FYI: API letter regarding the SAB Hydraulic Fracturing Advisory Panel
Khary Cauthen
to:
Aaron Dickerson, Teri Porterfield
09/10/2012 04:44 PM
Cc:
Nancy Stoner
Hide Details
From: Khary Cauthen <cauthenk@api.org>

To: Aaron Dickerson/DC/USEPA/US@EPA, Teri Porterfield/DC/USEPA/US@EPA

Cc: Nancy Stoner/DC/USEPA/US@EPA

History: This message has been forwarded.

1 Attachment

12 September 10 Letter to EPA on SAB Candidates List.pdf

From: Carrie Domnitch
Sent: Monday, September 10, 2012 4:11 PM
To: vu.vanessa@epa.gov
Cc: hanlon.edward@epa.gov; Khary Cauthen
Subject: API letter regarding the SAB Hydraulic Fracturing Advisory Panel

Ms. Vu,
Attached please find a letter from Mr. Marty Durbin, Executive Vice President of the American Petroleum Institute (API), regarding the Science Advisory Board's request for nominations of experts for the SAB Hydraulic Fracturing Advisory Panel. API is a national trade association representing more than 500 member companies involved in all aspects of the oil and natural gas industry in the United States. We are actively engaged in the activities and actions of the Environmental Protection Agency's study of hydraulic fracturing and request that the SAB Hydraulic Fracturing Advisory Panel include members with direct experience working in the modern oil

and natural gas industry.

Should you have any follow-up questions, please do not hesitate to contact me by email or by phone at 202-682-8424.

Thank you,
Carrie Domnitch

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Carrie Melvin Domnitch
Director, Federal Relations
American Petroleum Institute
202-682-8424 (direct)

Marty Durbin
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September 10, 2012

Via E-Mail
Vanessa Vu, Director
Science Advisory Board Staff Office
U.S. Environmental Protection Agency
Mailcode 1400R
1200 Pennsylvania Ave., NW
Washington, DC 20460-4164

Re: Science Advisory Board (SAB) Staff Office Request for Nominations of Experts for the SAB Hydraulic Fracturing Advisory Panel

Dear Ms Vu:

The American Petroleum Institute (API) is a national trade association representing more than 500 member companies involved in all aspects of the oil and natural gas industry in the United States. Our members have extensive experience with the drilling and completion techniques used in gas shale development and in developing America's oil and natural gas resources in a safe and environmentally responsible manner.

API is actively engaged in the activities and actions of the U.S. Environmental Protection Agency (EPA) relative to the 2010 House Appropriations Committee Report language, urging a study to review the potential impacts of hydraulic fracturing on drinking water resources, providing comment and input whenever possible. At the April 7-8, 2010 Science Advisory Board's Augmented Environmental Engineering Committee (EEC) public meeting, we made clear API's strong interest and willingness to assist EPA in the development of its study plan and the study's execution. We have repeatedly offered the expertise of our members to both the Agency and the SAB peer review process and, unfortunately, have been disappointed by the lack of follow through and acceptance. From our perspective, critical opportunities to leverage the tremendous knowledge and experience base offered by the industry have been repeatedly missed.

We were disappointed that no industry experts were selected for the *SAB Hydraulic Fracturing Review Panel* announced on January 11, 2011. As a result, while that Panel may have been composed of recognized technical experts in their respective fields, the Panel members, with just a few exceptions, had virtually no relevant knowledge or understanding of how oil and gas operations in general or hydraulic fracturing in particular related to their respective areas of expertise. We are pleased to see the August 21, 2012 Federal Register announcement soliciting nominations for a second ad hoc Panel to provide advice to the chartered SAB on EPA's *Progress Report: Potential Impacts of Hydraulic*

Fracturing on Drinking Water Resources" (77 Federal Register 50505). Because this new Panel will be tasked with providing EPA's Office of Research and Development (ORD) with advice on the status of the research undertaken to date and the retrospective site analysis to be included in the *Progress Report*, it is imperative that the Panel include individuals experienced in upstream oil and natural gas operations which are unique in engineering, scale, distribution, materials, and timing to provide an accurate representation of this highly technical issue and its proper context for this review. Industry has developed and implemented safe practices in the oil field and incorporated those into API's standard setting and research activities since the 1920s.

API, therefore, strongly recommends that the ad hoc Panel members have direct experience working in the modern oil and natural gas industry. The SAB Staff Office financial conflict criteria should not automatically eliminate any individual that works for a corporation or has been contracted by a corporation from consideration. We note that industry representative have a long record of valuable, unbiased participation in many other SAB Committees and Panels. It is those very individuals, with extensive field experience and first-hand knowledge of the techniques used in drilling and completions, who are critical to the examination of the very specialized processes and the research addressing those processes. Broadly speaking, EPA should recognize that most individuals nominating themselves for potential SAB membership have some financial stake in the business – academics seek grants, NGOs seek donations, regulators seek programmatic funding, consultants seek contracts from government as well as industry. In many ways, a salaried corporate employee has the least to gain or lose financially from the outcomes and recommendations of an EPA study. As such, financial interests cannot fairly be construed to exclude corporate scientists and engineers only. We further recommend that candidates selected from academia and the regulatory and consulting arenas possess direct knowledge of and working experience on oil and gas issues, who can also offer particular expertise in one or more of the following areas:

- Practical experience in operational aspects of oil and natural gas exploration & production, including hydraulic fracturing;
- Practical experience in applying petroleum geology and geophysics to oil and natural gas recovery schemes;
- Practical experience in upstream water and waste management;
- Practical experience in applying soil/groundwater fate and transport principles to address the distinct upstream issues;
- Knowledge in rock mechanics as it relates to hydraulic fracturing; the stimulation of fracture migration is a fundamental part of completion planning and protection of groundwater sources; and
- Knowledge in oil and natural gas composition and chemistry and fracturing fluid composition, chemistry, and analysis.

The Panel should be comprised of knowledgeable stakeholders, including representation from interstate organizations such as the Groundwater Protection Council (GWPC) or the Interstate Oil and Gas Compact Commission (IOGCC). Based on prior experience with other ad hoc panels, a smaller Panel might be considered so that conclusions and recommendations can be reached in a timely manner. The final selection of a Panel and its thorough review of extensive materials, all in order to meet a December 2012 release date for the *Progress Report,* is certainly a monumental task.

Finally, and perhaps most importantly, API views the purpose of the panel as providing an objective technical review of EPA's overall research progress to date. We recognize the Panel is not meant to develop or advocate policy of any type and therefore encourage selection of candidates who recognize and adhere to this charge and request that the leadership of the Panel be mindful of this as it works to assist EPA's ORD through the *Progress Report* and into the final report phase – expected in 2014.

Should you have any questions regarding the comments and recommendations offered to you, please do not hesitate to contact me. I appreciate your continued hard work in establishing a balanced Panel that includes industry representatives.

Sincerely,

Marty Durbin
Executive Vice President

cc: Lisa Jackson, Administrator, U.S. Environmental Protection Agency
Edward Hanlon, Designated Federal Officer, Science Advisory Board