

October 19, 2015

Mr. Shaun Donovan
Director
Office of Management and Budget
725 17th St NW
Washington, DC 20503

Dear Dir. Donovan:

We write to you today urging the Office of Management and Budget to give prompt and timely consideration to the Bureau of Land Management (BLM) proposed methane waste rule entitled Venting and Flaring: Waste Prevention and Use of Produced Oil and Gas for Beneficial Purposes (RIN: 1004-AE14). We believe a rigorous rule is critical for reducing methane waste (the primary component of natural gas) from oil and gas operations on America's public lands and of the federal mineral estate more broadly. This rule, in coordination with the Bureau of Indian Affairs, would also cut waste from tribal lands and generate revenue for tribal governments.

As stewards for the American taxpayer, the BLM has the authority and duty to ensure a fair return for publicly-owned oil and gas minerals under the Mineral Leasing Act of 1920. Unfortunately, methane waste is too common an occurrence on public lands. In fact, a report by ICF International found that, in 2013, an amount of natural gas worth as much as \$330 million was lost through leaks, flaring, and venting on federal and tribal lands. That is enough natural gas to provide energy for 1.5 million homes.

Cutting natural gas waste would also have the added benefit of cutting pollution of dangerous carcinogens such as benzene, as well as volatile organic compounds that lead to the formation of ground-level ozone. Several basins such as the San Juan, Uintah, and Upper Green River are facing air pollution issues due in part to oil and gas operations on public lands. Lastly, methane in and of itself is hazardous and a powerful climate pollutant that is 80 times more potent than carbon dioxide.

Tackling this problem is both practical and cost effective. We can look to the experience of states such as Colorado which took on a statewide rule to cut methane emissions. Independent producers, many of which operate on public lands, stepped-up to dramatically cut methane waste. Moreover, a whole new industry has spawned through methane mitigation that has helped operators find and address leaks. Similarly, Wyoming recently addressed air emissions in the Upper Green River Basin.

It's time the BLM followed suit and ensured cost effective measures are adopted to end waste on all of America's federal and tribal lands and ensure a level playing field across the West. ICF International found that a 40 percent reduction of methane waste would only cost companies operating on federal and tribal lands less than a penny per thousand cubic feet of natural gas produced.

There are four key provisions to ensure BLM adequately addresses natural gas waste as outlined below.

- 1) The BLM should end venting of associated gas from oil-producing wells. This practice is wasteful, harmful and out-of-date.

- 2) The BLM should look to propose a rule that results in significant cuts in flaring of natural gas. While some flaring will be inevitable in the early stages of production, companies can – and many are – taking steps to stop the practice.
- 3) The BLM should require leak detection and repair at least four times per year at all oil and gas facilities on federal and tribal lands, using modern gas detection instruments. States and individual companies have found regular and frequent inspections to be cost effective given that a well or pipeline can pass inspection one day but then have a leak the next. Yet, oil and gas facilities in many states are not required to inspect for leaks at all. Without regular and comprehensive quarterly inspections, leaks will go unnoticed - costing the American taxpayer and companies.
- 4) Lastly, the BLM should require other best management practices and technologies at oil and gas operations, drawing on the experience of leading states and companies. These practices and technologies should reduce waste at all points of production, including at pneumatic controllers and pumps, liquids unloading and storage tanks.

These BLM requirements should apply at both new and existing operations. The agency has clear authority to address these sources and doing so is critical given that ICF estimates that 90% of methane waste in 2018 will be from existing sources operating today. Given the size and scope of the current problem, the BLM rule should both address the problem we have today and plan for the future.

We applaud Interior Sec. Sally Jewell and the Bureau for their leadership to address waste of natural gas and harmful emissions on the America's public lands. The BLM has the obligation to the American taxpayer to minimize the waste of public resources and avoid harm to public health and the environment. Again, we urge the OMB to move swiftly so this rule can be given full consideration by stakeholders and the public.

Very sincerely,

Bob Abbey
Former Director, U.S. Bureau of Land Management, 2009 – 2012

Mike Dombeck
Former Acting Director, U.S. Bureau of Land Management, 1994 – 1996
Former Chief, U.S. Forest Service, 1996 – 2001