basing the NSPS on methane could potentially expose "existing sources" to regulation under Section 111(d) (a point not conceded by



TIPRO). As a result of the relatively low price of oil and natural gas, many existing sources are already on the edge of economic viability and additional regulation would cause them to be shut-in. This shut-in would threaten the economic viability of members of TIPRO. Removing methane from the NSPS would eliminate some of the risk of future unreasonable existing source regulation. Some will argue that the environment will be harmed by not regulating existing sources - many of them with very little production on a daily basis. This does not make sense to anyone within the industry. As a result of the production curve associated with wells, existing wells will become low production wells overtime. At that point in their lifecycle, every molecule of methane is that much more valuable to the economic viability of the well.<sup>1</sup> If they don't monitor the wells and equipment for leaks, they won't make money.

As to new sources and modified sources, as EPA explains in the Proposed Rulemaking, removing methane from the NSPS has no negative impact on the environment as the controls and measures required to control volatile organic compounds (VOCs) are the same as those to control methane. The methane requirements are redundant, unnecessary and irrational.

From the perspective of TIPRO, rescission of the methane requirements is a win-win for the environment and the industry.

2. TIPRO supports and commends EPA's admission that adding sources from the transmission and storage segments to the original oil and natural gas source category (listed pursuant to Section 111 of the Clean Air Act in 1979) was a mistake. Neither EPA nor industry, historically lumped transmission and storage activities and associated equipment in with production and processing. Furthermore, TIPRO agrees that it was not appropriate for EPA to conclude in 2012 and 2016 that the original source category determination was "broad" enough to include transmission and storage segment sources. To include sources from the transmission and storage segments, EPA must follow the requirements set forth in Section 111 of the Clean Air Act.

3. For the reasons clearly set forth in the Proposed Rulemaking,<sup>2</sup> TIPRO encourages EPA to abandon their position in 2016 that EPA is not required to make a pollutant-specific significant contribution finding to regulate a pollutant under Section 111 of the Clean Air Act. Based on the arguments set forth by EPA itself, it seems self-evident that Congress intended EPA to make pollutant-specific significant contribution findings under Section 111 of the Clean

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<sup>1</sup> Additionally - as the production from these well decrease, so does the pressure and therefor the "potential" to leak significant quantities of gas also decreases. That reality also has a tremendous influence on one of the more controversial aspects of the underlying Subpart OOOOa - leak detection and repair (LDAR). As discussed in our comments submitted on the revisions filed on the October 15, 2018 proposed revisions to Subpart OOOOa (incorporated by reference to these comments), the cost-effectiveness of the LDAR measures are significantly impacted: each LDAR survey completed on a well costs a larger and larger proportion of the overall value of the well. As discussed in our earlier comments, the LDAR surveys on low-production wells does not justify the cost. Although EPA proposed certain revisions based on limited data from a study on a study of wells in the Barnett Shale formation, the data is not sufficient for the various plays TIPRO members are involved in (let alone the country as whole).

<sup>2</sup> See Federal Register Vol. 84 pages 50261 through 50266, September 24, 2019.



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Air Act. It only seems logical that EPA should be required to evaluate whether a pollutant makes a significant contribution that may harm public health or the environment before regulating it. EPA's current view is nonsensical - that EPA can regulate methane, as of 2016, based on an analysis EPA conducted in 1977 and 1978 - when methane was not even a regulated pollutant under the Clean Air Act. TIPRO believes that EPA is required to make a pollutant-specific significant contribution finding before regulating the pollutant under Section 111 of the Clean Air Act.

4. TIPRO's diverse and broad representation supports science based policy and appreciates the effort of the current administration to take a step back and evaluate the benefits and costs of particular regulatory initiatives. TIPRO, because of its diverse membership, understands better than most that a "one-size-fits-all" approach is not appropriate for regulation of the oil and natural gas production segment of the industry. The diversity of our membership represents both a strength as well as a challenge at times. The geographic diversity of members and the plays in which they extract oil and gas confirms that the limited data from certain wells in the Barnett Shale play is insufficient to characterize emissions from low production wells. TIPRO supports EPA's proposal to remove methane as a regulated pollutant under the NSPS until it has more accurate information on the emissions profile from low production wells and associated sources. Members of TIPRO have provided information to the Department of Energy's *Quantification of Methane Emissions from Marginal (Small Producing) Oil and Gas Wells Project (DOE NETL DE-FE0031702)* and recommend that provisions of the existing Suppart OOOOa be stayed until the result of the study are complete and are available for EPA to make more informed regulatory decisions as to existing sources and low production wells.

Again, TIPRO appreciates the opportunity to comment on this proposal which is critically important to the industry.

Respectfully submitted,

Ed Longanecker  
President  
TIPRO