



May 23, 2017

Submitted Electronically to Christen.Harsha@mail.house.gov

The Honorable Raul R. Labrador
Chairman
Subcommittee on Oversight and
Investigations
Committee on Natural Resources
1324 Longworth House Office Building
Washington, DC 20515

The Honorable Mike Johnson
Vice-Chairman
Subcommittee on Oversight and
Investigations
Committee on Natural Resources
1324 Longworth House Office Building
Washington, DC 20515

Dear Chairman Labrador and Vice Chairman Johnson:

Thank you for your letter of May 9, 2017 advising of your subcommittee's ongoing review of federal rules, regulations and policies within its jurisdiction that are harmful to our economy, impede job growth and are burdensome and your invitation for the American Exploration & Production Council ("AXPC") to identify and comment on such rules, regulations, policies and procedures as they apply to the operations of our members. We sincerely appreciate the opportunity to provide responses to your inquiry and stand ready to assist the Subcommittee in its efforts. In addition, AXPC fully endorses the comments submitted to the Subcommittee by the American Petroleum Institute.

AXPC is a national trade association representing 33 of America's largest and most active independent natural gas and crude oil exploration and production companies, each with considerable experience drilling, operating and producing oil and natural gas on federal as well as private lands. AXPC members are "independent" in that their operations are limited to exploration for and production of oil and natural gas. Moreover, our members operate autonomously, unlike their integrated counterparts, which operate in additional segments of the energy business, such as downstream refining and marketing. AXPC members are leaders in developing and applying the innovative and advanced technologies necessary to explore for and produce oil and natural gas, both onshore and offshore, from non-conventional sources in a safe and environmentally sensitive manner.

Below is a list of regulations and processes that of concern to our members:

- US Fish and Wildlife Service's ("USFWS") Finalized Revisions to the Regulations for Candidate Conservation Agreements with Assurances ("CCAA") should be withdrawn and the related revised CCAA policy should be revoked. In addition, please see our comment letter on this issue submitted to USFWS on March 21, 2017. Our comment letter can be found on our website at www.axpc.us under the Issues/Info tab. The link to the relevant portion of the Federal Register is here [CCAA](#).
- USFWS Eagle Permits; The revisions to the regulations for Eagle Incidental Take and Take of Eagle Nests promulgated by the USFWS should be rescinded. The link to the applicable sections of the Federal Register is here [Eagle Permits and Incidental Take](#).
- USFWS Migratory Bird Permits; Programmatic Environmental Impact Statement this was published in the Federal Register on May 26, 2015. The Permit is not finalized yet. Direct work on the manual needs to be stopped and rescinded. Link to Federal Register [Migratory Birds PEIS](#).
- The revisions to the USFWS Revisions to its general Mitigation Policy should be rescinded and updated via a collaborative process with industry or the current/previous policy should be reinstated. If not already finalized, work on the manual related to the revisions should be stopped. The link to the applicable sections of the Federal Register is here [Mitigation Policy](#).
- USFWS Endangered Species Act Compensatory Mitigation Policy should be withdrawn and all policies drafted subsequent to the November 3, 2015 Presidential Memorandum should likewise be withdrawn, all as set forth in our comment letter submitted to the USFWS on October 17, 2016. Our letter can be found on our website at www.axpc.us under the Issues/Info tab. The draft policy is costly, burdensome, opaque and unpredictable and is in fact land use policy by another name. The link to the applicable sections of the Federal Register are here. [ESA Compensatory Mitigation Policy](#)
- The Draft Habitat Conservation Planning ("HCP") Handbook prepared by the USFWS and the National Marine Fisheries should be withdrawn and the existing HCP Handbook should be revised consistent with our comment letter submitted to the USFWS and the NMF on August 29, 2016. This letter can be found on our website at www.axpc.us under the Issues/Info tab.

