

Message

From: Stout, Robert [/O=MSXBP/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=ROBERT.STOUT]
Sent: 28/09/2017 16:47:05
To: Fagbayi, Kola [/O=MSXBP/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Fagbayi, Rasheedf2b]
CC: Steinle, Kirk M [/O=MSXBP/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Kirk.Steinle]; Sitomer, Gabrielle [/O=MSXBP/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Gabrielle.Sitomer]; Canaan, Gabriel [/O=MSXBP/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Canaan, Gabriel32b]
Subject: Re: ExxonMobil Expands Methane Emissions Reduction Program

Absolutely, Kola. Would welcome a chat. I am out at a NAM meeting but back in the office later this PM or also could speak tomorrow or early next week as works best. Gabriel (cc'd) can help find a mutually convenient time.

Best,
Bob

Sent from my iPhone

On Sep 28, 2017, at 12:19 PM, Fagbayi, Kola <[REDACTED]@bp.com> wrote:

Hi Bob,

It would be great for us to connect.

Regards,
Kola

From: Stout, Robert
Sent: Thursday, September 28, 2017 8:38 AM
To: Fagbayi, Kola <[REDACTED]@bp.com>
Cc: van Hoogstraten, David Jan <[REDACTED]@bp.com>; Nolan, James <[REDACTED]@bp.com>; Yeilding, Cindy <[REDACTED]@bp.com>; Lucas, Sarah <[REDACTED]@bp.com>; Miner, Robert <[REDACTED]@bp.com>; Nash, Mike A (Legal) <[REDACTED]@uk.bp.com>; Raftery, Becky <[REDACTED]@uk.bp.com>; Steinle, Kirk M <[REDACTED]@bp.com>; Sitomer, Gabrielle <[REDACTED]@bp.com>
Subject: RE: ExxonMobil Expands Methane Emissions Reduction Program

Hello Kola. I thought I would also share the article below from today's E&E News regarding XOM's program and the methane issue more generally. This one goes into a bit more depth on the issue, including the divisions within industry on it, than some of the popular press articles.

It has been interesting to see how many positive comments XOM has generated on this – esp from EDF. As I am sure you know well, they traditionally have not been perceived as very progressive on climate issues versus Statoil, Shell and BP. Of course an energy business cannot be run on PR, and XOM has not been a company in my experience to take on new commitments to generate good PR with E-NGOs versus for business/operational reasons.

One question that intrigues me is the extent to which XOM/XTO (i) has decided to lean in on this as a broader, longer-term corporate/natural gas promotion strategy notwithstanding their near-term onshore well economics, or (ii) are packaging up a number of sensible voluntary actions that they can cost-effectively commit to take in the near/medium term which will improve monitoring and drive down emissions from their old and new wells (regardless of how

regulations may change, as they say). From what I know of XOM, I would suspect it is the latter and not the former, and then amplified by a timely and smart PR/communication strategy to get the word out ahead of others.

Best,

Bob

NATURAL GAS

What does Exxon's new methane program mean for climate?

Benjamin Storrow, E&E News reporter

Published: Wednesday, September 27, 2017

Exxon Mobil Corp. is working to reduce methane leaks at gas wellheads and pipelines. Loren Kerns/Flickr

When it comes to solving the climate conundrum, plugging leaks from oil and gas infrastructure is relatively low-hanging fruit. Paying for the workers and infrared cameras needed to detect leaks from pipelines and compressor stations is a far cheaper and simpler task than, say, sequestering carbon dioxide emissions from a power plant.

Exxon Mobil Corp.'s move to pinch leaky pipes, announced this week, could reduce a substantial amount of pollution. But questions remain about the oil and gas sector's commitment to voluntarily preventing the potent gas from escaping at a time when federal methane rules are being targeted for reversal.

The payoff is potentially large. Methane is 105 times more potent than carbon dioxide as a greenhouse gas during its time in the atmosphere. Scientists say curbing methane levels could slow the rate of warming and buy more time to address the wider challenges of climate change.

Still, the topic remains politically divisive. The Trump administration has attempted to roll back a series of Obama-era methane regulations, only to see its efforts hampered by the courts and Congress. U.S. EPA is now considering a two-year delay for implementing rules limiting methane emissions on new oil and gas wells. The Bureau of Land Management has similarly delayed a rule governing venting and flaring from oil and gas wells on federal land.

