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Bureau of Land Management
Department of the Interior
Attention: RIN 1004-AF33
Docket ID: BLM-2025-0235

Comments of Taxpayers for Common Sense on the Proposed Rule "Royalty for Oil and Gas Lost From Onshore Federal and Indian Leases"

Taxpayers for Common Sense (TCS) appreciates the opportunity to comment on the Bureau of Land Management's (BLM) proposed rule regarding royalties charged on oil and gas lost from onshore federal and Indian leases. TCS is an independent, nonpartisan budget watchdog that has been working on behalf of the nation's taxpayers since 1995. Over our 30-year history, TCS has advocated for responsible natural resource management of federal lands and waters to ensure taxpayers receive a fair return for the resources we own and do not shoulder the costs and liabilities of industry operations.

Introduction

In reports and federal comments, TCS has repeatedly 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 and supported stricter standards for operators that would limit lost gas and more consistently impose royalties on vented and flared gas. This work includes research and reporting that informed and supported key components of the "Waste Prevention, Production Subject to Royalties, and Resource Conservation" rule published in 2024 (2024 rule, 89 FR 25378).

The 2024 rule took important steps to curtail the loss and waste of a valuable natural resource owned by federal taxpayers and closed loopholes that have historically allowed oil and gas operators to vent and flare publicly owned natural gas largely royalty-free. The proposed rule would rescind important provisions of the 2024 rule and dismantle a modernized framework for responsible management of taxpayer-owned resources.

Therefore, TCS strongly opposes the proposed rule and urges BLM to preserve key components of the 2024 rule to reduce this chronic waste of a valuable natural resource. Specifically, the BLM should:

- Preserve Waste Minimization Plans (WMPs), which require operators to demonstrate their capacity to capture and sell 100 percent of produced gas or face permit delays.
- Maintain definitions for royalty-free "unavoidably lost" gas that narrowly define what constitutes an unavoidably loss and specify the operational circumstances under which a loss qualifies as unavoidable.
- Maintain the volumetric and time thresholds for royalty-free flaring as specified in the 2024 rule and limit emergency royalty-free flaring to no more than 48 hours.

- Prohibit routine venting and flaring, including venting and flaring due to pipeline capacity constraints.
- Sustain the Leak Detection and Repair (LDAR) program, which requires regular inspection of equipment and prompt maintenance when leaks are detected.

Background

BLM is responsible for managing more than 245 million acres of land and 700 million acres of subsurface mineral estate.[1] BLM has considerable authority to issue rules to responsibly manage oil and gas activities on federal and Tribal lands. The statutes that provide that authority, delegated to BLM by the Secretary of the Interior, not only allow BLM to issue regulations to prevent the waste of public natural resources, they require it. 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."[2] And 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."[3]

Before the 2024 rule, BLM's rules governing venting and flaring were established by the *Notice to Lessees and Operators of Onshore Federal and Indian Oil and Gas Leases: Royalty or Compensation for Oil and Gas Lost* (NTL-4A). NTL-4A was issued more than 40 years ago and has proven outdated and insufficient to address the large volume of flaring associated with the rapid development of hydraulic fracturing and horizontal drilling in the recent decades. Moreover, technological and operational advances that can reduce losses of gas from oil storage tanks, pneumatic controllers, and equipment leaks have developed considerably since NTL-4A was first issued.

NTL-4A has long failed to prevent the undue waste of natural gas on federal and Tribal lands, costing taxpayers hundreds of millions of dollars in forgone revenue. The inadequacy of NTL-4A is well documented. Evidence of unauthorized venting and flaring appeared in the public record as early as 1990.[4] The problem has only gotten worse. In a 2004 report, the Government Accountability Office (GAO) found that BLM's oversight and accounting of venting and flaring was still inadequate, writing: "…although flaring and venting are generally not authorized, no oversight mechanism currently exists for routinely monitoring the amount of flaring and venting that actually takes place."[5] As a result, BLM and other agencies responsible for overseeing oil and gas development on

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[1] Bureau of Land Management (BLM), "What We Manage Nationally," accessed August 19, 2026, https://www.blm.gov/about/what-we-manage/national.
[2] 30 U.S.C. 225
[3] 30 U.S.C. 1756
[4] Government Accountability Office (GAO), "Mineral Revenues: Shortcomings in Onshore Federal Oil and Gas Production Verification," RCED-90-99, June 26, 1990. https://www.gao.gov/products/rced-90-99
[5] GAO, "Natural Gas Flaring and Venting: Opportunities to Improve Data and Reduce Emissions," GAO-04-809, July 14, 2004, https://www.gao.gov/products/gao-04-809.

federal lands and waters could not always be assured that companies were appropriately restricting their flaring and venting.

