Testimony of V. Bruce Thompson

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Good afternoon. My name is Bruce Thompson and I am the President of the American Exploration & Production Council ("AXPC"). I am pleased to offer this testimony on behalf of AXPC and its members and in support of EPA's efforts to take a more holistic look at how the Agency regulates produced water from the oil and natural gas industry.

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. The protection of water resources is a top priority for AXPC members. In addition to complying with the extensive Clean Water Act regulations imposed on them at all levels of government, AXPC members develop and implement industry standards, share best practices, facilitate chemical and water use disclosures, and work with regulators to ensure our operations responsibly protect water as well as other resources.

In addition to their strong commitment to the protection of water resources, AXPC members are no less committed to the conservation of water resources. Our members have developed innovative technologies for the use of brackish or recycled water in the hydraulic fracturing process and to recycle more of our produced water back into the hydraulic fracturing process. Nonetheless, treatment for infield reuse has limitations related to the stage of field development, the proximity of new wells to the wastewater, and the quantity and volume of the wastewater.

While AXPC members are working hard to maximize infield recycling and develop other avenues for reuse beyond oil and gas, they are being hindered by regulations that date back to the 1970s. Rather than providing standards for widespread application of this water, these regulations largely banned discharges of produced water based on the expectation that industry would dispose of produced water in underground injection control ("UIC") wells.

It may have made sense to prohibit other water management options in 1979 when it seemed that UIC capacity need only be sufficient to carry the domestic oil and natural gas industry through its few remaining years of viability. This inflexible approach does not make sense now that the United States once again leads the world in natural gas and crude oil production – a wonderful circumstance due largely to technological innovations by AXPC member companies and their peers. It does not make sense now that AXPC members are operating in areas like the Marcellus, where natural gas is

plentiful but UIC wells are scarce. And candidly, it has never made sense to treat valuable water resources as pollutants or wastes requiring disposal.

I look forward to EPA's study and, in the interest of time, will refrain today from making specific recommendations. I will, however, leave you with one insight into what AXPC members hope will be the outcome of this holistic review.

We want regulation that reflects the importance of conserving water resources, rather than incentivizing their disposal. AXPC members are looking for pathways for increased regulatory options that protect receiving waters and replace unnecessary restrictions with clear and consistent standards that provide regulatory certainty and aid industry decision-making and foster innovation. We believe that resource protection need not come at the expense of conservation – particularly given that water availability concerns are no longer confined to the "arid West".

I am proud to represent some of the most innovative and technologically advanced companies in the world, and I look forward to working with the Agency to identify thoughtful approaches that allow our industry to innovate environmentally responsible ways to expand the use of treated produced water outside of the oil and gas industry.