- Section 1794 of the Bureau of Land Management's ("BLM") Draft Regional Mitigation Manual should be rescinded.
- BLM's Waste Prevention Rule ("venting and flaring") should be stayed and then rescinded. This rule is duplicative with current EPA and state regulations.
- While the rescission of BLM's rule with respect to Oil and Gas Hydraulic Fracturing on Federal and Indian Lands is underway, legislation and/or policies should be enacted that would encourage the promulgation of policies to regulate hydraulic fracturing by states rather than at the federal level should nevertheless be adopted. Absent such action, a subsequent Administration could very well re-issue a federal hydraulic fracturing rule.
- Moab Master Leasing Plan and Proposed Resource Management Plan Amendments/Final Environmental Impact Statement for the Moab and Monticello Field Offices (MLP/FEIS) and all other MLPs in the development stage. ROD not yet finalized. The Secretary of Interior needs to rescind the BLM Washington Office (WO) Instruction Memorandum (IM) No. 2010-117: Oil and Gas Leasing Reform – Land Use Planning and Lease Parcel Reviews (May 17, 2010) and BLM Handbook H-1624-1: Planning for Fluid Mineral Resources (January 28, 2013). This policy laid out the criteria for preparing a MLP. The BLM is supposed to be a multiple-use agency and these documents are NOT in accordance with that statutory obligation.
- With respect to USFWS Greater Sage-Grouse Resource Management Plans ("RMPs"), a process should be instituted that allows the state where the land is located to have significant input into the development of the plan. The potential for review of these RMPs should be considered to determine whether or not they should be rescinded.
- Any climate change and indirect impacts language in USFWS critical habitat designations issued by the previous Administration should be removed from all the policies.
- BLM Environmental Impact Statements and all NEPA processes are needlessly expensive, burdensome and seemingly endless. This does not account for the open-endedness of the process due to litigation. A proper process that accounts for all appropriate environmental concerns with a time certain for resolution should be enacted.

- BLM Leasing. Get back to leasing by ensuring leasing will actually take place and limit the State Director's discretion to defer parcels that have gone through thorough environmental review. Allow leasing of regional parcels every lease sale instead of once a year which was the process under the Obama Administration.
- With respect to BLM permitting, Federal APD requirements should apply only when BLM/federal Minerals make up 50% or more of the minerals in a spacing unit. Currently, BLM could have 1% minerals with no surface ownership and require a Federal APD. This requirement serves no purpose and is extraordinarily expensive and time consuming.
- With regard to the USFWS ESA listing process, the USFWS should be required to send a monthly list of species that have been petitioned to be listed to the House Natural Resource Committee, Senate Environment and Public Works Committee and to Governors of potentially impacted states.
- The USFWS should be required to notify affected states and counties where a species has been petitioned to be listed if there is litigation involving that listing decision.
- There are currently approximately 3,000 APDs pending at BLM. This speaks to the critical need for increased staffing and for a thoughtful/time sensitive process for reviewing and resolving these applications.
- As you know, the 2015 National Defense Authorization Act contained provisions authorizing the creation of a "Pilot Office" Project the goal of which was to improve federal permit coordination and processing. The process of assuring that the funding dedicated to this project should be reviewed to ensure that the funds are being used for the agreed upon purposes.

Additionally, we would greatly appreciate the opportunity to sit down with members and staff to walk through this list in person so that we could answer any questions you might have for us.

We hope you find our response informative and we again want to thank the Subcommittee for its work on these critical issues. Finally, we want to remind you and your staffs that we wish to be a resource for you and look forward to working with the Subcommittee on these important issues going forward.

Should you have questions or require additional information, I can be reached via email at bthompson@axpc.us or by telephone at 202-347-7529.

Very truly yours,

A handwritten signature in blue ink, appearing to read "V. Bruce Thompson". The signature is fluid and cursive, with the first name "V." and last name "Thompson" clearly distinguishable.

V. Bruce Thompson
President