Between 2004 and 2010, additional studies concluded that the systems for verifying the volume and energy content of federal natural gas production reported by operators were insufficient.[6] In 2010, the GAO estimated that 126 billion cubic feet (bcf) of natural gas was vented or flared from onshore federal leases in 2008.[7] The agency also concluded that at least some of those losses were preventable, finding that "… about 40 percent of natural gas estimated to be vented and flared on federal onshore leases could be economically captured with currently available control technologies."[8] The GAO also found significant limitations in the Department of the Interior's (DOI) oversight of the oil and gas program, including regulations that did not address significant sources of lost gas.[9]

NTL-4A sought to distinguish between oil and gas that was "avoidably lost," such as losses due to negligence or improper authorization and therefore subject to royalty, and "unavoidably lost,"[10] such as certain losses due to emergencies, equipment failures, or circumstances where capture was not economic and therefore not subject to royalty. [11] However, NTL-4A lacked clear requirements for determining whether a specific operational circumstance constituted an avoidable or unavoidable loss and relied on subjective agency determinations about the emergencies and economic circumstances that warranted authorized venting and flaring of natural gas.

In 2016, the GAO reported considerable ambiguity regarding what properly constituted royalty-free venting and flaring and, consequently, "substantial variation in how BLM has interpreted and applied the standard"[12] for approval of flaring. The GAO also determined that NTL-4A's ambiguity was compounded by BLM's inconsistent adherence to the protocol established to enforce it. Its audit estimated that 90 percent of the 1,281 venting and flaring requests received by BLM field offices in fiscal year 2014 did not contain the appropriate documentation, yet BLM approved 70 percent of those requests anyway. Due to insufficient guidance regarding recordkeeping for lost gas, the GAO also concluded that DOI "may not have a clear accounting of natural gas emissions, which could limit [its] ability to ensure that lessees pay royalties in the proper amounts and minimize waste of natural gas."[13]

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[6] GAO-2004, DOI-OIG, RPC-2007

[7] 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/assets/a311829.html.

[8] Ibid

[9] Ibid

[10] BLM, "Waste Prevention, Production Subject to Royalties, and Resource Conservation," November 30, 2022, https://www.federalregister.gov/d/2022-25345/p-125.

[11] Ibid.

[12] GAO, "Oil and Gas: Interior Could Do More to Account for and Manage Natural Gas Emissions," GAO-16-607, July 2016, https://www.gao.gov/products/gao-16-607.

[13] Ibid.

BLM sought to address these shortcomings in 2016 by issuing the *Waste Prevention, Production Subject to Royalties, and Resource Conservation Rule* to clarify when royalties should be assessed on lost gas and establish objective standards to help reduce waste. In 2018, BLM issued another rule that rescinded much of the 2016 rule. In 2020, separate federal district court decisions vacated both the 2016 rule and the 2018 rescission. As a result, the regulatory framework governing methane waste on federal lands largely returned to NTL-4A.[14]

Section 50263 of the Inflation Reduction Act (IRA, P.L. 117-169) expressly required royalties on all gas extracted from federal lands under new leases, subject to certain exceptions for gas lost during emergency situations, gas used for the benefit of lease operations, and gas that is "unavoidably lost."

