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March 5, 2013

Roger Fernandez
Natural Gas STAR Team Leader
U.S. EPA Office of Air and Radiation
1200 Pennsylvania Avenue, NW
Washington, D.C. 20760

Re: Devon Energy withdraws from the EPA's Natural Gas STAR Program

Dear Roger:

This is to formally notify the Environmental Protection Agency that Devon Energy Corporation is withdrawing from the Natural Gas STAR Program, which was created to encourage and facilitate voluntary reduction of methane emissions from the production, processing and transmission of natural gas. We do so with regret, but believe we must withdraw for the reasons detailed below.

As you know, Devon has been a major proponent of this program for the past decade. We were honored as its Rookie of the Year in 2004 and Production Partner of the Year in 2005, and we were cited in 2008 and 2010 for continuing efforts to reduce emissions. Along the way, Devon produced a promotional video for the Natural Gas STAR Program, and our president and CEO, John Richels, served as a keynote speaker at an annual EPA workshop on the program's behalf. However, Devon now has deep and growing concerns about the manner in which information from our voluntary participation is being used.

First, information provided in good faith by Devon and other operators has been irresponsibly and inaccurately used to justify costly regulations, taint policy research and, most recently, to provide the basis for the notice by seven northeastern states that they intend to sue EPA to require new methane emission standards for the exploration and production sector. Specifically, EPA has used Natural Gas STAR reported volumes for gas captured to represent gas that would otherwise be emitted. This is a seriously flawed misuse of the data that Natural Gas STAR program professionals should recognize, but have apparently made no effort to call to the attention of other groups within EPA.

Since November 2011, Devon has made numerous attempts to communicate this error to the EPA. Examples of our actions have included:

- Face-to-face meetings in which EPA Natural Gas STAR representatives were in attendance
- Providing EPA with industry data to demonstrate that gas captured does not equal gas emitted
- Giving congressional testimony
- Participating in EPA Natural Gas STAR workshops
- Following up with numerous telephone calls
- Sending letters and other comment documents to EPA offices charged with the responsibility for estimating methane emissions and using that information for rulemaking purposes.

Devon expected that the Natural Gas STAR team would help to ensure correct and responsible use of its program data by other EPA groups and outside sources, but, unfortunately, such efforts have either not been made or have not been successful.

Finally, as a practical matter, the majority of best management practices and partner-reported opportunities for reducing methane emissions from our operations are now federally mandated and no longer eligible for reporting despite the significant voluntary emission reductions they yielded.

For these reasons, Devon is withdrawing from the Natural Gas Star Program.

Roger Fernandez
Page 2
March 5, 2013

Despite our withdrawal, we hope you and your staff will work to see that others within EPA understand how program data should – and should not – be used. Continued misuse can only undermine the reputation of a program that has benefited our sector and the country over a long period during which Devon was a proud Natural Gas STAR Program partner.

On a personal note, Roger, I have appreciated the professionalism and dedication that you and other members of your team have demonstrated in your work with us over the years. I look forward to our paths continuing to cross.

Sincerely,

A handwritten signature in cursive script that reads "Bill".

cc: Janet McCabe, Deputy Assistant Administrator, EPA Office of Air and Radiation
Sarah Dunham, Director, EPA Office of Atmospheric Programs