



April 13, 2017

The Honorable Paul Ryan
Speaker
H-232, U.S. Capitol
Washington, D.C. 20515

The Honorable Steve Scalise
Majority Whip
H-329, U.S. Capitol
Washington, D.C. 20515

The Honorable Kevin McCarthy
Majority Leader
U.S. House of Representatives
H-107, U.S. Capitol
Washington, D.C. 20515

The Honorable Rob Bishop
Chairman
House Committee on Natural Resources
1324 Longworth House Office Building
Washington, D.C. 20510

Dear Speaker Ryan, Majority Leader McCarthy, Majority Whip Scalise, and Chairman Bishop:

GPA Midstream strongly supports the use of the Congressional Review Act to overturn the Bureau of Land Management's (BLM) final rules on *Onshore Oil and Gas Operations; Federal and Indian Oil and Gas Leases; Site Security* (Onshore Order No. 3), *Onshore Oil and Gas Operations; Federal and Indian Oil and Gas Leases; Measurement of Oil* (Onshore Order No.4), and *Onshore Oil and Gas Operations; Federal and Indian Oil and Gas Leases; Measurement of Gas* (Onshore Order No. 5). GPA Midstream believes that these three BLM Onshore Orders will create and pass on large unnecessary costs to the midstream industry. From the taxpayer's perspective, the BLM estimates its cost to administer these new orders will exceed the increase in royalty payments received by the U.S. Government and the various Indian tribes. GPA Midstream further believes that Onshore Orders No. 3, No. 4, and No. 5 need to be rolled back and that the Congressional Review Act is the appropriate vehicle to do this.

GPA Midstream has served the U.S. energy industry since 1921 as an incorporated non-profit trade association. GPA Midstream is composed of nearly 100 corporate members of all sizes that are engaged in the gathering of crude oil, and the gathering and processing of natural gas into merchantable pipeline gas, commonly referred to in the industry as "midstream activities." Such natural gas processing includes the removal of impurities from the raw gas stream produced at the wellhead, as well as the extraction for sale of natural gas liquid products ("NGLs") such as ethane, propane, butane and natural gasoline. GPA Midstream members account for more than 90 percent of the NGLs produced in the United States from natural gas processing. Our members also operate hundreds of thousands of miles of domestic gas gathering lines and are involved with storing, transporting, and marketing natural gas and NGLs.

GPA Midstream members are impacted by these final three BLM Onshore Orders due to the fact that our members measuring stations and tanks are usually the point of official measurement for the calculation of royalties from federal land production. All three of the BLM onshore orders as finalized will place unnecessary costs on GPA Midstream members with little if any benefit. Changing or replacing measurement equipment for the sake of change to provide the exact same results isn't very effective.

ORDER 3

BLM's Onshore Order No. 3 addresses Site Security. One of our major areas of concern is the creation of Facility Measurement Points (FMP). Specifically, we are concerned with the requirement that the FMP's be on all records. This will cause a significant change to GPA Midstream members accounting systems. This could take at the very least two calendar years to fully implement. The stated reason for the creation of the FMP is the BLM's confusion regarding which well BLM was going to inspect. Requiring our members to modify accounting systems and make other changes to equipment because the BLM lacks the proper training or databases doesn't seem reasonable.

ORDER 4

BLM's Onshore Order No.4 deals with the measurement of crude oil. Onshore Order No. 4 includes requirements for the hardware and software related to the approved metering equipment (by manufacturer and type), overall measurement performance standards, and reporting and record keeping for crude oil. Only equipment approved by the BLM (please note there is currently no approved equipment; the development of an approved equipment list will require the hiring of additional BLM employees.) would require affected parties to replace equipment that is functioning properly and measuring accurately. In effect, our members would be changing equipment out because the current equipment was built to an older standard, with no indication or expectation the new measurement equipment will give a different answer. Change for the sake of change with no improvement is wasteful, will pose unnecessary costs on the midstream sector, and will cause operational delays.

ORDER 5

BLM's Onshore Order No. 5 deals with the measurement of natural gas. Onshore Order No. 5 includes requirements for the hardware and software related to the approved metering equipment (by manufacturer and type), overall measurement performance standards, and reporting and record keeping for natural gas. Only equipment approved by the BLM (please note there is currently no approved equipment; the development of an approved equipment list will require the hiring of additional BLM employees.) would require affected parties to replace equipment that is functioning properly and measuring accurately. In effect, our members would be changing equipment out because the current equipment was built to an older standard, with no indication or expectation the new measurement equipment will give a different answer. Change for the sake of change with no improvement is wasteful, will pose unnecessary costs on the midstream sector, and will cause operational delays.

Summary

GPA Midstream strongly supports the use of the Congressional Review Act to disapprove of these three final BLM rules and requests that Congress swiftly act to overturn these three final BLM rules. More specifically we request the advancement of H.J Res. 56 from Congressman Steve Pearce (R-2nd) which seeks to repeal BLM Onshore Order No. 3, H.J. Res. 82 from Congressman Bruce Westerman (R-4th) which seeks to repeal BLM Onshore Order No. 4, and H.J. Res. 68 from Congressman Kevin Cramer (R-At large) which seeks to repeal BLM Onshore Order No. 5.

Thank you for your consideration of GPA Midstream's request for Congress to use the Congressional Review Act to repeal BLM Onshore Orders No. 3, No. 4, and No. 5. If you have questions or we can be of further assistance then please contact me at (202) 279-1664 or by email at mhite@GPAglobal.org.

Respectfully Submitted,

Matthew Hite
Vice President of Government Affairs
GPA Midstream Association