



Michael J. Rubio
Manager, CA/OR/WA State Government Affairs

July 18, 2016

Mr. Jim Nyarady
Manager, Oil and Gas Section
California Air Resources Control Board
1001 I Street
Sacramento, CA 95814

Re: Draft Regulation for Greenhouse Gas Emission Standards for Crude Oil and Natural Gas Operations (June 2016)

Dear Jim:

Chevron U.S.A., Inc. (Chevron) is a California-based integrated oil and gas exploration and production company and is the largest oil and gas producer in California. We appreciate the opportunity to provide comments on the California Air Resources Control Board (ARB) draft Regulation for Greenhouse Gas Emission Standards for Crude Oil and Natural Gas Operations. Additionally, Chevron endorses and adopts the comments submitted by the Western States Petroleum Association (WSPA) on the proposed regulation.

Our concerns with the drafted language align with the comments and recommendations provided to the ARB by WSPA. We are primarily concerned with the technological and economic feasibility of the proposals related to gauge tanks and circulation tanks, as well as the lack of clarity of some of the definitions. Additionally, we are concerned with the duplication of inspections that would be created by the expansion of the LDAR program. As noted in WSPA's comments and recommendations, the final regulation should be improved to better align with existing local, state, and federal air quality regulations. We request that ARB consider WSPA's comments and recommendations for incorporation into the regulation, and that ARB continue to work with stakeholders to ensure that compliance with the final regulation is technically feasible and cost effective.

Chevron is committed to working with the ARB as this process continues. Please contact Steve Arita (916-325-3000) for any follow up to these comments.

Sincerely,