Pursuant to the IRA and its existing statutory authority, BLM issued the 2024 *Waste Prevention, Production Subject to Royalties, and Resource Conservation Rule*. The 2024 rule replaced NTL-4A and currently governs federal policies on methane waste on federal lands. The rule implemented important reforms including waste minimization plans intended to ensure operators could capture 100% of the gas they produced, stricter definitions of what constituted an "unavoidable" loss, volumetric thresholds for royalty-free flaring, and Leak Detection and Repair (LDAR) programs.[15]

Section 50103 of the One Big Beautiful Bill Act (OBBBA, P.L. 119-21) repealed Section 50263 of the IRA, which had provided part of the statutory authority for the 2024 rulemaking. However, even without the IRA's *express* requirement to assess royalties on all gas produced under new federal leases, including gas consumed or lost through venting, flaring, or negligent releases, subject to certain exceptions, BLM still must fulfill its statutory obligations under the MLA and FOGRMA to prevent waste and assess royalties on oil or gas lost or wasted due to operator negligence or failure to comply with BLM regulations. BLM therefore retains authority to preserve the 2024 rule's objective standards for identifying avoidable loss, preventing waste, and ensuring an appropriate return for publicly owned minerals.

2024 Rule Took Important Steps Towards Reducing Methane Waste

The 2024 rule consists of these main components:

- Prevent Unreasonable Waste: Oil and gas operators "must use all reasonable precautions to prevent the waste of oil or gas" from federal leases. BLM has the authority to impose additional measures in the future to account for technological advances and changes in industry practices.
- Waste Minimization Plan or Self-Certification to Use 100% of Gas: When submitting an application for permit to drill (APD), oil and gas operators must submit a waste minimization

[14] See TCS' analysis on the 2018 rule for more detail: https://taxpayer.net/energy-natural-resources/the-new-interior-methane-rule-breakdown-and-analysis/.

[15] BLM, "Waste Prevention, Production Subject to Royalties, and Resource Conservation," April 10, 2024, https://www.federalregister.gov/d/2024-06827/p-648.

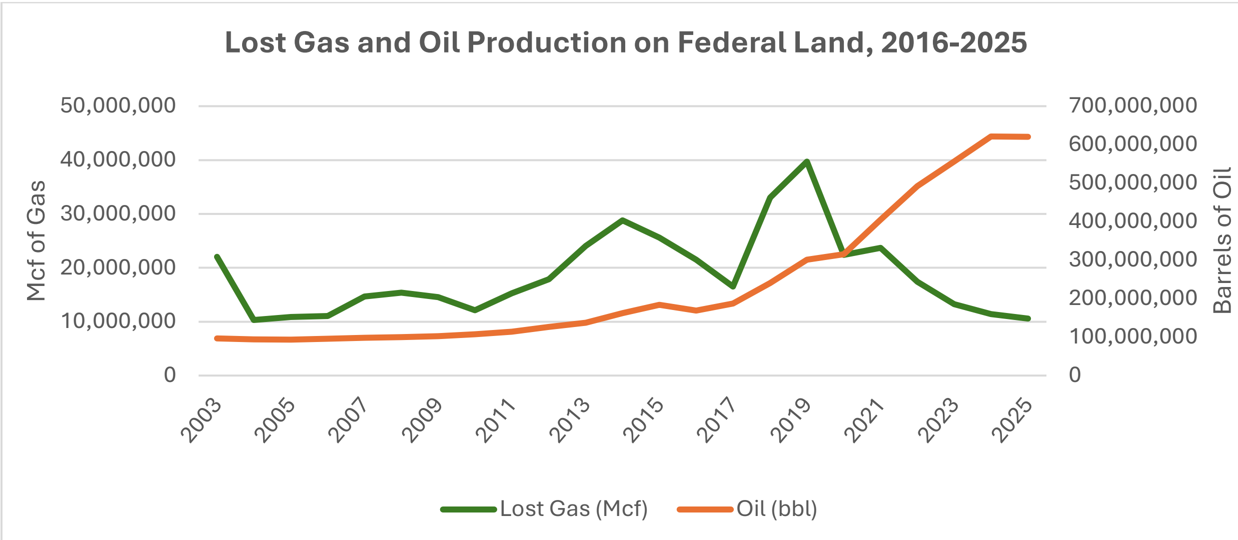
plan (WMP) or a self-certified statement attesting that 100 percent of gas produced during oil well drilling and production process will be captured and sold unless the gas is lost in an emergency – which is different from operators who chose to submit a WMP may qualify for certain exceptions for "unavoidably lost" gas. BLM has the authority to delay or deny the issuance of APDs if BLM determines that the WMPs or self-certification statements are insufficient to prevent waste of publicly owned resources.

