

# METHANE AND WASTE PREVENTION RULE

The Bureau of Land Management (BLM) adopted a standard in November 2016 that will reduce wasteful venting, flaring, and leaking of natural gas from oil and gas operations on federal and tribal lands.<sup>1</sup> Natural gas is made up primarily of methane, a potent climate-warming gas. Such leaking and venting creates public health hazards and warms our climate, while wasting valuable natural gas that companies should be delivering for sale to customers. Wasting the gas also deprives local communities of valuable royalty payments.

The rule requires oil and gas operations to use common-sense, low-cost measures to prevent methane venting, flaring, and leakage – measures that in many cases pay for themselves in recovered natural gas. The rule updates and replaces a 37-year old regulation known as NTL-4a, which does not reflect current technologies or best practices and does not effectively minimize waste.<sup>2</sup>

## WHY A STANDARD?

- Methane venting, flaring and leaking from oil and gas operations is the second largest industrial contributor to climate change in the United States.<sup>3</sup>
- Between 2009 and 2015, oil and gas producers on federal and tribal lands wasted enough gas through venting, flaring, and leaks to power about 6.2 million households for a year. The wasted gas also means taxpayers lose out on as much as \$23 million a year in royalty payments to states, tribes, and the federal government.<sup>4</sup>

## BASIS IN LAW

- The Mineral Leasing Act explicitly calls upon BLM to use all reasonable precautions to prevent “waste of oil or gas developed in the land.”<sup>5</sup>
- The Methane and Waste Prevention Rule also fulfills BLM’s obligations to protect the public interest and welfare, and to conserve natural resources, under the Mineral Leasing Act<sup>6</sup> and Federal Land and Policy Management Act<sup>7</sup>.

## AMERICANS BENEFIT – HEALTH, JOBS, ENVIRONMENT

- The total monetized benefits of the rule, consisting of cost savings from recovery and sale of natural gas as well as avoided climate harms from methane emission reductions, range from \$209 million to \$403 million per year 2026, outweighing the costs of \$114 million to \$275 million per year from 2017 to 2026.<sup>8</sup>
- The rule will reduce methane pollution from new and existing sources on public and tribal lands by up to 180,000 tons a year from 2017 to 2026. This is enough gas to supply up to 760,000 households and the equivalent of eliminating the climate-changing pollution of up to 940,000 vehicles.<sup>9</sup>

- The rule will reduce harmful emissions of volatile organic compounds (VOCs) by up to 267,000 tons per year from 2017 to 2026.<sup>10</sup>
- The rule will reduce risk of asthma attacks, cancers, heart and other lung problems, neurological disorders, and birth defects related to emissions from oil and gas operations.<sup>11</sup>
- High-quality jobs will be created installing and maintaining pollution control equipment and implementing leak prevention and control programs. The median hourly wage for jobs in the methane mitigation industry is \$30.88, compared to \$19.60 for all U.S. jobs.<sup>12</sup>

## BROAD SUPPORT

- In a poll of seven states in the interior west, 80 percent of voters overwhelming supported requiring oil and gas producers who operate on national public lands to use updated equipment and technology to prevent leaks of methane gas during the extraction process and to reduce the need to burn off excess natural gas into the air.<sup>13</sup>
- In February forty state officials in New Mexico sent a letter to BLM in advance of a public hearing expressing the critical need to increase regulation of the oil and gas industry.<sup>14</sup>
- Environmental groups, including Natural Resources Defense Council<sup>15</sup> and the Environmental Defense Fund,<sup>16</sup> supported the rule for cutting waste, slowing climate change, and reducing air pollution that endangers public health. Taxpayers for Common Sense<sup>17</sup> and the Western Values Project<sup>18</sup> praised the rule for replacing outdated standards that have led to the loss of billions of dollars' worth of natural gas from federal lands, and the loss of federal, state, and local royalty revenues. Community organizations like the Western Colorado Congress<sup>19</sup> and Western Organization of Resource Councils<sup>20</sup> highlighted citizen and local government support for the rule. Native American groups including Native American Voters Alliance<sup>21</sup> and Diné Citizens Against Ruining Our Environment<sup>22</sup> thanked BLM for protecting the climate as well as the health and lands of Native Americans. Hispanic Groups including HECHO<sup>23</sup> supported the rule's climate and public lands protections. A coalition of faith groups including the Colorado Council of Churches Wyoming Association of Churches and others<sup>24</sup> applauded the Bureau's rule encouraging good stewardship of the land.

