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Bureau of Land Management
Department of the Interior

Attention: Docket ID No. BLM-2025-0268-0001

Comments of Taxpayers for Common Sense on the Direct Final Rule “Waste Prevention, Production Subject to Royalties, and Resource Conservation; Extension of Phase-In Requirements”

Dear Administrator:

Taxpayers for Common Sense (TCS) appreciates the opportunity to comment on the Bureau of Land Management’s (BLM) direct final rule extending compliance deadlines under the “Waste Prevention, Production Subject to Royalties, and Resource Conservation” rule. Since 1995, TCS has served as a nonpartisan budget watchdog dedicated to ensuring that federal resources are managed responsibly and that taxpayers receive a fair return on public assets.

Every cubic foot of natural gas flared, vented, or leaked during oil and gas operations on federal lands wastes taxpayer owned resources, denies consumers access to a valuable energy source, deprives taxpayers of federal royalty revenues, and creates public health and safety risks.

In this direct final rule, BLM extends key compliance deadlines for provisions of the 2024 “Waste Prevention, Production Subject to Royalties, and Resource Conservation” rule (2024 waste rule) related to flare monitors and leak detection and repair programs. The agency characterizes these extensions as purely administrative changes necessary to “provide operators with relief” while it pursues more significant changes in a “separate but related proposed rulemaking in the coming months.”

TCS strongly opposes this direct final rule because it is neither noncontroversial nor a mere administrative change. BLM provides no evidence demonstrating operators’ need for “relief” and does not explain how these extensions can be considered administrative when they carry significant fiscal, economic, and public health impacts. The agency also offers no analysis of foregone royalties or lost benefits from delaying compliance, even though those benefits were quantified in the 2024 waste rule. Delaying elements of the 2024 waste rule will impose costs on taxpayers, consumers, and local communities. This rule is therefore inappropriate for direct final rulemaking and will result in reduced royalty revenues, less natural gas reaching the market, and increased adverse impacts on nearby communities.

I. Urgency for the 2024 Waste Prevention, Production Subject to Royalties, and Resource Conservation Rule

BLM is responsible for managing more than 245 million acres of land and 700 million acres of subsurface mineral estate. The Mineral Leasing Act of 1920 (MLA) stipulates that, as a condition of leasing federal land for oil and gas development, a developer must “use all reasonable precautions to prevent waste of oil or gas developed in the land.”¹ If waste occurs, the Federal Oil and Gas Royalty Management Act (FOGRMA) provides that the operator is liable for, “royalty payments on oil or gas lost or wasted from a lease site when such loss or waste is due to negligence on the part of the operator of the lease, or due to the failure to comply with any rule or regulation, order or citation issued under this Act or any mineral leasing law.”²

BLM’s prior rules governing venting and flaring—Notice to Lessees and Operators of Onshore Federal and Indian Oil and Gas Leases: Royalty or Compensation for Oil and Gas Lost (NTL-4A)—failed for decades to prevent undue waste of natural gas on federal lands and cost taxpayers billions of dollars in forgone revenue. Issued more than 40 years ago, NTL-4A proved outdated and insufficient to address the scale of flaring associated with the rapid expansion of hydraulic fracturing and horizontal drilling in recent decades. Technological and operational advances that reduce gas losses from storage tanks, pneumatic controllers, and equipment leaks have also progressed substantially since NTL-4A was first issued.

BLM’s 2024 waste rule represented an important step forward in addressing this long-standing problem by:

- Requiring operators to use all reasonable precautions to prevent waste of oil or gas from federal leases and to report how they will do so.
- Limiting the amount of gas that may be deemed “unavoidably lost” before royalties are assessed.
- Requiring operators to develop and implement leak detection and repair (LDAR) programs.
- Requiring operators to report all vented and flared volumes, whether avoidable or unavoidable, and maintain detailed records.

The rule reflected years of public input and rested on a record demonstrating both the scale of methane waste and the availability of cost-effective solutions. By finalizing these standards, BLM sought to ensure that operators take responsibility for preventing waste of publicly owned resources and that taxpayers receive the royalties owed to them.

BLM now proposes to delay two important compliance deadlines by one year, from December 10, 2025, to December 10, 2026:

- Flare Monitors: Requires operators to install measurement devices and sampling equipment for flares with flows between 1,050 mcf/month and 6,000 mcf/month.
- Leak Detection and Repair: Requires operators to submit plans for an LDAR program, although the obligation to repair leaks would remain in effect.

Implementing this direct final rule would undermine BLM's statutory obligation to "use all reasonable precautions to prevent waste of oil or gas developed in the land." Continued waste of valuable, taxpayer-owned resources cannot reasonably be considered noncontroversial or administrative in nature. BLM should not proceed with these delays.

