

Contact: Bruce Hinchey

PETROLEUM ASSOCIATION OF WYOMING STATES SERIOUS CONCERNS WITH EPA'S UNSUBSTANTIATED AND RECKLESS CLAIMS

Casper, Wyo. (December 8, 2011) – The Petroleum Association of Wyoming (PAW), along with numerous other agencies and associations, has serious concerns with the Environmental Protection Agency's (EPA) report released earlier today.

"The draft report coming out of the EPA today is reckless," said Bruce Hinchey, president of the Petroleum Association of Wyoming. "Let me be clear, the EPA's findings indicate that there is no connection between oil and natural gas operations and impacts to domestic water wells. Unsubstantiated statements coming from the EPA today stretch the data and cause unwarranted alarm and concern about a proven technology that allows our industry to safely extract oil and natural gas. The EPA's announcement is irresponsible and leads us to call into question its motives."

In short, PAW finds the EPA's study flawed and its assumptions without the support of sound science. PAW's main issues with the EPA's draft report are as follows:

1. EPA's monitoring wells were drilled into gas bearing zones (~900 ft and ~700ft) so the fact that methane, benzene and other hydrocarbons were detected at high levels is not surprising.
2. After several rounds of testing of private domestic water wells, only one organic compound was found to exceed State or Federal Drinking Water standards. This compound is an additive in plastics and one of the most commonly detected organic compounds in water.

3. The EPA's results raise serious quality assurance issues. A peer-review would highlight this major issue. For example:
 - a. The results between the EPA's domestic water wells and the EPA's deep monitoring wells are being confused. Tris (2-butoxyethyl) phosphate and 2-BE are two different compounds. Tris (2-butoxyethyl) phosphate was found in drinking water wells. This chemical is a common fire retardant used in association with plastics and plastic components used in drinking water wells. Again, it is not 2-BE. Tris (2-butoxyethyl) phosphate isn't created by the combination of 2-BE and phosphate under the conditions found in Pavillion. 2BE-phosphate would break down in nature to its component parts; not the other way around.
 - b. In the EPA's deep monitoring wells, one in eight samples had a detection of 2-BE. Two other EPA labs that measured for the same compound did not detect it in duplicate samples. Inconsistency in detection combined with the fact that this compound is present in nearly all household and laboratory cleaning agents makes it just as likely that it's from sample contamination as hydraulic fracturing.

Even Wyoming's Governor Matt Mead said in the *Casper Star Tribune* that he believes the draft study "is scientifically questionable and more testing is needed." He goes on to state: "We believe that the draft study could have a critical impact on the energy industry and on the country so it is imperative that we not make conclusions based on only four data points. Those familiar with the scientific method recognize that it would not be appropriate to make a judgment without verifying all of the testing that has been done." In a recent report by Keith E Clarey, P.G., project manager for the Wyoming Water Development Office, the State of Wyoming raised several other questions about the validity of the EPA's findings.

PAW requests that Administrator Jackson respond to the following requests:

1. What is the EPA doing to ensure its peer-review remains independent?
2. Why did the EPA ignore requests by the State of Wyoming to hold the draft report until an independent peer review could take place and questions from the State could be addressed?
3. Explain the construction of the EPA's monitoring wells.
4. Explain how the EPA can stand behind its position when only one of eight samples detected 2-BE and the other two EPA labs that measured for the same compound did not detect it in duplicate samples.
5. Explain how studies published during the past 50 years by USGS and others showing poor water quality due to sulfates, sodium, total dissolved solids and Ph that commonly exceed State and Federal Secondary Drinking Water standards, yet the EPA's study links water quality to oil and gas operations.
6. Explain why, on Nov. 19, Administrator Jackson said on Bloomberg's EnergyNow! program: "... we have absolutely no indication right now that drinking water is at risk."

#

Petroleum Association of Wyoming

PAW is Wyoming's largest and oldest petroleum industry trade association, dedicated to the betterment of the state's oil and gas industry and public welfare. Its membership accounts for approximately ninety percent of the natural gas and two-thirds of the crude oil produced in Wyoming. Through the Association's committee network, PAW monitors and responds to day-to-day activities vital in oil and gas areas such as public lands, exploration, production, transportation, coal bed methane, environmental, taxation, legal and legislative. Politicians, regulators and the media recognize PAW as the state's leading authority on petroleum industry issues. For more information, please visit: www.pawyo.org.