It was against that backdrop that Exxon Mobil announced a plan Monday to voluntarily enhance its natural gas division's leak detection and repair (LDAR) program (*Energywire*, Sept. 26). The move was notable on several fronts. XTO Energy Inc., Exxon's gas subsidiary, is America's leading gas producer. The company said it plans to deploy the enhanced program at new and existing wells, going a step beyond what was required by EPA regulations put in place under Obama.

Exxon's announcement also comes amid mounting efforts on the part of American natural gas producers to curb their methane emissions. Ten leading gas companies formed the ONE Future Coalition in 2014 to identify best practices for curbing methane leaks from gas infrastructure. They will begin reporting emission levels to EPA next year.

But whether those efforts represent a shift in U.S. oil and gas producers' attitudes toward climate change, and their efforts to address it, remains to be seen. Environmentalists expressed cautious optimism, saying Exxon's plan includes the measures needed to make a significant reduction in its methane emissions. Now it is up to the company to follow through on its promise, they said.

"History is something that can only be judged in hindsight, but it certainly has the makings of something we look back on in a few years and say, 'That was pretty important,'" said Mark Brownstein, a vice president specializing in energy and climate at the Environmental Defense Fund.

Industry representatives, for their part, said the move illustrates oil and gas producers' commitment to reducing emissions. Taking proactive measures also insulates companies against the risk of future regulations, said Richard Hyde,

executive director of the ONE Future Coalition. The group's members include Southwestern Energy Co., America's third-largest gas producer, Apache Corp. and Statoil ASA.

But the main motivator behind reducing methane leaks ultimately is money, not climate, Hyde said. Methane is the main component in natural gas, and reducing leaks creates a safer work environment, ensures product delivery and offers a higher return, he said.

"If you're a producer or any part of the value chain, that's kind of money going up in the air. So if you're reducing that, you're basically putting money back in your pocket," Hyde said. "I don't think they're [Exxon] doing it for climate change, and I don't think any of our members are necessarily doing it for climate change. You could say that's a side benefit if you want to make that argument. But that's not what our membership is doing it for."

Nevertheless, the side benefit shows signs of yielding a growing dividend, he said, noting that it helps position companies as part of the solution to the climate challenge.

"You're seeing the investor community putting a lot of pressure on public companies to show you're an environmentally sustainable company," Hyde said.

Global methane levels have risen in recent years, though the cause of the increase remains a topic of some debate. Researchers at Stanford University last year identified agriculture as the likely culprit. Others, like Cornell University professor Robert Howarth, argue that the recent spike in methane levels coincides with the boom in American oil and gas production. The matter is further complicated by varying estimates of the amount of methane emitted by the oil and gas industry.

There is more agreement on this: Curbing methane from the sector could make a significant difference in climate efforts.

"I think methane is the low-hanging fruit for climate change. CO2 is really tough," Howarth said. "We have to decarbonize the energy systems. Methane is easier to go after. It's not the whole thing. Unless we reduce CO2, we're in a lot of trouble long-term. But we can immediately slow the rate of global warming and give ourselves more time to deal with the consequences by going after methane."

He welcomed Exxon's announcement, saying, "I'm glad to see someone in the industry seeming to take the issue seriously."

The political ramifications of Exxon's move remain uncertain. Environmentalists said the oil giant's actions show that the regulations proposed under President Obama were not as onerous as their opponents made them sound.

"If XTO can do this, what prevents others from doing it?" EDF's Brownstein said.

But industry officials warned that what may be good for Exxon might not work for smaller companies that cannot afford the investment in LDAR. The Obama regulations could be the difference between shutting down marginal wells and keeping them in operation, said Neal Kirby, a spokesman for the Independent Petroleum Association of America, a trade group.

"Imposing federal regulations that require costly, handpicked camera monitoring technologies removes the flexibilities needed for independent producers and will suppress the development of other approaches that could be more cost-effective and efficient," Kirby wrote in an email.

Exxon may be moving forward with its methane reduction efforts, but the battle in Washington seems set to continue.

From: Fagbayi, Kola

Sent: Monday, September 25, 2017 12:24 PM

To: Stout, Robert; Steinle, Kirk M; Sitomer, Gabrielle

Cc: van Hoogstraten, David Jan; Nolan, James; Yeilding, Cindy; Lucas, Sarah; Miner, Robert; Nash, Mike A (Legal);

Raftery, Becky
Subject: RE: ExxonMobil Expands Methane Emissions Reduction Program

Hi Bob,

Trust all is well.

