



INTERSTATE  
**Oil & Gas**  
COMPACT COMMISSION

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Alabama

July 1, 2010

Alaska

The Honorable Jeff Bingaman  
Chairman

Arizona

U.S. Senate Committee on Energy & Natural Resources  
304 Dirksen Senate Building  
Washington, DC 20510

Arkansas

California

Colorado

The Honorable Henry A. Waxman  
Chairman

Florida

U.S. Committee on Energy and Commerce  
2125 Rayburn House Office Building  
Washington, DC 20515

Illinois

Indiana

Dear Chairmen Bingaman and Waxman:

Kansas

We are writing on behalf of the governors of the 30 member states and 8 associate member states of the Interstate Oil and Gas Compact Commission (IOGCC). Our member states account for virtually all of our nation's onshore production of crude oil and natural gas. Our states are the primary regulators of oil and natural gas exploration and development on public and private lands in the United States with the goal of protecting human health and the environment always in the forefront. A crucial component of that job is protecting the ground and surface waters during oil and natural gas exploration and production activities.

Kentucky

Louisiana

Maryland

Michigan

The purpose of this letter is to provide you with a copy of IOGCC Resolution 09.011 clearly enunciating the position of the IOGCC and its member states on the issue of hydraulic fracturing. The IOGCC is concerned that some in Congress may attempt to repeal language in Section 322 of the Energy Policy Act of 2005 (EPACT 2005), which affirms state regulatory jurisdiction.

Mississippi

Montana

Nebraska

Hydraulic fracturing is an important part of completing a huge percentage of the oil and gas wells drilled in the United States every year. Each member state of the IOGCC handles hydraulic fracturing on a state by state basis. State regulators have been protecting our nation's drinking water for over 60 years and in some instances over 80 years. It is a proven and safe technology that makes wells more productive. Without hydraulic fracturing the United States would be producing a fraction of the oil and natural gas it is currently producing and would be even more dependent on foreign energy sources. The ability of producers to hydraulically fracture their wells is critically important to this country's ability to maximize the amount of oil and natural gas we produce domestically to supply our critical domestic needs. In the decades during which this technique has been employed by industry under the supervision of state regulators, it has proven to be an extremely safe and environmentally benign technology.

Nevada

New Mexico

New York

North Dakota

Ohio

Oklahoma

Pennsylvania

The IOGCC and its member states oppose repeal of Section 322 of EPACT 2005 because repeal would not, as some contend, result in cleaner drinking water in the United States. Regulations already exist in every state that produces oil and natural gas to protect ground water from all oil and natural gas drilling activity, including hydraulic fracturing. Additional regulation at the national level would not result in cleaner water but merely increase operating costs and regulatory uncertainty. IOGCC surveys conducted in 2002 and 2008 along with an extensive EPA study in 2004 found no contamination of drinking water wells by hydraulic fracturing (the EPA study was

South Dakota

Texas

Utah

Virginia

West Virginia

Wyoming

COLLECTIVELY REPRESENTING THE STATES

focused on the hydraulic fracturing of coal bed methane wells since such wells are traditionally closer to underground sources of drinking water than are other oil and natural gas wells).

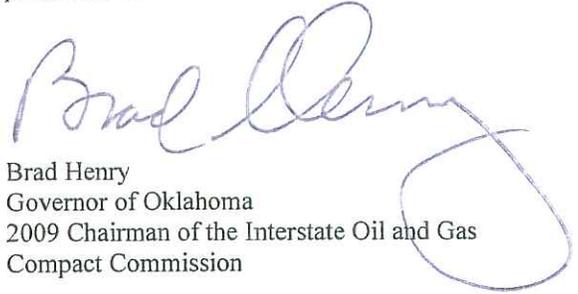
Should you have any additional questions or concerns regarding the safety of hydraulic fracturing in the United States, I have provided a list containing the names and telephone numbers of the oil and natural gas regulators in all of the IOGCC's member states. I would encourage you to call your state's regulator if your state is on the list or if your state is not, any other regulator on the list. As the states' on-the-ground experts on oil and natural gas development, they understand hydraulic fracturing as well as anyone and can share with you their personal experience as to the safety of hydraulic fracturing.

