



January 27, 2020

Apple Chapman
Deputy Director, Air Enforcement Division
Environmental Protection Agency
1200 Pennsylvania Ave. NW
Washington, D.C. 20004

Re: New Owner Clean Air Act Audit Program for Oil and Natural Gas Exploration and Production Facilities

Dear Ms. Chapman:

Thank you for allowing comments on the [Oil and Gas New Owner Program Questions and Answers](#) document. We appreciate this opportunity to suggest revisions to the Oil and Natural Gas Exploration and Production Facilities New Owner Audit Program Agreement to increase the likelihood that oil and natural gas companies will participate in the program.

Western Energy Alliance supports EPA's goal of increasing compliance through voluntary company audits of their facilities. Because of the hundreds of thousands of exploration and production (E&P) facilities across the nation, self-reporting can ensure many more facilities are brought into compliance than is possible from relying on EPA's enforcement staff inspections alone.

Western Energy Alliance represents 300 companies engaged in all aspects of environmentally responsible exploration and production of oil and natural gas in the West. Alliance members are independents, the majority of which are small businesses with an average of fourteen employees.

The point at which a new company takes over existing assets represents an excellent opportunity to ensure a potentially large number of facilities are brought into compliance. The fresh start afforded the acquiring company is advantageous to EPA, state environmental agencies and the acquiring company. Therefore, a new owner audit program should not start from a punitive perspective, but rather one of cooperation. However, the Alliance finds the agreement is too prescriptive and will discourage companies from using it. We find this to be a weakness also of the self-audit policy for existing facilities announced last month.

To ameliorate the prescriptive nature of both policies, we recommend that appendix B be replaced with the condensed document that OECA provided to the Texas Commission on Environmental Quality in 2019. That document represents a less prescriptive approach that would encourage operators to participate in the self-audit program, while achieving OECA's objectives. By allowing flexibility in how audits are conducted, companies would be more likely to participate. Such an approach would enable companies to identify the

compliance issues that need to be addressed based on what they actually find in the field, while also enabling them to apply the best technology and practices to bring their facilities fully into compliance.

The heart of the current policy is the vapor control system design method contained in Appendix B. While we understand that EPA has seen examples of leaks from tanks at exploration and production facilities, Appendix B needlessly limits the scope of self-audits to tanks alone. There is also the potential for the self-audit program to be in contradiction with NSPS Subpart OOOOa regarding storage tank systems. This narrow focus ignores other concerns that could arise in the field and other types of equipment that could require corrective compliance. With too narrow a focus, EPA is not encouraging a compliance evaluation regarding all equipment and field operations, and the commensurate environmental benefits.

Requiring a comprehensive engineering design for tank systems before the agreement can be utilized is a barrier that prevents companies from using the program to achieve compliance. Basing the program on Appendix B creates disincentives for self-auditing all together. If EPA's intention is to increase the number of exploration and production sites in compliance with all Clean Air Act requirements, then Appendix B should be removed.

On the other hand, we fully support EPA's intentions to continue to defer to state audit programs. State audit programs enable greater flexibility and support the Administration's reinvigoration of cooperative federalism. Likewise, we support the Memorandum of Understanding enacted with the State of Wyoming, and encourage such MOUs be signed with other states as well.

Thank you for considering our input. We appreciate a cooperative working relationship with EPA, and self-audit programs enable companies to effectively partner with EPA to protect the environment.

Sincerely,



Kathleen M. Sgamma
President

cc: Doug Benevento, EPA Associate Deputy Administrator
Megan Garvey, EPA Senior Counselor
Susan Bodine, OECA Assistant Administrator
Lawrence Starfield, OECA Principal Deputy Assistant Administrator
John Irving, OECA Deputy Assistant Administrator