

# BLM'S METHANE RULE: REDUCING WASTED ENERGY, PROTECTING WILDLIFE



On February 8, 2016, the Bureau of Land Management (BLM) proposed new regulations<sup>1</sup> to reduce methane waste from venting, flaring, and leaks during oil and natural gas production activities on public and tribal lands. The regulations would also give BLM authority to raise royalty rates on future leases, and clarifies when flared gas is subject to royalties.

## THE RISK AND LOST OPPORTUNITY OF METHANE POLLUTION

- Methane is a greenhouse gas that has 28-36 times the atmospheric warming capacity of carbon dioxide over a 100 year period and 84-87 times the climate-changing potential over the first two decades.<sup>2</sup>
- Methane is the second most prevalent greenhouse gas released in the U.S. after carbon dioxide, and the oil and gas industry is responsible for 29% percent of emissions.<sup>3</sup>
- Methane emissions from all sources are responsible for about a quarter of the human-caused global warming we are experiencing today.<sup>4</sup>
- Methane is a super-pollutant that fuels climate change, which is one of the greatest threats to wildlife because of its potential to alter ecosystems, food resources, and behavioral functions.
- There are tens of thousands of oil and gas wells and associated infrastructure on federal and tribal lands, fragmenting wildlife habitat for species like the pronghorn.



Photo by Simon Fraser University



Photo from BLM New Mexico

- Wildlife are already feeling the impacts of climate change in the form of drought and extreme weather events. Wasted methane only exacerbates the threat of climate change.
- Oil and gas infrastructure (including ancillary roads and pipelines) creates migration barriers for wildlife like pronghorn and mule deer as they try to adapt to a changing climate.
- Methane emissions on federal and tribal lands account for 4% of total methane emissions, but to put this percentage in perspective, this loss could have powered over 5 million U.S. homes.<sup>5</sup>

## CURRENT STATUS OF METHANE STANDARDS IN THE U.S.

- Today, there is no limit on how much gas can be flared at production wells.
- The US is the largest natural gas producer in the world and methane emissions are projected to increase dramatically without updated regulations, due to increased oil and gas production.
- 80% of westerners support regulations that require oil and gas producers who operate on national public lands to use updated equipment and technology to prevent leaks and reduce flaring.<sup>6</sup>

## ECONOMIC IMPACTS

- EPA and GAO analyses suggest that around 40% of natural gas vented and flared on federal lands could be captured cost-effectively with current technologies.<sup>7</sup>
- Royalty revenue from lost natural gas—normally spent on western rural and tribal infrastructure like roads and schools—totaled \$23-27 million in 2013.<sup>8</sup>
- BLM estimates that the rule's revenue and environmental benefits could total between \$115-188 million per year, and avoid an estimated 164,000-169,000 tons of methane emissions annually (equivalent to greenhouse gas emissions from 860,000-890,000 vehicles).<sup>9</sup>

## PROPOSAL OVERVIEW

- The BLM proposal would respond to the methane pollution problem by:
  - Requiring more frequent well inspections;
  - Prohibiting venting of gas except in certain circumstances, and limiting gas flaring during normal production operations from development oil wells (limits would phase in over a three year period); and
  - Limit methane from other activities and equipment such as well drilling, pneumatic controllers and pumps, storage tanks, and leak detection and repair (LDAR).
- Also, the rule would give BLM discretion to raise royalty rates on new leases.

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<sup>1</sup> BLM, "Waste Prevention, Production Subject to Royalties, and Resource Conservation," proposed rule, [http://www.blm.gov/style/medialib/blm/wo/Communications\\_Directorate/public\\_affairs/news\\_release\\_attachments.Par.15043.File.dat/VF%20Proposed%20Rule%20Waste%20Prevention.pdf](http://www.blm.gov/style/medialib/blm/wo/Communications_Directorate/public_affairs/news_release_attachments.Par.15043.File.dat/VF%20Proposed%20Rule%20Waste%20Prevention.pdf). BLM fact sheet at: [http://www.blm.gov/style/medialib/blm/wo/Communications\\_Directorate/public\\_affairs/news\\_release\\_attachments.Par.74451.File.dat/VF\\_Fact\\_Sheet.pdf](http://www.blm.gov/style/medialib/blm/wo/Communications_Directorate/public_affairs/news_release_attachments.Par.74451.File.dat/VF_Fact_Sheet.pdf).

<sup>2</sup> Environmental Protection Agency (EPA), "Understanding Global Warming Potentials," <https://www3.epa.gov/climatechange/ghgemissions/gwps.html>.

<sup>3</sup> EPA. "Overview of Greenhouse Gases," <https://www3.epa.gov/climatechange/ghgemissions/gases/ch4.html>.

<sup>4</sup> Environmental Defense Fund calculations based on Intergovernmental Panel on Climate Change AR5 WGI Chapter 8, <https://www.edf.org/methane-other-important-greenhouse-gas>.

<sup>5</sup> Environmental Defense Fund 2016. Rising Risk: Improving Methane Disclosure in the Oil and Gas Industry: [https://www.edf.org/sites/default/files/content/rising\\_risk\\_full\\_report.pdf](https://www.edf.org/sites/default/files/content/rising_risk_full_report.pdf)

<sup>6</sup> *Ibid.*

<sup>7</sup> GAO 2010, *Opportunities Exist to Capture Vented and Flared Natural Gas, Which Would Increase Royalty Payments and Reduce Greenhouse Gases*.

<sup>8</sup> GAO *Ibid.*; and ICF International 2015. Onshore Petroleum and Natural Gas Operations on Federal and Tribal Lands in the United States: [https://www.edf.org/sites/default/files/content/federal\\_and\\_tribal\\_land\\_analysis\\_presentation\\_091615.pdf](https://www.edf.org/sites/default/files/content/federal_and_tribal_land_analysis_presentation_091615.pdf).

<sup>9</sup> BLM fact sheet, [http://www.blm.gov/style/medialib/blm/wo/Communications\\_Directorate/public\\_affairs/news\\_release\\_attachments.Par.74451.File.dat/VF\\_Fact\\_Sheet.pdf](http://www.blm.gov/style/medialib/blm/wo/Communications_Directorate/public_affairs/news_release_attachments.Par.74451.File.dat/VF_Fact_Sheet.pdf).