

What Does the New BLM Venting and Flaring Rule Do?

The Bureau of Land Management (BLM) released a new natural gas waste proposed rule on January 22, 2016. The rule's objective is to reduce the amount of natural gas wasted as a result of venting, flaring and leaks on federal oil and gas leases.

Here are a few highlights:

- ▶ **Flaring and venting:** Venting of gas is prohibited and must be captured or flared unless it is technically infeasible or in emergency situations. BLM will also institute a cap on the amount of gas that can be flared per month, per well. Oil and gas operators must also measure or estimate and report all gas vented and flared from wells.
- ▶ **Leaks:** Leak detection and repair (LDAR) is required for all wells, wellheads, well production facilities and compressors located on a federal lease. Operators must use an instrument-based monitoring device (i.e., infrared camera) for the inspection. (Smaller operators can elect an alternative method.) Inspections must be conducted semi-annually, although the frequency can vary based on the number of leaks detected. Any leaks found must be repaired within 15 days.
- ▶ **Waste minimization plan:** BLM will now require operators to submit a plan, with every Application for Permit to Drill (APD), detailing how they will comply with the methane venting, flaring and leak requirements of this rule and how they plan to capture associated gas once a well begins producing.
- ▶ **Limiting venting from equipment:** Establishes requirements that will limit venting from pneumatic controllers, pneumatic pumps and storage vessels, as well as during liquids unloading.

How the Rule Can Be Strengthened

On balance, BLM's new rule governing oil and gas operations on federal lands is an important step forward for our resources and the American taxpayers. But there are a few opportunities for the rule to be strengthened as BLM moves towards finalizing it:

- ▶ **Eliminate the leak detection and repair exemption.** The proposed language does not require operators with fewer than 500 wells per field office to use the most up-to-date methods when conducting an inspection. This will allow smaller operators to use outdated and imprecise methods for LDAR. Increase the frequency of required leak inspections to quarterly for all wells and eliminate ability for skip-monitoring.
- ▶ **Ensure proper enforcement.** BLM needs to ensure adequate funding and staffing to carry out implementation and enforcement. Also, the waste minimization plans are important, but they are currently unenforceable.
- ▶ **Remove flaring and venting exemptions.** The current language allows operators of existing leases to flare in excess of the applicable limits if compliance costs will cause the operator to cease production and abandon significant oil reserves. Additionally, a renewable 2-year exemption is granted for existing leases located a significant distance from gas processing facilities and flaring at a rate well above the limit. This exemption should be eliminated, and BLM should define "significant oil reserves."
- ▶ **Extend leak prevention standards to all equipment.** The proposal has strong standards for some equipment, but not all. Extending these standards to intermittent bleed controller equipment would have significant air and waste benefits.
- ▶ **Ensure transparency.** BLM needs to require the submission reports detailing the amount of waste that is happening. Those reports need to be made publicly available. This will increase the agency's transparency, helping to build trust with the public. It will also help hold operators accountable and encourage compliance.