



RAILROAD COMMISSION OF TEXAS

EXECUTIVE OFFICE

December 3, 2015

Janet McCabe, Acting Assistant Administrator
U.S. Environmental Protection Agency
Office of Air and Radiation Mail Code: 6101A
1200 Pennsylvania Avenue, NW
WJCN Room 5406
Washington, D.C. 20460

Overnight Mail

Attn: Docket ID No. EPA-HQ-OAR-2010-0505

Re: Comment on Proposed Rules: "Oil and Natural Gas Sector: Emission Standards for New and Modified Sources," 80 Fed. Reg. 56,593 (September 18, 2015), Docket ID No. EPA-HQ-2010-0505

Dear Acting Assistant Administrator McCabe:

On behalf of the Railroad Commission of Texas, I am pleased to offer the following comments on the referenced proposed regulations.

The Railroad Commission of Texas (Commission) has effectively regulated the oil and natural gas industry in the State of Texas since 1919. The Railroad Commission's primary statutory responsibilities in the regulation of Texas oil, gas and geothermal resources are to conserve the State's natural resources; prevent the waste of natural resources; protect the correlative rights of different interest owners; protect the environment from pollution associated with oil, gas and geothermal activity; and ensure safety in areas such as hydrogen sulfide. The Railroad Commission works closely with the Texas Commission on Environmental Quality (TCEQ), which has primary jurisdiction over air emissions for the purposes of safeguarding the State's air resources.

Texas is the nation's largest producer of oil and natural gas with, as of September 2015, over 190,000 regular producing oil wells and over 100,000 regular producing gas wells. This energy production supports 2 million jobs in Texas and a quarter of the State's economy. The industry benefits Texas and the entire United States. Nationally, the energy industry supports 9.2 million jobs, providing billions of dollars in employee wages.

Consistent with the Commission's previous comments on the NSPS for the Oil and Gas Sector submitted October 25, 2011, the Commission continues to be concerned that the oil and natural gas industry in Texas would be significantly impacted by the referenced rules. In addition, the

proposed rules will continue expansion of EPA's authority to regulate and control oil and natural gas activities in Texas and other states. The Commission generally supports the comments of TCEQ, with particular emphasis on the following points.

EPA continues to underestimate the number of sources that will be affected and the regulatory impact and burden of the rule. Also, EPA overestimates the industry's ability to meet the compliance schedule because EPA does not take into account the availability of control equipment.

The proposed NSPS Subparts OOOO and OOOOa cover all aspects of oil and gas production, processing, transmission and storage and as such, the Commission shares TCEQ's concern that these proposed rules greatly expand the regulatory requirements, review, need for inspections and agency effort necessary to implement compliance, without sufficient associated funding and without sufficiently demonstrating significant or even proportional gains in public health and environmental protection.

The Commission opposes any mandatory requirement to use third parties to verify completion of tasks, evaluate performance or implement a review and certification program because it would increase the regulatory and economic burden on oil and gas operators, particularly the smaller operators who make up an overwhelming majority of the industry in Texas. Similarly, the Commission does not support an additional, mandatory regulatory layer of third parties to support compliance reporting; the Commission agrees with TCEQ that the use of third party reporting should be a decision of the regulated entities.

The Commission is concerned that EPA did not sufficiently consider availability of control equipment and the significant drop on oil and gas prices when establishing time lines and compliance dates, and urges EPA to incorporate more flexibility and make sure it prioritizes based on size of emission source.

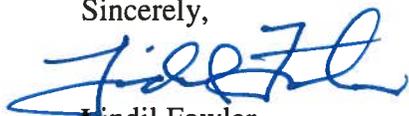
The Commission joins TCEQ in supporting proposed exemptions for low production well sites of less than 15 barrels of oil equivalent or less per day (BOEPD) and sites with less than 300 SCF/bbl gas-to-oil ratio. The Commission also urges EPA to establish other exemptions for small oil and gas sites based on reasonably limited emissions or equipment.

With respect to leak detection and repair (LDAR), the Commission has concerns about the use of Optical Gas Imaging (OGI) as the *only* method of demonstrating compliance with LDAR requirements. The Commission agrees with TCEQ's comment that limiting the LDAR compliance tool to OGI technology both precludes use of other comparable leak detection methods and inhibits innovation by minimizing the value of research into new leak detection technologies and methods at oil and gas sites.

Finally, the Commission joins TCEQ in recommending that EPA establish a workgroup with state regulatory, environmental, and industry representatives to simplify reports and submittals needed to comply with federal oil and gas air regulations, including elimination of duplicate requirements and publication of straightforward implementation and support materials to help industry achieve compliance.

Thank you for the opportunity to comment on the proposed rules and we look forward to working with EPA to ensure that any final rules are readily understood, reasonable, and practicable and provide for the safe and efficient exploration, development and production of this nation's domestic oil and natural gas resources.

Sincerely,



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