



**Chevron Corporation**  
**Policy, Government and Public Affairs**  
1401 Eye Street NW, Suite 1200  
Washington, DC 20005

April 21, 2010

Mr. Edward Hanlon  
Designated Federal Officer  
EPA Science Advisory Board  
U.S. Environmental Protection Agency  
1200 Pennsylvania Avenue, NW  
Washington, D.C. 20460

**Re: EPA's Proposed Research Approach for Studying the Potential Relationships Between Hydraulic Fracturing and Drinking Water Resources**

Dear Mr. Hanlon:

Chevron appreciates the opportunity to provide input to the Science Advisory Board on the scope of the EPA study to look at the relationship between hydraulic fracturing and drinking water. Chevron is a major integrated energy company with extensive exploration and production operations in the U.S. Chevron North America Exploration and Production Company produces about 5 percent of the oil and natural gas in the U.S. with over 6,000 employees working to deliver energy supplies from both onshore and offshore resources. Environmental protection is a core Chevron value. We support careful consideration of the environment as an integral part of the energy development process and we operate in an environmentally responsible manner.

Continued development of oil and natural gas resources in the U.S. is crucial to U.S. energy supply and national security over the coming decades. These fuels power our economy and will be critical components of our energy supply for decades to come. Responsible development of our resources reduces the need for imports and supports the economy, contributing hundreds of millions of dollars to our Gross Domestic Product and providing millions of stable, high-paying jobs.

Chevron relies on technologies, including hydraulic fracturing, to help develop America's much needed oil and gas resources in a safe and environmentally responsible manner. We are concerned about the amount of misinformation and anecdotal assertions about the practice of hydraulic fracturing and believe that a well designed and executed study will demonstrate what

we have observed in practice—hydraulic fracturing is a proven technology, that is safely conducted and subject to state regulatory oversight. Hydraulic fracturing is a technology that has been used for decades and has unlocked vast resources of natural gas in recent years. It is in the interest of all stakeholders that the regulatory framework appropriately manages the process without duplicative, burdensome or unnecessarily restrictive regulatory requirements that diminish the availability of domestic energy resources without providing environmental benefit.

The subject study should be designed and executed to provide an objective assessment and should give full consideration to the well-developed regulatory programs conducted by state agencies, as well as the industry management practices that have enabled widespread use of the technique in a safe and environmentally responsible manner. As a company and an industry, we have worked hard to establish sound management practices for hydraulic fracturing operations.

We offer these specific comments about the study scope and design which are consistent with the Congressional charge to EPA.

- As with any research intended to inform vital public policy questions, this study should have a sound scientific basis. We agree with comments and discussions during the public meeting emphasizing the importance of scientifically valid conclusions to enhance the study's legitimacy and value. All data and resources used in the study must meet standards that ensure conclusions are scientifically valid. In addition, we believe the study timeline should be adequate to meet these standards and not be accelerated to the detriment of valid conclusions.
- Chevron strongly supports Congress and EPA's intent to use a transparent, peer-reviewed process to conduct its proposed study.
- This study can be most effectively accomplished by getting input from experts and practitioners—both the state regulatory agencies with extensive experience regulating and overseeing the activity, as well as the industries who have conducted hydraulic fracturing operations for decades and worked to establish best practices. States have been regulating hydraulic fracturing operations as part of their oil and gas regulatory programs for many years both through regulation and field oversight. This expertise is indispensable in the design and execution of such a study.
- An analysis of the potential linkage of hydraulic fracturing to drinking water is necessary and appropriate for this study. We believe a central question for the study is the effectiveness of the current regulatory framework.
- The Science Advisory Board received a range of comments on the appropriate scope of the study, including suggestions to evaluate a very broad range of environmental issues up to and including greenhouse gas. We believe it will be more productive to focus the study on hydraulic fracturing, groundwater and drinking water, consistent with the

April 21, 2010

Page 3

Congressional intent. Expanding the study to include additional issues such as air emissions and greenhouse gas, will reduce the report's relevance.

Chevron would be happy to serve as a resource to EPA as the study is designed and executed, including on the hydraulic fracturing process itself. We have worked closely for years with state regulators in initiatives like STRONGER, Inc. (State Review of Oil and Natural Gas Environmental Regulations). This is a collaborative process by which review teams composed of stakeholders from the oil and gas industry, state environmental regulatory programs, and members of the environmental/public interest communities review state oil and gas management programs (including hydraulic fracturing). We have also participated in the development and promotion of Best Management Practices by the American Petroleum Institute and stand ready to share expertise and information with EPA as needed.

Please feel free to contact Judy Blanchard at 202-408-5831 if Chevron can be of further assistance.

Sincerely,

William A. Koetzle  
Manager  
Legislative, Regulatory and Political Affairs