



December 17, 2012

President Barack Obama
The White House
1600 Pennsylvania Avenue, NW
Washington, DC 20500

Dear Mr. President,

In a letter dated July 10, 2012, Robert F. McDonnell, Governor of Virginia, and E. Scott Pruitt, Attorney General of Oklahoma, wrote to express serious concerns with, and strong objection to, the U.S. Bureau of Land Management's (BLM) proposed rule to regulate hydraulic fracturing operations on federal and Indian lands. To date, we have not received a response to our letter, and we stand by our position that the proposed rule needs to be withdrawn.

The strong and efficient track record of states to regulate oil and natural gas production — as well as the rule's significant and destructive impacts on our states — should not be ignored, and needs to be taken into serious consideration. As stated in our July 10, 2012 letter, which is attached, we request the BLM withdraw the proposal based on the following:

- The arbitrary and capricious nature of the proposal by the lack of justification, erroneous cost estimates, clearly overstated and unfounded benefits, and failure to take into account the strong objections of affected states.
- The economic harm that states will suffer, both by increased costs to its citizens and investors, and by lost revenues.
- The states, not the federal government, are best positioned to appropriately regulate hydraulic fracturing operations. Current state regulations already provide effective and efficient oversight that is specific to the needs of the states.

The BLM's proposed rule only will discourage exploration and production on federal and Indian lands, potentially costing the federal government — and states that share in federal royalties — billions of dollars in revenue. The BLM rule places sweeping new regulations on hydraulic fracturing and related operations without any demonstrated problems that might need to be addressed. The BLM's proposal:

- Adds significant and unnecessary costs to the production of oil and natural gas without assuring additional environmental protection;

- Includes numerous expensive and time-delaying measures such as cement bond logs that do not guarantee additional safety or effectiveness;
- Creates cost impacts to the oil and natural gas industry that greatly exceed \$100 million, rendering the BLM rule noncompliant with various federal orders and acts. In fact, the BLM and Office of Management and Budget (OMB) are in possession of third party comments and documentation of annual potential costs in excess of \$1.4 billion;
- Includes complicated permitting requirements that would further delay federal permitting times, which already may be measured in months or even years, compared with weeks for permits granted by states. This would discourage exploration and production on federal and Indian lands, leading to significant lost investment and employment for states with federal lands;
- Grossly underestimates the investment and employment costs of implementation. The agency even has gone so far as to state, incorrectly, a belief that employment will go up because of additional work that will be required to comply with the proposed new regulations;
- Must be based on sound science and proven engineering practices, acknowledging differences between regions based on geography, geologic formations, hydrology and historic conditions of the areas. Current state regulations already provide appropriate oversight that is specific to the needs of the states.

We request that the White House, The Department of Interior (DOI) and OMB carefully review the many state comments in response to the proposed rule to regulate hydraulic fracturing operations on federal and Indian lands. We urge you to withdraw the proposal, and we look forward to your response.

Respectfully submitted,



E. Scott Pruitt
Oklahoma Attorney General
Chairman, RAGA



Bobby Jindal
Louisiana Governor
Chairman, RGA

cc: Ken Salazar, Secretary, DOI
Mike Pool, Acting Director, BLM
Jeffrey Zients, Deputy Director, OMB