



Jack N. Gerard
President and Chief Executive Officer

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May 16, 2017

The Honorable Ryan Zinke
Secretary of the Interior
1849 C Street SW
Washington DC 20240

Attention: Request for Filing of Notice to Postpone Compliance Dates in BLM Rule “Waste Prevention, Production Subject to Royalties, and Resource Conservation”

Dear Mr. Secretary:

Thank you for your leadership on advancing American energy security and promoting the expansion of opportunities for domestic oil and natural gas production. The U.S. has risen to a position of prominence as an energy superpower and we now lead the world in the production of oil and natural gas. It is vital to our continued success that we have federal energy policy in place that embraces U.S. energy security and eliminates obstacles to continued and expanded oil and gas development. With this letter, API and its members request that you instruct the Bureau of Land Management (BLM) to issue a proposed rule to postpone by two years each of the compliance dates in the rule entitled “Waste Prevention, Production Subject to Royalties, and Resource Conservation,” 81 Fed. Reg. 83,008 (Jan. 17, 2017) (referred to herein as the “Final Rule”).

API is a national trade association representing over 625 member companies involved in all aspects of the oil and natural gas industry. API’s members include producers, refiners, suppliers, pipeline operators, and marine transporters, as well as service and supply companies that support all segments of the industry. API member companies are leaders of a technology-driven industry that supplies most of America’s energy, supports more than 9.8 million jobs and 8% of the U.S. economy. Since 2000 the industry has invested nearly \$2 trillion in U.S. capital projects to advance all forms of energy, including alternatives. API and its members are dedicated to meeting environmental requirements, while economically developing and supplying energy resources for consumers. Our members explore for and produce oil and natural gas resources owned by the American people on multiple use public lands administered by the BLM. Our industry has a demonstrated and continued commitment to conserving resources and preventing waste, and government data substantiates the success of the industry in increasingly capturing methane during a period of dramatic increases in oil and natural gas production.

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We make this request in view of directives in recent Presidential and Secretarial Orders that may lead to changes to or withdrawal of the Final Rule. On March 29, 2017, you issued Secretarial Order 3349 entitled “American Energy Independence” (“Secretarial Order”) to implement Executive Order 13783, signed by the President on March 28, 2017, and entitled “Promoting Energy Independence and Economic Growth” (“Energy Independence E.O.”). The Energy Independence E.O. specifically called on you to review the Final Rule and, if appropriate, publish for notice and comment a proposed rule suspending, revising, or rescinding the Final Rule. Carrying out the President’s directive, the Secretarial Order in turn called for BLM to review the Final Rule and to report to the Assistant Secretary, Land and Minerals Management on whether the Final Rule is fully consistent with the policy set forth in Section 1 of the Energy Independence E.O. With this work ongoing, postponement of the compliance dates in the Final Rule is critical and immediately necessary so that companies subject to the Rule are relieved not only from the burdens of compliance with currently applicable requirements but also expenditures and other burdensome actions necessary to comply with upcoming requirements, any of which may be changed or withdrawn as a result of the review directed by the Secretarial Order.

With requirements of the Final Rule already applicable and deadlines approaching to initiate a multitude of acts to meet future compliance dates in the Final Rule, swift action from your Department is needed to provide certainty for operators of federal oil and gas leases subject to its terms. Accordingly, we request that you direct the BLM to expeditiously publish a notice in the Federal Register to postpone the compliance dates in the Final Rule in light of the fact that any final determinations from the review and rulemaking processes will likely take several months. In order to accommodate any necessary procedural requirements necessary to implement these postponements, we respectfully request that this action proceed as soon as possible.

Thank you for the leadership you have already demonstrated to return the Department of the Interior to pursuit of policies that balance its differing but complementary missions of conservation and responsible development and use of our nation’s natural resource endowment to promote energy security, to create jobs, and to generate economic growth. API and its members look forward to working with you and the Department of the Interior as you continue to pursue the mission outlined in the Energy Independence E.O. and in Secretarial Order 3349 so that these objectives can be achieved.

Sincerely,

A handwritten signature in black ink that reads "Jack Gerard". The signature is fluid and cursive, with a long horizontal stroke at the end.

Jack N. Gerard
President and CEO
American Petroleum Institute

cc: Acting Director, BLM