

To: The Office of Management and Budget and U.S. Environmental Protection Agency

From: Clean Air Task Force, Earthjustice, Environmental Defense Fund, and Western Environmental Law Center

Re: Implementation of EPA's Proposed "Standards of Performance for New, Reconstructed, and Modified Sources and Emissions Guidelines for Existing Sources: Oil and Natural Gas Sector Climate Review"

Date: November 14, 2023

As EPA prepares to finalize its proposed rule addressing "Standards of Performance for New, Reconstructed, and Modified Sources and Emissions Guidelines for Existing Sources: Oil and Natural Gas Sector Climate Review" we wish to highlight further evidence that operators – including a number of the largest operators in the U.S. – have already taken many actions that would bring them towards compliance with the standards as proposed, illustrating the feasibility of final standards.

API Sustainability Report

According to API, the Environmental Partnership consists of more than 100 participating companies representing nearly 70% of U.S. onshore oil and natural gas production. The Partnership's 2023 sustainability report¹ includes detail on actions already taken by operators in line with proposed OOOOb and OOOOc requirements.

The report highlights that operators have made progress to install zero-emitting pneumatics, including that they have:

- Installed 4,000 zero-emitting pneumatic controllers at new sites in 2022
- Installed 14,100 zero-emitting pneumatic controllers between 2018-2022
- Replaced or removed 61,700 gas-driven pneumatic controllers in 2022
- Replaced or removed more than 114,000 gas-driven pneumatic controllers between 2018-2022

The report also emphasizes Environmental Partnership members' action to incorporate LDAR. In 2022, the Partnership's LDAR program resulted in:

- More than 202 million component inspections performed
- More than 664,000 surveys conducted
- More than 157,000 sites surveyed

Additionally, the report indicates that companies participating in the Partnership are deploying advanced LDAR technologies. Companies are regularly leveraging flyover technology, including gas-mapping LiDAR as part of their commitment to identifying and reducing methane emissions.

¹ https://apitep02.wpengine.com/wp-content/uploads/2023/09/2023_TEP_Annual_Report.pdf

This technology, which EPA has proposed to provide a pathway for under the alternative LDAR standards, can be used to scan across wide geographic areas for leaks and can survey hundreds of sites in short time frames. According to the report, over the past two years companies participated in flyovers in eight basins (the Permian, Denver-Julesburg, Bakken, Marcellus, Anadarko, Eagleford, Haynesville and Powder River), and surveyed nearly 10,000 sites.

Operator Statements

Statements from operators in the Permian Basin also illustrate they have already taken significant steps in line with EPA's proposed zero-emitting pneumatic controller and LDAR standards. Several have expansive zero-emitting controller retrofit programs and have stated that the majority of their controllers are already zero-emitting (Marathon, Oxy, Diamondback); others have already been installing zero-emitting devices at all new sites (Devon, SM Energy), already include zero-emitting equipment in the design for new sites (Pioneer), or have plans to make their fleets entirely zero-emitting by 2025 (Exxon); others have touted electrification at all of their sites (Exxon) or plans to complete electrification by the end of 2023 (bp), making installation of zero-emitting devices on OOOOb's timeline all the more feasible. Operators will not have to suddenly comply with OOOOb. Instead, many have been installing zero-emitting devices voluntarily well in advance of rule finalization.

The following are statements from operators who operate heavily within the Permian Basin:

- bp: "We anticipate over 75% of bpx energy operated wells in the Permian will be electrified by the end of 2022 and over 95% by 2023. Where we can electrify, we install instrument air devices."² bpx has established a goal to install measurement technologies at all major oil and gas processing sites by 2023³ and it began using drones across all its operations in 2019.⁴
- Devon: "In the Delaware Basin, legacy Devon has installed air-driven pneumatic pumps and controllers at nearly all new facilities since early 2019."⁵
- EOG: "For the past six years, we have implemented a comprehensive program focused on reducing emissions from — and refining emissions data used for calculations associated with — pneumatic controllers and pumps." This program includes:⁶
 - Replacing, retrofitting, or removing 100% of high-bleed natural gas-powered pneumatic controllers
 - Installing instrument air systems to operate pneumatic controllers and pumps
 - Installing or retrofitting pneumatic pumps to utilize electric and solar power
 - Capturing and routing exhaust gas to combustion control devices.