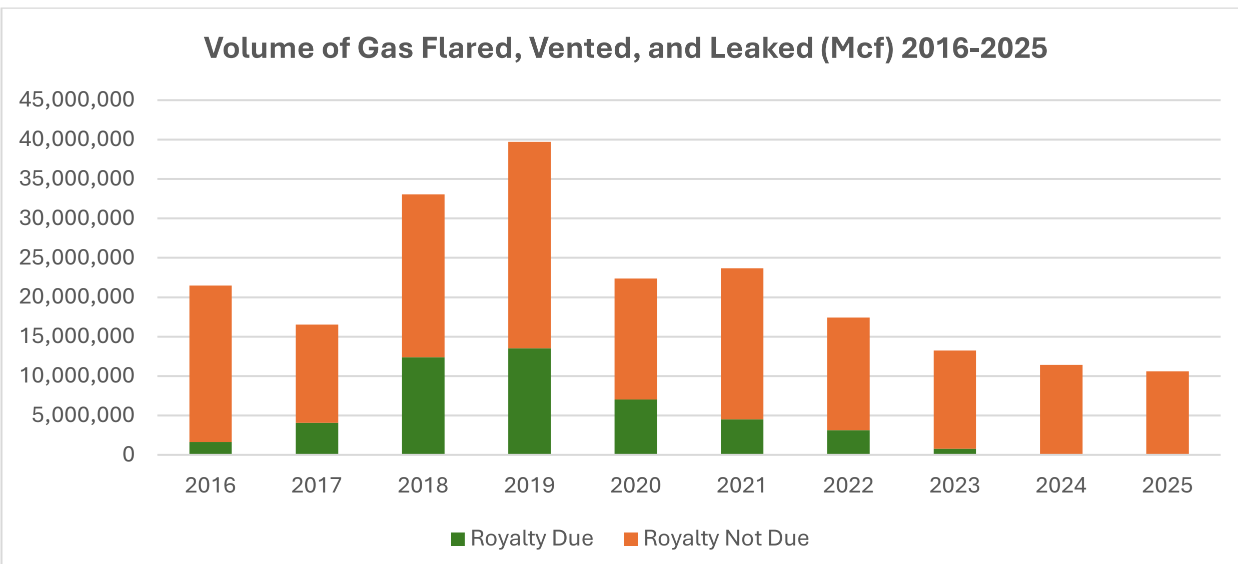
- Determining Royalty-Free "Unavoidably Lost" Gas: Lost oil or gas is deemed "unavoidably lost" when an operator "has taken reasonable steps to avoid waste; the operator has complied fully with applicable laws, lease terms, regulations, provisions of a previously approved operating plan, and other written orders of the BLM; and the loss is within the applicable time or volume limits." The 2024 rule identified several circumstances in which oil and gas operators can demonstrate that they have taken reasonable steps to avoid wasting gas but may still need to flare or vent, including loss of well control while drilling, completion and recompletion, subsequent well testing, emergencies, and facility and pipeline maintenance. Operators may flare gas royalty-free for no longer than 48 hours during an emergency in which the loss of gas is necessary to avoid a risk to human health, safety, or the environment.
- Volumetric Threshold for Certain Royalty-Free Flaring: The 2024 rule replaced the subjective, case-by-case determination of whether gas flaring constitutes an avoidable or unavoidable loss with a volumetric threshold for royalty-free flaring due to pipeline capacity constraints, midstream processing failures, or other circumstances that may prevent produced gas from being transported to market. The flaring threshold starts at 0.08 Mcf per barrel (Mcf/bbl) of oil produced in the first year the rule is in effect, then declines to 0.07 Mcf/bbl in the second year, 0.06 Mcf/bbl in the third year, and 0.05 Mcf/bbl thereafter. BLM states that, based on 2019 production data, this threshold is comparable to the 1,050 Mcf per lease flaring threshold included in the proposed rule.[16]
- Leak Detection and Repair: Oil and gas companies must meet specific requirements to further reduce the waste of oil and gas resources, including development of a "leak detection and repair" program that requires regular inspection of the entire suite of equipment used at a production site and prompt maintenance, repair, or replacement when problems are discovered.
- Reporting and Recordkeeping: Operators must report all vented and flared volumes for both avoidable and unavoidable losses and maintain detailed records of these events, including the date and time, location, reason, and post-flaring status, beginning three months after the effective date of the rule. These records can be used by BLM to conduct audits and investigate operators that report excessive avoidable or unavoidable losses.

