

Office of the Governor

July 27, 2010

The Honorable Nancy Pelosi
Speaker of the House
Office of the Speaker
H-232, US Capitol
Washington, DC 20515

Sent via fax: 202.225.8259

Dear Speaker Pelosi:

The State of Wyoming has deep concerns at the haste with which Congress is attempting to legislate new oil and gas regulatory processes under HR 5626. Provisions which have been added to this bill would affect onshore leasing and energy production and rob the States of their traditional role of overseeing energy production within the States. I urge you to delay action until more definitive information can be obtained and provided to Members of Congress.

Based on the hearings and focus that Congress to date has brought to bear on the tragedy in the Gulf, an expansion of the intended reach of any legislation to respond to this *offshore* spill and precipitously cover *onshore* energy production would be a mistake. The State of Wyoming has had effective regulation of the oil and natural gas industry through a variety of programs designed to gather and share information, technology and best regulatory methods for several decades.

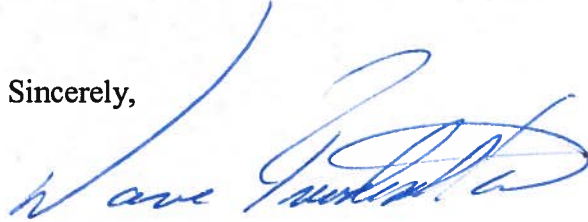
The implications of the bill's encroachment to onshore energy leasing and production are ominous as it represents a takeover of state regulation of well construction and permitting and gives it to the Federal government at the expense of long-established State authority. Such pre-emption would occur whenever the Department of the Interior determines that a state is not adequately regulating oil and gas, or because of citizen lawsuit. This is overreach of the first order.

Speaker Pelosi
July 27, 2010
Page 2

The State of Wyoming has a proven history of oversight of the energy industry and has effectively overseen industry activity without federal oversight for decades. Regulatory requirements and inspections of well sites are important components of our state program and the prevention of accidents and environmental protection are among our highest priorities.

It is my view that the federal government lacks both the justification and the expertise to effectively oversee oil and natural gas production in the State of Wyoming and I urge you to reject the preemption of Wyoming's and other State's authority to perform this important function.

Sincerely,



Dave Freudenthal
Governor

DF:cmc

cc: Rep. Henry A. Waxman, Chair, Energy and Commerce Committee
Senator John Barrasso
Senator Michael Enzi
Representative Cynthia Lummis