



CENTER FOR METHANE
EMISSIONS SOLUTIONS

February 2, 2017

Using the CRA to Stop the BLM Methane Rule Hurts Taxpayers and Small Business

Dear Member of Congress,

Taxpayers for Common Sense and the Center for Methane Emissions Solutions **urges you to oppose efforts to repeal the Methane Waste Prevention Rule under the Congressional Review Act (CRA)**. While you may have concerns with the rule itself, using the CRA will undermine efforts to address the problem, deny oil and gas producers access to more effective and affordable solutions to the problem, and cost taxpayers millions of dollars in lost revenue.

The ability of this or any future Administration to craft any solution to the well-documented problem of lost gas from BLM-administered leases will be severely limited if the methane waste rule is repealed through the CRA. It will also kill an emerging domestic market for the American methane mitigation industry that is creating new jobs today, has great export potential to meet fast-growing global demand, and is developing even more effective, lower-cost innovations for oil and gas producers to monetize previously wasted methane.

The problem of lost gas from federal lands is getting worse, not better. The total amount of natural gas flared from BLM-administered leases doubled from 2009 to 2013. Lost gas in 2014 alone had a sales value of \$444 million and a royalty value of \$56 million. Between 2009 and 2015, federal and Indian onshore wells vented or flared enough gas to serve more than six million households for a year.

Much of this gas could be captured. In 2010, the Government Accountability Office (GAO) found that around 40 percent of natural gas being vented and flared from onshore federal leases could have been economically captured with the use of control technologies already available. Today there are 72 companies that produce and service methane mitigation technologies headquartered in the United States, with 572 different facilities in 46 states.

We also know that the BLM methane waste rule can work for the oil and gas industry. The rule is based in large part on the stricter comprehensive methane rule adopted by Colorado three years ago – Regulation 7. That rule has been remarkably successful in reducing methane waste. It has been implemented without lawsuits, calls for repeal, or objection from gas producers. Moreover, one study showed that oil and gas industry players believe the rule's benefits – reduced waste, new revenue from the sale of captured methane, better worker safety, and increased operations efficiency -- outweighed its costs. And it has helped create new high-paying, blue-collar maintenance jobs in the oil and gas industry.

Using the blunt one-size-fits-all CRA would foreclose any amendments to the BLM rule that could make it even more effective for the oil and gas industry, and would prohibit similar rules to limit waste and collect royalties in the future. This would significantly hamper efforts to capture wasted methane for sale in the market, to set new limits on venting and flaring, and to clarify both when

lost gas is subject to royalties and when extracted oil and gas may be used royalty-free. Using the CRA would also prohibit new guidance on the disclosure of amounts of lost gas, how to measure or estimate lost gas, how to coordinate with state regulatory authorities, and how leak detection and repair technologies can be utilized.

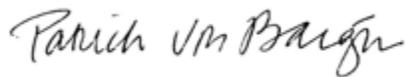
It should certainly be within the power of the Trump Administration and Secretary of the Interior Ryan Zinke to revise BLM's methane rule as they see fit, and tying their hands for years to come is not the way forward. Wasted gas costs consumers and taxpayers, and stripping options to limit waste down the road is foolhardy.

Vote no on H.J.Res.36.

Sincerely,

A handwritten signature in black ink that reads "A. Ryan Alexander". The signature is written in a cursive, slightly slanted style.

Ryan Alexander
President
Taxpayers for Common Sense

A handwritten signature in black ink that reads "Patrick Von Barga". The signature is written in a cursive, slightly slanted style.

Patrick Von Barga
Executive Director
Center for Methane Emissions Solutions