I would say the XTO proposal is in many ways similar to the L48 roadmap, which has many elements of the API Voluntary program built into it.

The one thing I have not yet got alignment on is how we will execute our surveillance program. Andy Hopwood, Dave Lawler, Jack Collins and I agreed in London, that surveillance could be the low hanging fruit. As we do the work to support the roadmap we will be able to answer the key questions we have identified we need to answer.

Thanks for sharing.

Regards,
Kola

From: Stout, Robert
Sent: Monday, September 25, 2017 10:43 AM
To: Steinle, Kirk M [REDACTED]@bp.com>; Fagbayi, Kola [REDACTED]@bp.com; Sitomer, Gabrielle [REDACTED]@bp.com
Cc: van Hoogstraten, David Jan [REDACTED]@bp.com>; Nolan, James [REDACTED]@bp.com; Yeilding, Cindy [REDACTED]@bp.com; Lucas, Sarah [REDACTED]@bp.com; Miner, Robert [REDACTED]@bp.com; Nash, Mike A (Legal) [REDACTED]@uk.bp.com>; Raftery, Becky <[REDACTED]@uk.bp.com>
Subject: FW: ExxonMobil Expands Methane Emissions Reduction Program

FYI. Would be interesting to see how what XOM/XTO is doing here compares to what we are considering.

Bob

From: Streett, Mary
Sent: Monday, September 25, 2017 11:24 AM
To: Stout, Robert; Ellis, Joe
Subject: FW: ExxonMobil Expands Methane Emissions Reduction Program

From: Minge, John C
Sent: Monday, September 25, 2017 11:13 AM
To: Mckay, Lamar; Morrell, Geoff; Streett, Mary
Subject: FW: ExxonMobil Expands Methane Emissions Reduction Program

FYI – you all may have seen this, but just in case.

Best,
John

From: ExxonMobil [mailto:[REDACTED]@mail204.suw14.mcdlv.net] **On Behalf Of**
ExxonMobil
Sent: Monday, September 25, 2017 8:39 AM

To: Minge, John C [REDACTED]@bp.com>
Subject: ExxonMobil Expands Methane Emissions Reduction Program

[View email in your browser](#)



September 25, 2017

Dear John,

Today, ExxonMobil announced an enhanced program to reduce methane emissions from its production and midstream facilities across the United States.

The program, builds on ExxonMobil's longstanding commitment to emissions management, prioritizes actions at sites operated by subsidiary XTO Energy and includes efforts to develop and deploy new, more efficient technologies to detect and reduce facility emissions.

<!--[if !vml]--><![endif]-->

“We are implementing an enhanced leak detection and repair program across our production and midstream sites to continually reduce methane emissions, and are also evaluating opportunities to upgrade facilities and improve efficiency at both current and future sites,” said XTO president Sara Ortwein. “Our comprehensive initiative is underscored by a technology research and testing effort, and includes personnel training, equipment phase out and facility design improvements.”

XTO's efforts also include research conducted with ExxonMobil Upstream Research Company and third-party equipment manufacturers to continue development of more efficient, state-of-the-art equipment to detect, quantify and reduce emissions at production sites. These research efforts build on an extensive portfolio of more than two dozen existing methane research projects and pilots already under way.

As part of the company's efforts to better understand the magnitude and characteristics of oil and gas industry-related methane emissions, ExxonMobil participated in studies conducted by the University of Texas and Environmental Defense Fund.

ExxonMobil remains active in ongoing methane research, including participation in a methane measurement reconciliation study with the Department of Energy's National Renewable Energy Laboratory, and in supporting research currently underway at Harvard, the University of Texas Energy Initiative, and Stanford University's Natural Gas Initiative.

If you are interested in more information, please feel free to contact me by clicking here or visit the Energy Factor to learn more.

Sincerely,

Gantt Walton
Vice President, Washington Office
Exxon Mobil Corporation

Our mailing address is:

ExxonMobil
2020 K St NW
Washington, DC 20006

[Add us to your address book](#)

[unsubscribe from this list](#) | [update subscription preferences](#) | [view email in browser](#)