II. Taxpayer Costs of Methane Waste

Through reports and federal comments, TCS has consistently raised concerns about methane waste on federal lands and its implications for taxpayers. TCS has published research and educational materials on venting and flaring from BLM-managed leases in support of stronger standards to limit lost gas and more consistently assess royalties. Most recently, TCS published *Gas Giveaways II: Methane Waste on Federal Lands is Business as Usual*³ and commissioned a report with Environmental Defense Fund quantifying natural gas waste on U.S. public and Tribal lands.⁴

Methane waste from oil and gas operations remains a persistent and costly problem. TCS estimates that from FY2012 to FY2021, operators reported venting, flaring, or otherwise losing 300 billion cubic feet (bcf) of natural gas from federal leases, with an estimated market value of \$949 million.⁵ Much of this gas was lost without incurring royalties, costing taxpayers at least \$76 million in potential revenue over that period. Actual losses are likely higher, as reported volumes are self-reported and often unverified. BLM estimated that the 2024 waste rule would generate \$51 million in additional royalty revenue annually from gas flared above royalty-free thresholds.⁶

Importantly, this waste is largely preventable. As early as 2010, the Government Accountability Office (GAO) concluded that approximately 40 percent of vented and flared natural gas on federal onshore leases could be economically captured using available technologies.⁷ Gas capture technology continues to evolve and mature, broadening its applicability and reducing costs. Taxpayers have already helped finance these solutions. Congress appropriated \$800 million through FY2028 to provide financial and technical assistance for methane reduction across petroleum and natural gas systems, along with an additional \$700 million targeted at marginal conventional wells.⁸ The Department of Energy has also supported methane mitigation research.

Beyond fiscal losses, methane waste creates broader liabilities through climate-driven extreme weather, public health impacts, and safety risks for nearby communities. These diffuse but real costs are borne by taxpayers through disaster recovery assistance, health care spending, and damage to infrastructure and property. BLM estimated that the 2024 waste rule would generate \$17.9 million per year in societal benefits from reduced greenhouse gas emissions.⁹

The direct final rule fails to recognize the significant fiscal and public health impacts of methane waste and provides no quantification of the costs as a result of this rule. These are not administrative changes but changes that carry significant costs and measurable liabilities for taxpayers and nearby communities. BLM should withdraw this direct final rule.

III. Importance of Maintaining Current Deadlines for Flare Monitors

BLM has a responsibility to reduce methane waste on federal and Tribal lands and to ensure accurate royalty payments for publicly owned resources. Delaying requirements that improve the monitoring and reporting of flared gas forces BLM to rely on operator estimates when calculating royalties, leaving greater room for fraud and abuse.

Under NTL-4A, operators had little incentive to accurately estimate volumes of lost gas and little oversight by BLM. Satellite data on flaring consistently show that actual volumes lost are significantly higher than reported figures. For example, in 2015, operators reported flaring 28.9 bcf of natural gas to the State of New Mexico.¹⁰ Satellite data, however, indicate that 42.4 bcf were actually flared that year—about 46% more than reported.¹¹ Similarly, BLM estimated that in 2019, operators lost 152 bcf of gas through flaring on BLM-administered leases, units, and communitized areas.¹² By contrast, a Synapse report estimated that 87.5 bcf of natural gas was flared from federal and Tribal lands in 2019, just 58% of BLM’s estimate. These discrepancies suggests either substantial underreporting by federal lessees or acknowledged gaps in reported volumes.

Government data on lost gas are also internally inconsistent. Using Environmental Protection Agency data, GAO estimated that 126 bcf of gas were vented or flared on federal land in 2008.¹³ Data collected by the Office of Natural Resources Revenue for that same year indicate losses of just 15 bcf, roughly 12% of GAO’s estimate.¹⁴

Accurate and transparent flaring data are essential to ensuring that natural gas is not unnecessarily wasted and that royalties are properly assessed. As BLM acknowledged in its 2024 waste rule, "industry underestimates the amount of methane lost from flares."¹⁵ Extending these requirements for another year risks millions of dollars in foregone royalty revenue for taxpayers.

IV. Importance of Maintaining Current Deadlines for Leak Detection and Repair

The Leak Detection and Repair (LDAR) requirement is critical to ensuring that accidental leaks are identified and addressed promptly. Prior to 2024, operators were not required to routinely check for leaks, even though fugitive emissions are common across oil and gas operations. An EDF-TCS commissioned report by Synapse Energy Economics¹⁶ found that in 2019, leaks accounted for 75 bcf, or 46% of all lost gas on public lands.

Rapid response to large-scale leaks is essential for protecting communities and taxpayers. Research consistently shows that a small number of “super-emitter” events, the top 5% of sources, account for about half of methane emissions.¹⁷ These episodic events often occur in remote locations and can be missed without regular inspection. Requiring LDAR programs to systematically inspect equipment and promptly repair identified problems is therefore central to reducing methane waste on federal lands.

V. Conclusion

Thank you for the opportunity to comment on this direct final rule. The outdated regulatory framework that governed oil and gas development for more than four decades cost taxpayers

billions of dollars in lost revenue, kept valuable natural gas from reaching the market, and increased climate-related liabilities. The 2024 waste rule represented a meaningful correction to that system. This direct final rule is neither noncontroversial nor administrative in nature and would shift additional costs and risks onto taxpayers and local communities by prolonging waste of publicly owned resources. For these reasons, TCS recommends that BLM withdraw the direct final rule and not proceed with the proposed delays.