² https://www.bp.com/content/dam/bp/country-sites/en_us/united-states/home/documents/who-we-are/us-advocacy/2022/bp%20Comments_EPA-HQ-OAR-2021-0317.pdf

³ EPA, Methane Tech Workshop Transcript Day Two at 38, <https://www.regulations.gov/document/EPA-HQOAR-2021-0317-0181>.

⁴ *Id.* at 41.

⁵ https://dvnweb.azureedge.net/assets/documents/Sustainability/DVN_2023_SustainabilityReport.pdf

⁶ https://eogresources-com.s3.us-west-2.amazonaws.com/EOG_2022_Sustainability_Report.pdf

- Exxon: “We are working to eliminate all of our natural-gas driven pneumatic devices by 2025.”⁷ Exxon recently boasted that all of its oil rigs are electrified.⁸
- Marathon: “Over 80% of 25,000+ pneumatic controllers are already powered by compressed air.”⁹
- Pioneer: “Instrument air pneumatic controllers are included in our standard design for new horizontal tank batteries.”¹⁰
- SM Energy: “These systems [instrument air] have been installed at our new facilities in our Midland Basin assets since 2017.”¹¹
- Diamondback: “50% of horizontal batteries use air compression.”¹²
- Triple Crown has indicated that it was able to survey across its facilities, not just OOOOa affected facilities, using advanced screening approaches.¹³
- Exxon said it can survey 30-65 facilities per day using aerial surveys,¹⁴ which allows for near pinpointing of sources and immediate deployment of repair technicians.¹⁵

API Survey

API recently submitted a survey¹⁶ that gathered information on the experience of ten operators in the Permian Basin in procuring equipment to evaluate their ability to comply with OOOOb (the new source performance standards).¹⁷ Taken at face value, the results of the survey indicate that the industry is able to achieve EPA’s proposed standards and timeline for implementation (which extends years beyond the finalization date). For example, slide nine shows that while only one operator surveyed said they are experiencing a lag time of one year or more across all types of equipment, the majority of operators of the ten surveyed said they are able to acquire most equipment in less than six months.¹⁸

⁷ <https://corporate.exxonmobil.com/-/media/global/files/advancing-climate-solutions-progress-report/2023/2023-advancing-climate-solutions-progress-report.pdf>

⁸ <https://subscriber.politicopro.com/article/eenews/2023/10/30/exxon-chevron-profits-rise-amid-plans-to-boost-oil-and-gas-00124011>

⁹ https://www.marathonpetroleum.com/content/documents/Responsibility/Sustainability_Report/2022_Sustainability_Report.pdf

¹⁰ https://www.pxd.com/sites/default/files/reports/2023_SustainabilityReport.pdf

¹¹ https://sm-energy.com/wp-content/uploads/2023/07/2023-SM-Energy-Sustainability-Reports-and-Data_Published-July-2023_2022-Data.pdf

¹² <https://www.diamondbackenergy.com/static-files/3eeca7bb-494d-4057-84aa-706275f65608> at 19.

¹³ EPA, Methane Tech Workshop Transcript Day One - Part 1 at 40, <https://www.regulations.gov/document/EPAHQ-OAR-2021-0317-0181>

¹⁴ *Id.* at 59.

¹⁵ *Id.* at 50.

¹⁶ <https://www.api.org/~media/files/news/2023/09/20/industry-trades-methane-rule-supply-chain-study> (“API Survey”).

¹⁷ The survey explains that it did not investigate and evaluate the ability to comply with OOOOc. See API Survey at 5.

¹⁸ It is also worth noting the survey’s deficiencies. For example, it does not account for that operators will already have much of the necessary equipment – like OGI cameras – to comply with OOOOa. It also doesn’t provide equipment counts relative to supply. And critically, the results are confidential, not available to the public, and non-verifiable.