Robert Wegener
Secretary of Energy

STATE OF OKLAHOMA
OFFICE OF THE
SECRETARY OF ENERGY

Brad Henry
Governor

March 26, 2010

Mr. Edward Hanlon
Designated Federal Officer
EPA Science Advisory Board (1400F)
US EPA
1200 Pennsylvania Ave., N.W.
Washington, D.C. 20460

Re: Written Comments to EPA Science Advisory Board for the Environmental Engineering Committee Meeting on EPA Hydraulic Fracturing Study

Dear Mr. Hanlon:

Thank you for the opportunity to provide comments for this important study into the use of hydraulic fracturing techniques in oil and natural gas well completions. One of the nation's most important goals is protecting our drinking water. It is a goal of every American – including the millions of Americans employed by the oil and natural gas industry – and should be done with vigor.

Oklahoma energy and environmental regulatory officials are fully committed to protecting our State's drinking water. As Secretaries of Energy and Environment for the nation's third largest producer of natural gas, we are proud to say that Oklahoma does not have a single reported case of drinking water contamination due to hydraulic fracturing. However, Oklahoma supports EPA conducting a transparent, peer-reviewed study on hydraulic fracturing techniques in collaboration with the state regulatory agencies that oversee oil and natural gas drilling and production throughout the United States.

This study, through its primary focus on natural gas well completion techniques, could have a significant impact on U.S. energy policy, and therefore a significant impact on the everyday lives of Americans. Due to technology advancements, natural gas is poised to play a critical role in U.S. energy policy as we focus on creating jobs, reducing emissions, and lessening our dependence on foreign oil. Natural gas has the potential to be an essential clean energy feedstock for power generation and transportation fuels.

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Today, we consume more energy through electric power generation than any other use (industrial, commercial and transportation). As technology advances accelerate, the increased electrification of our country will be a critical aspect of developing sound energy policy. Using natural gas in conjunction with energy efficiency has the potential to significantly reduce greenhouse gas emissions, and unlock the country's ability to maximize development of renewable generation resources, a principal policy goal of the President.

Further, natural gas as a transportation fuel should play an increased role in reducing our national trade deficit and dependence on oil from unstable and unfriendly regimes. As illustrated by the Western Governors' Association, a bi-partisan association representing 22 western states and territories, these are American issues, not partisan issues. In a recent letter to Congressional leadership the WGA wrote that utilizing natural gas as a transportation fuel,

> "*...will stop billions of dollars in overseas oil payments, create thousands of jobs, reduce harmful greenhouse gas...emissions, and improve the overall health of the United States' economy.*" WGA Letter to House and Senate Leadership, February 11, 2010.

In Oklahoma, the vital functions of regulating oil and natural gas drilling, protecting drinking water, and establishing water quality standards are carried out principally by the Oklahoma Corporation Commission, the Oklahoma Department of Environmental Quality, and the Oklahoma Water Resources Board, respectively. These three state agencies, working collaboratively, are responsible for much of the environmental and natural resource conservation in the state.

As the agency responsible for oversight and enforcement for all the permitting, construction, drilling, production, and plugging of oil and natural gas wells in the state, the Oklahoma Corporation Commission recently proposed a re-organization of its administrative code to provide a reference guide highlighting the existing regulatory framework in Oklahoma as it relates to hydraulic fracturing techniques used in well completion operations. This evaluation and reorganization of existing regulations, (a) reinforces Oklahoma's existing commitment to protecting drinking water supplies, and (b) may be used as a reference guide and a means of knowledge transfer to other state regulators, as needed.

EPA and state regulators are important partners in our nation's energy future. As discussed in the July 6, 2009, meeting between Oklahoma's Governor Henry and EPA Administrator Jackson, they must work cooperatively in order to protect our environment. However, as it relates to oil and natural gas development, geology and water availability are local phenomena, individual to each state. The subsurface in Oklahoma may bear some resemblance, or no resemblance at all, to the subsurface in New York, Pennsylvania, Kentucky or Wyoming. That is why for the last 100 years states have provided the necessary oversight and protection of the hydrological and environmentally sensitive localities that could be affected by

oil and natural gas drilling operations, including hydraulic fracturing. Consequently, it makes sense that the regulation of those operations would continue to be handled by the states since they are best equipped with the knowledge and experience to handle the highly technical and geologically diverse nature of local basins.

The surest way to guarantee that the EPA hydraulic fracture study is based on sound scientific principles is to leverage the knowledge base and policies already in place at the state level that are protecting Americans' drinking water. We also agree with the Congress that collaboration and coordination amongst interstate organizations, like the Interstate Oil and Gas Compact Commission and the Ground Water Protection Council, will greatly benefit the process and provide invaluable aid to EPA as it embarks on this study.

Finally, due to the broad nature of the proposed research plan submitted to the SAB, we are not, at this time, offering point-by-point comments on the draft materials. We note that the materials appear to be the result of a preliminary exercise by EPA to identify a host of potential research questions that may relate directly or indirectly to the discrete well completion technique called hydraulic fracturing. Some of the potential research questions address the purpose of the study requested by Congress. Others appear to address supplementary or ancillary matters. As EPA refines and focuses the scope of this study, we see an excellent opportunity for it to initiate the necessary consultation with state regulators and their interstate organizations.

Oklahoma appreciates EPA's commitment to consulting with appropriate state and interstate agencies as it begins the process of studying hydraulic fracturing operations. Oklahoma proposes that appropriate EPA officials regularly meet and consult with the heads of the state regulatory agencies responsible for the regulation of hydraulic fracturing.

The appropriate Oklahoma state regulatory officials are:

Ms. Lori Wrotenbery Director, Oil and Gas Conservation Division Oklahoma Corporation Commission Jim Thorpe Building, Rm. 255 Oklahoma City, OK 73152 Tele: (405) 521-2302 l.wrotenbery@occemail.com	Secretary J.D. Strong Secretary of the Environment and Executive Director, Oklahoma Water Resources Board 3800 N. Classen Oklahoma City, Oklahoma 73118 Tele: (405) 530-8800 jdstrong@environment.ok.gov

Mr. Steve Thompson Executive Director Oklahoma Department of Environmental Quality 707 N. Robinson Oklahoma City, OK 73102 Tele: (405) 702-1001 steve.thompson@deq.ok.gov	

The appropriate Oklahoma interstate regulatory officials are:

Mr. C. Michael Smith Executive Director Interstate Oil and Gas Compact Commission 900 N.E. 23rd Street Oklahoma City, OK 73105 Tele: (405) 525-3556 mike@iogcc.state.ok.us	Mr. Michael Paque Executive Director Ground Water Protection Council 13308 N. MacArthur Blvd. Oklahoma City, OK 73142 Tele: (405) 516-4972 mpaque@gwpc.org

Thank you again for this opportunity to provide written comments. We are looking forward to working with EPA as the study progresses.

Sincerely,

Robert Wegener,
Secretary of Energy,
State of Oklahoma

J. D. Strong
Secretary of Environment,
State of Oklahoma