Please do not hesitate to contact Executive Director Mike Smith at (405)525-3556 should you have any additional questions regarding the hydraulic fracturing process or states' efforts to protect the environment.

Sincerely,



Rick Perry  
Governor of Texas  
Chairman of the Interstate Oil and Gas  
Compact Commission



Brad Henry  
Governor of Oklahoma  
2009 Chairman of the Interstate Oil and Gas  
Compact Commission

cc: IOGCC Member Governors

Enclosure: IOGCC Resolution 09.111



## RESOLUTION 09.011

### Urging Congress Not To Remove Exemption Of Hydraulic Fracturing From Provisions Of The Safe Drinking Water Act

**WHEREAS**, the United States Congress passed the Safe Drinking Water Act ( 42 U.S.C. § 300h) (SDWA) to assure the protection of the nation’s drinking water sources; and,

**WHEREAS**, since the enactment of the SDWA, the EPA had never interpreted hydraulic fracturing as constituting “underground injection” within the SDWA; and,

**WHEREAS**, the United States 11th Circuit Court of Appeals ruled that hydraulic fracturing constituted “underground injection” under the SDWA (Legal Environmental Assistance Foundation v. United States Environmental Protection Agency (EPA), 118 F3d 1467 (11<sup>th</sup> Cir. 1997)); and,

**WHEREAS**, in 2004, EPA published a final report summarizing a study to evaluate the potential threat to underground sources of drinking water (USDWs) from hydraulic fracturing of coalbed methane (CBM) production wells and EPA concluded that “additional or further study is not warranted at this time . . .” and “that the injection of hydraulic fracturing fluids into CBM wells poses minimal threat to USDWs.”; and,

**WHEREAS**, the United States Congress, in the Energy Policy Act of 2005, explicitly exempted hydraulic fracturing from the provisions of the SDWA; and,

**WHEREAS**, the IOGCC conducted a survey of oil and gas producing states which found that there were no known cases of ground water contamination associated with hydraulic fracturing; and,

**WHEREAS**, hydraulic fracturing is currently, and has been for decades, a common operation used in exploration and production by the oil and gas industry in all the member states of the Interstate Oil and Gas Compact Commission (IOGCC) without groundwater damage; and,

**WHEREAS**, approximately 35,000 wells are hydraulically fractured annually in the United States and close to one million wells have been hydraulically fractured in the United States since the technique’s inception, with no known harm to groundwater; and,

**WHEREAS**, the regulation of oil and gas exploration and production activities, including hydraulic fracturing, has traditionally been the province of the states; and,



**WHEREAS**, the SDWA was never intended to grant to the federal government authority to regulate oil and gas drilling and production operations, such as “hydraulic fracturing,” under the Underground Injection Control program; and,

**WHEREAS**, the member states of the IOGCC have adopted comprehensive laws and regulations to provide for safe operations and to protect the nation’s drinking water sources, and have trained personnel to effectively regulate oil and gas exploration and production; and,

**WHEREAS**, production of coal seam natural gas, natural gas from shale formations and natural gas from tight conventional reservoirs is increasingly important to domestic natural gas supply and will be even more important in the future; and,

**WHEREAS**, hydraulic fracturing plays a major role in the development of virtually all unconventional oil and gas resources and, thus, should not be limited in the absence of any evidence that such fracturing has damaged the environment; and,

**WHEREAS**, regulation of hydraulic fracturing as underground injection under the SDWA would impose significant administrative costs on the state and substantially increase the cost of drilling oil and gas wells with no resulting environmental benefits; and,

**WHEREAS**, regulation of hydraulic fracturing as underground injection under the SDWA would increase energy costs to the consumer,

**NOW, THEREFORE, BE IT RESOLVED**, the IOGCC hereby declares its support for maintaining the exemption of hydraulic fracturing from the provisions of the SDWA and urges the Congress of the United States to not pass legislation that removes the exemption for hydraulic fracturing.