Sincerely,
Taxpayers for Common Sense

¹ 30 U.S.C. 225

² 30 U.S.C. 1756

³ Taxpayers for Common Sense (TCS), “Gas Giveaways II: Methane Waste on Federal Lands is Business as Usual,” August 30, 2022. <https://www.taxpayer.net/energy-natural-resources/gas-giveaways-ii-methane-waste-on-federal-lands-is-business-as-usual/>

⁴ Olivia Griot, Lucy Metz, Ellen Carlson, Jackie Litynski, and Asa Hopkins, Synapse Energy Economics, “Onshore Oil and Natural Gas Operations on Federal and Tribal Lands in the United States,” January 23, 2023. https://www.taxpayer.net/wp-content/uploads/2023/01/EDF-TCS_Public_Lands_Analysis.pdf

⁵ TCS, “Gas Giveaways II: Methane Waste on Federal Lands is Business as Usual,” August 30, 2022. <https://www.taxpayer.net/energy-natural-resources/gas-giveaways-ii-methane-waste-on-federal-lands-is-business-as-usual/>

⁶ Bureau of Land Management (BLM), “Waste Prevention, Production Subject to Royalties, and Resource Conservation,” Final Rule, April 10, 2024. <https://www.federalregister.gov/d/2024-06827/p-74>

⁷ U.S. Government Accountability Office (GAO), “Federal Oil and Gas Leases: Opportunities Exist to Capture Vented and Flared Natural Gas, Which Would Increase Royalty Payments and Reduce Greenhouse Gases,” GAO-11-34, October 2010. <https://www.gao.gov/products/gao-11-34>

⁸ While Congress later rescinded unspent funds, the Congressional Budget Office (CBO) reports that most of the funds have already been obligated. According to the CBO, the recession will save \$150 million in reduced outlays, implying that roughly \$1.4 billion in funding has already been spent or is otherwise unavailable to be rescinded. Source: CBO, “Estimated Budgetary Effects of Public Law 119-21, to Provide for Reconciliation Pursuant to Title II of H. Con. Res. 14, Relative to CBO’s January 2025 Baseline,” July 21, 2025. <https://www.cbo.gov/publication/61570>

⁹ BLM, “Waste Prevention, Production Subject to Royalties, and Resource Conservation,” Final Rule, April 10, 2024. <https://www.federalregister.gov/d/2024-06827/p-75>

¹⁰ OGOR-B data largely agree with the data the State of New Mexico collects from operators. EMNRD, C-115 volumes, flaring only.

¹¹ VIIRS Nightfire data, collected by the Earth Observation Group (EOG) at the Colorado School of Mines, reported by SkyTruth. Source: Dan Cogswell, “New SkyTruth Alerts layer helps pollution trackers quantify flaring trends,” January 25, 2022. <https://skytruth.org/2022/01/monthly-methane-flaring-summary-data-now-available-in-alerts/>

¹² BLM, “Regulatory Impact Analysis for: Revisions to 43 CFR 3160 (Onshore Oil and Gas Operations) Addition of 43 CFR 3179 (Waste Prevention and Resource Conservation),” November 2022 <https://downloads.regulations.gov/BLM-2022-0003-0002/content.pdf>

¹³ GAO, “Opportunities Exist to Capture Vented and Flared Natural Gas, Which Would Increase Royalty Payments and Reduce Greenhouse Gases,” GAO-11-34, Oct 29, 2010. <https://www.gao.gov/products/gao-11-34>

¹⁴ TCS, “Gas Giveaways II: Methane Waste on Federal Lands is Business as Usual,” August 30, 2022. <https://www.taxpayer.net/energy-natural-resources/gas-giveaways-ii-methane-waste-on-federal-lands-is-business-as-usual/>

¹⁵ BLM, “Waste Prevention, Production Subject to Royalties, and Resource Conservation,” Final Rule, April 10, 2024. <https://www.federalregister.gov/d/2024-06827/p-463>

¹⁶ Olivia Griot, Lucy Metz, Ellen Carlson, Jackie Litynski, and Asa Hopkins, Synapse Energy Economics, “Onshore Oil and Natural Gas Operations on Federal and Tribal Lands in the United States,” January 23, 2023. https://www.taxpayer.net/wp-content/uploads/2023/01/EDF-TCS_Public_Lands_Analysis.pdf

¹⁷ Environmental Protection Agency, “Standards of Performance for New, Reconstructed, and Modified Sources and Emissions Guidelines for Existing Sources: Oil and Natural Gas Sector Climate Review,” November 2021. <https://www.federalregister.gov/documents/2021/11/15/2021-24202/standards-of-performance-for-new-reconstructed-and-modified-sources-and-emissions-guidelines-for>