



BLM's Wasted Gas Rule: Myths & Facts

There's a lot of misinformation out there about BLM's new wasted gas rule. Let's take a look at what some people are saying, and why it just doesn't add up.

Myth: The oil and gas industry is already doing everything it can to stop wasting oil and gas on federal lands through "self-regulation."

FACT: More than \$330 million worth of natural gas produced on federal and tribal lands is wasted annually.

- Methane emissions from petroleum systems, specifically from leaks, have increased overall each successive year between 2010 and 2013
- Emissions from the oil and gas industry as a whole have increased significantly in the past decade (up 8 percent since 2005)
- Self-regulation is insufficient when it comes to protecting public health and ensuring a fair return to taxpayers

Myth: BLM lacks the legal authority to regulate oil and gas waste from federal lands.

FACT: The Department of the Interior has a responsibility and an obligation to put forward regulations to manage federal resources that benefit the public.

- The BLM's legal authority comes from both the Mineral Leasing Act and the Federal Land Policy and Management Act
- The proposed rule will comply with these mandates by reducing waste from public lands and reaffirming the agency's authority to ensure a fair return to American taxpayers from royalties
- It will also reduce other emissions and improve air quality and public health

Myth: The rule will put small producers out of business.

FACT: A [recent study](#) found that compliance costs represent less than 3 percent of annual costs for an average marginal well and that the smallest producers would see a less-than-0.1-percent decrease in annual profit margin.

- It also found that the rule's overall effect on the number of wells that would be shut in would be negligible
- The rule provides operators with the opportunity to prove that a particular provision is technically infeasible or may result in the premature abandonment of significant oil reserves for certain wells

Myth: The rule does not address the main problem forcing industry to waste gas: lack of sufficient pipeline infrastructure and delayed right-of-way approvals for pipelines.

FACT: A recent [Government Accountability Office report](#) released in July 2016 disproved that argument, finding that only 9 percent of venting or flaring requests are due to lack of necessary infrastructure.

- It is clear that the principal causes of waste are leaks, as well as unnecessary venting and flaring
- The rule will solve the majority of the problem by requiring operators to do a few simple things:
 - Inspect for and repair leaks
 - Develop waste capture plans
 - Implement simple, cheap technological solutions to prevent waste
- A strong regulation will ensure that future oil and gas wells are sited only if proper infrastructure is, or soon will be, in place when approving permits to drill

Myth: The rule duplicates state and EPA efforts.

FACT: BLM worked with EPA and the states to ensure this rule is complementary.

- The rule addresses issues not covered by other state or federal regulations, such as flaring
- BLM relied on the work done by EPA and states with robust oil and gas requirements when drafting this rule
 - BLM provides states with the opportunity to obtain a variance from certain provisions where the state regulations meet or exceed the BLM standard
- Unlike the EPA rule, the BLM rule applies to new *and* existing facilities—not just future oil and gas wells
 - The rule includes a number of references to EPA’s rule and allows operators to comply with EPA requirements in lieu of those particular provisions
- Most importantly, the BLM rule applies to facilities located on public lands and resources owned by all Americans
 - It ensures a fair return to taxpayers from the royalties derived from this oil and gas
 - It also forces companies to use a smart-from-the-start approach by planning for gas capture and transmission prior to development