<sup>1</sup> Regulatory Agenda, <http://www.reginfo.gov/public/do/eAgendaViewRule?pubId=201610&RIN=1004-AE14>

<sup>2</sup> Federal Register, <https://www.federalregister.gov/documents/2016/11/18/2016-27637/waste-prevention-production-subject-to-royalties-and-resource-conservation>

<sup>3</sup> NRDC final rule blog post, <https://www.nrdc.org/experts/meleah-geertsma/epa-sets-historic-standards-methane-oil-and-gas-must-finish-job>

<sup>4</sup> BLM Factsheet,

[https://www.blm.gov/sites/blm.gov/files/documents/files/oilandgas\\_WastePreventionRuleFactsheetFinal.pdf](https://www.blm.gov/sites/blm.gov/files/documents/files/oilandgas_WastePreventionRuleFactsheetFinal.pdf)

<sup>5</sup> 30 U.S.C. § 225

<sup>6</sup> E.g., 30 U.S.C. §§ 187 and 187 (purposes of the MLA include "protection of the interests of the United States and... safeguarding of the public welfare") and 226(g) (directing the Department of the Interior to "regulate all surface-disturbing activities" for purposes of "conservation of surface resources.")

<sup>7</sup> E.g., §§ 43 U.S.C. 1732(b) (mandating that the Secretary, "[i]n managing the public lands . . . shall, by regulation or otherwise, take any action necessary to prevent unnecessary or undue degradation of the lands") and 1701(a)(8) (BLM should balance the need for domestic sources of minerals against the need to "protect the quality of scientific, scenic, historical, ecological, environmental, air and atmospheric, water resources, and archeological values; . . . [and] provide for outdoor recreation and human occupancy and use.")

<sup>8</sup> RIA p 4-6, <https://www.regulations.gov/document?D=BLM-2016-0001-9127>

<sup>9</sup> BLM Factsheet,

[https://www.blm.gov/sites/blm.gov/files/documents/files/oilandgas\\_WastePreventionRuleFactsheetFinal.pdf](https://www.blm.gov/sites/blm.gov/files/documents/files/oilandgas_WastePreventionRuleFactsheetFinal.pdf)

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- <sup>10</sup> RIA p 107, <https://www.regulations.gov/document?D=BLM-2016-0001-9127>
- <sup>11</sup> CATF, [http://www.catf.us/resources/publications/files/Gasping\\_for\\_Breath.pdf](http://www.catf.us/resources/publications/files/Gasping_for_Breath.pdf) and <http://www.catf.us/resources/publications/files/FossilFumes.pdf>
- <sup>12</sup> EDF, [https://www.edf.org/sites/default/files/methane\\_mitigation\\_industry\\_report\\_executive\\_summary.pdf](https://www.edf.org/sites/default/files/methane_mitigation_industry_report_executive_summary.pdf)
- <sup>13</sup> Colorado College, <https://www.coloradocollege.edu/dotAsset/18dc097b-dce9-4003-8630-12796a054c8f.pdf>
- <sup>14</sup> New Mexican, [http://www.santafenewmexican.com/news/local\\_news/dozens-of-state-officials-support-proposal-to-toughen-methane-rules/article\\_1922f35a-ef4f-5e21-bef1-0e03a1cfa978.html](http://www.santafenewmexican.com/news/local_news/dozens-of-state-officials-support-proposal-to-toughen-methane-rules/article_1922f35a-ef4f-5e21-bef1-0e03a1cfa978.html)
- <sup>15</sup> NRDC, <https://www.nrdc.org/media/2016/161115-0>
- <sup>16</sup> EDF, <https://www.edf.org/media/landmark-rules-will-reduce-oil-and-gas-waste-pollution-blm-lands>
- <sup>17</sup> <http://www.taxpayer.net/library/article/statement-on-blm-methane-rule>
- <sup>18</sup> <http://westernvaluesproject.org/popular-blm-reforms-will-cut-natural-gas-waste-on-public-lands/>
- <sup>19</sup> <https://wcongress.org/wcc/2016/11/15/western-slope-residents-applaud-new-blm-methane-rules/>
- <sup>20</sup> <http://www.worc.org/worc-statement-release-final-blm-methane-waste-rule/>
- <sup>21</sup> <http://www.publicnewsservice.org/2016-11-16/energy-policy/blm-finalizes-rule-to-curb-natural-gas-waste/a54978-1>
- <sup>22</sup> <http://enewspf.com/2016/11/15/obama-administration-finalizes-rule-protect-public-health-taxpayers-environment-methane-waste-public-lands/>
- <sup>23</sup> Hecho, <http://www.hechoonline.org/blog/blm-finalizes-methane-rule>
- <sup>24</sup> [http://www.creationjustice.org/uploads/2/5/4/6/25465131/blm\\_methane\\_waste\\_thank\\_you\\_letter.pdf](http://www.creationjustice.org/uploads/2/5/4/6/25465131/blm_methane_waste_thank_you_letter.pdf)