

WHAT THEY ARE SAYING THE BLM METHANE RULE

BLM's Methane and Waste Prevention rule, also called the venting and flaring rule, finalized by the Obama Interior Department late last year is redundant, technically flawed and unnecessary.



The rule could stifle innovations that have led to increased use of cleaner-burning natural gas – the main reason U.S. energy-related carbon emissions have fallen to levels not seen since the early 1990s. The rule's requirements could impede U.S. energy production by shutting in a significant number of wells on federal lands, potentially reducing the availability of affordable domestic energy to American consumers and decreasing revenues to the U.S. Treasury. In combination with other regulations added by the Obama Administration over the past couple of years, the BLM's methane rule is unnecessary and duplicative of EPA and state regulatory programs already in place. Many of the western states, which will be most impacted, weighed in with the BLM to express their concerns:



State of Utah (Public Lands Policy Coordinating Office)

"One of the State's primary concerns is that BLM is seeking a national one-size-fits-all solution to a gas flaring problem that is occurring in a few states... the economic cost-benefit analysis prepared by BLM fails to consider Utah's distinctive circumstances..."

"Utah is already recognized as having strict limits for gas venting and flaring... thus, State experts are capable of addressing venting and flaring and leak detection and repair requirements without expanded federal rulemaking by BLM..."

"The State questions the need to implement sweeping national rules that will increase operating costs for Utah's oil and gas industry and other states while achieving minimal results..."

"[T]he proposed rule gives BLM authority without accountability and lacks proper cooperation with existing state regulatory agencies. Therefore, the State recommends that BLM reconsider moving forward with the proposed rule and allow the EPA to address air pollution and emissions."



State of New Mexico (Commissioner of Public Lands)

"[T]he BLM again seeks to infringe upon the authority of the New Mexico State Lands Office (NMSLO) and insert itself into the permitting and regulatory process in ways detrimental to the NMSLO"

"While the state is capable of processing applications for permission to drill very expediently, the BLM timeframe for doing so is incredibly inefficient and would become even more so under the pressures of the increased regulatory burden outlined by the proposed rule."

"[T]he fact that BLM did not conduct a federalism assessment would strongly indicate that the agency is aware of such potential for intrusion into the affairs of the states that the proposed rule presents and has chosen to not to [sic] undertake a federalism assessment, so as not to highlight this obvious shortfall in the proposed rule."

"[T]he NMSLO is convinced that this proposed rule would actually have the opposite effect regarding royalties than that stated by the BLM and would result in substantial royalty losses."

"The BLM's proposal to increase regulatory authority and infringe on the ability of the NMSLO to efficiently administer its own assets would cause direct harm to the school children of New Mexico and will lead to negative environmental impacts on state trust lands at a time when the trust is already vulnerable due to a severe and prolonged downturn in the hydrocarbon market."



State of Montana (Montana Board of Oil and Gas Conservation)

"Increased regulatory requirements and costs due to the presence of federal mineral interests will directly impact private and state lands within units and CA' s, as well as lands located in proximity to federal minerals. Exploration programs may be designed to avoid federal minerals, impacting not only federal interests but also any excluded private or state interests."

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State of Montana (Montana Board of Oil and Gas Conservation)

“Montana statutes require efficient and orderly development of oil and gas resources. Orderly development also allows consideration and minimization of the environmental impacts from oil and gas resource extraction. Regulations that favor or hinder development based upon mineral ownership are not conducive to orderly development.”

“The inclusion of wells under state jurisdiction and requiring that variances be approved by the State Director establishes a conflict between state and federal regulations and cedes state authority on lands with private and state minerals, which could be the majority interest with the CA or unit.”



Western Governor's Association Comments Signed by Gov. Mead (Chair) and Gov. Bullock (Vice-Chair)

“Regulation of methane emissions from the oil and gas sector must be adapted to local conditions and circumstances. States already have the dual responsibilities to manage programs to protect air quality and to regulate oil and gas operations.”



“BLM's failure to afford states an opportunity for administrative appeal through regular channels raises equity concerns. Barring states from exercising the same right for administrative appeal as other parties operating under BLM rules and regulations creates questions about the agency's intention to work collaboratively with states in meeting air quality and land management objectives.”



New Mexico Governor Susana Martinez

“New Mexico's prolific production on federal lands combined with our dependence on the revenue generated from the oil and gas industry make this issue critical to our state. We have the highest percentage of federal lease acres in production, and oil and gas revenue is the single largest source of funding for New Mexico's budget. Absent a repeal, funding for New Mexico's schools, roads and healthcare will be dramatically reduced on account of the reduction in revenue generated by the oil and gas industry.”

“Rather than allowing this misguided rule to move forward, I urge you to repeal the rule and work with the Department of Interior to address the infrastructure challenges currently causing venting and flaring events to occur. Insufficient pipeline capacity and gas processing capacity make it difficult for producers to capture and sell as much of their product as possible. **The Department of Interior can correct the root causes of venting and flaring events by approving pipeline right-of-ways more efficiently, which will increase pipeline capacity.**”



Western Energy Alliance, Colorado Oil & Gas Association, and the Colorado Petroleum Council

“The Western Energy Alliance, Colorado Oil & Gas Association, and the Colorado Petroleum Council strongly support use of the Congressional Review Act to roll back this clear overreach of federal authority.

“The BLM methane rule will have damaging consequences not only for our industry, but for rural communities across the West. **BLM claims its new rule will increase federal royalties on otherwise “wasted” natural gas production, which it values at \$17 million annually. However, an economic analysis by John Dunham & Associates estimates the BLM rule would capture less than \$4 million in new royalties but at a staggering cost of \$1.26 billion. The analysis concludes that impacts will be felt across the West through \$997,199,000 of dollars in lost output, wages, royalties, and \$114,112,000 in lost tax receipts by local, state, and federal government.**”