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## INDEPENDENT PETROLEUM ASSOCIATION OF AMERICA

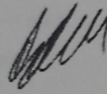
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### MEMORANDUM

March 13, 1992

FROM: Barry Russell 

TO: Cooperating Associations  
IPAA Environment and Safety Committee  
Washington Reps

RE: RCRA Update

RCRA markup has been set for the week of March 23rd. Chairman Swift now says the markup vehicle will not contain an oil and gas provision. Efforts by producer state Congressmen to work some kind of compromise with the environmental advocates have also stalled.

In a new development, Congressman Sikorski (D-MN) (671 bad checks), is all but certain to offer parts of his "Right-to-Know" bill (H.R. 2880), as an amendment during the markup. This legislation greatly increases the amount of reporting required under SARA Title III for companies with greater than 10 employees. For example, chemicals used in enhanced recovery operations would have to be aggregated and reported. The amount of benzene present in produced water that is reinjected would have to be aggregated and reported. In short, it increases paperwork with no environmental benefit. We are developing a detailed issue paper on these problems that should be ready for Hill distribution on Monday.

The next three weeks in the RCRA debate are critical. This weeks Time magazine article, developed by IPAA, is helping to set the tone that our industry cannot affect wasteful new RCRA requirements. I will have more information next week.

9 Background provided to John Bennett

Status Report on the IOCC Study of State Environmental Regulations and the Exemption from Federal Hazardous Waste Law for Muds and Brines



Background - The Hazardous Waste Exemption

Congress passed RCRA (the Resource Conservation and Recovery Act) in 1980. This is the federal government's chief solid waste and hazardous waste statute, for it establishes "cradle to grave" regulation for countless numbers of industrial by-products. Compliance, for those who must comply, is complicated and can be quite expensive.

Fortunately, muds, brines, and associated oil and gas wastes were exempted from the most stringent portion of RCRA -- Subtitle C -- thanks to the efforts of Senator Bensten and many other producer state representatives. But the exemption was approved on condition that EPA would study the matter and recommend to Congress whether the exemption should be maintained.

The study was completed in 1987, and in 1988 EPA recommended that the Subtitle C exemption be maintained. (EPA also announced that certain wastes, such as unused fracturing fluids and wastes generated by tank bottom reclaimers, were not eligible for the exemption; but that is a separate issue).

EPA's reports raise two basic questions. One -- will Congress follow the recommendation and preserve our exemption? Two -- will EPA develop regulations under a less strict portion of the RCRA statute, known as Subtitle D, for oil and gas wastes that are exempt from Subtitle C?

These questions will be answered when Congress reauthorizes RCRA. Congress is expected to begin work on this in earnest in 1991.

The Role of the IOCC Study

EPA's report to Congress also recommended that states improve their own environmental protection programs. In response, the IOCC began a study in early 1989 to encourage such improvements. The study is scheduled to be finished in December of this year, and it is likely to play an influential role as Congress works on RCRA reauthorization.



If the IOCC recommendations convince Congress that states are making a good faith effort to strengthen their rules where strengthened rules are appropriate, then we stand a good chance of keeping our Subtitle C exemption and avoiding new federal involvement under Subtitle D.

TIPRO has been working closely with the IOCC study group. Our hope is that the IOCC recommendations can help Congress make the right decisions and that states will not feel pressured to take actions that could destroy the ability of independent producers to make a living.

#### TIPRO's Work with the IOCC Project

The IOCC project is being conducted by a group called the Council on Regulatory Needs, which is composed of 15 people from regulatory agencies, 3 environmentalists, and 3 industry representatives. TIPRO is very fortunate to have Randy Bruton, a member of our Environmental Committee, as one of the 3 industry people on the Council.

It would take quite a while to summarize the current draft of the IOCC recommendations. It provides technical criteria for the permitting, siting, construction, operation, and closure of various types of pits. It includes similar recommendations for landspreading, landfilling, and roadspeading. It provides special guidelines for commercial disposal facilities and for non-commercial centralized facilities, including a suggested manifest system. In addition, the IOCC report will make suggestions regarding agency resources needed to administer effective programs.

Successes that Randy and TIPRO have had to date include: making sure that siting requirements for centralized facilities are not as strict as those recommended for commercial facilities; clarifying that certain testing requirements should only come into play "where appropriate"; and heading off a proposal to allow members of the public to access private business records that are not public documents.

Areas that still require work, in our opinion, include: reducing overly burdensome documentation requirements regarding the sites of closed pits; getting further assurances that testing requirements will be reasonable; and removing anything from the report that implies that new federal regulations are necessary.