The 2024 rule took important steps toward preventing the waste of valuable, taxpayer-owned natural gas and ensuring taxpayers receive a fair return from its production. Monthly data reported

[16] BLM, "Waste Prevention, Production Subject to Royalties, and Resource Conservation," April 10, 2024, https://www.federalregister.gov/d/2024-06827/p-437.

through Oil and Gas Operations Reports Part B (OGOR-B) preliminarily suggests that the 2024 rule has been effective at curtailing routine venting and flaring of methane and better ensuring that taxpayers are compensated fairly and accurately when losses do occur.





TCS analysis of OGOR-B data shows that the total volume of reported lost gas has decreased steadily over the past few years while federal oil production skyrocketed, meaning that oil and gas operators are venting and flaring less while producing more.[17] The data clearly also shows that the amount of vented and flared methane classified as royalty-due reduced to 0 since the issuance of the 2024 rule. During the same time, the royalty gap, the difference between the amount of royalty due and the amount actually collected also saw substantial reduction.

[17] Our analysis uses the "Production Disposition Volumes, January 2016 - March 2026" and "Historical Production Disposition Volumes, January 2003 - December 2015" datasets, both accessed August 5, 2026, and product disposition codes 21, 22, 23, 33, 61, 62, and 63.

Currently available data may be insufficient to determine how much of the reduction in methane waste can be attributed to the 2024 rule alone. The 2024 rule has only been in effect since April 2024, and the broader decline in methane waste began before its implementation. That trend likely reflects, at least in part, the increasing availability of economical and easily deployed methane mitigation technologies and earlier efforts to reduce methane waste.[18]

Efforts to delay and rescind the 2024 rule will make it more difficult to assess the effects of its changes to NTL-4A and oil and gas operations on federal lands. In November 2025, the BLM delayed two deadlines by one year, from December 10, 2025, to December 10, 2026:

- Flare Monitors: Requires operators to have measurement devices and sampling in place 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. The obligation to repair leaks remains in effect.

The proposed rule would further undercut the 2024 rule by rolling back key provisions. Doing so risks increasing the waste of valuable natural gas and taxpayer losses from forgone revenue, particularly given the historical spike in venting and flaring after the 2016 rule was challenged and subsequently rescinded.

BLM Should Preserve Key Provisions of the 2024 Rule

1. **BLM should preserve Waste Minimization Plans (WMPs).**

Under the 2024 rule, the BLM implemented rigorous requirements for WMPs, requiring operators to demonstrate their capacity to capture and sell 100 percent of produced gas. Operators are required to submit WMPs when applying for an APD, or face permit delays.

In the proposed rule, the BLM would remove the WMP requirements because "operators are already financially incentivized to capture as much gas as possible because it benefits them financially to do so."[19] However, decades of lost gas data show that operators often flare associated gas in order to maximize short-term profits from oil production, which can be more lucrative than capturing and selling the associated natural gas, even after accounting for potential gas revenues and royalties due on some lost gas. <u>TCS opposes the removal of the WMP requirement.</u> Eliminating the requirement for operators to demonstrate their capacity to capture and sell produced gas would remove an important safeguard against routine flaring, even with a royalty charge in place, and increase the risk of further losses of publicly owned natural gas and associated royalty revenue.

2. **BLM should not expand the definition of "unavoidably lost" gas or allow open-ended extensions for royalty-free flaring.**

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[18] Environmental Defense Fund, "U.S. Methane Mitigation Industry: Growing Strong," February 18, 2025,https://library.edf.org/AssetLink/630bm3846d50uw5yn8hxhoc1ceu1xe3t.pdf?_gl=1*1e1ughf*_gcl_au*MTE3MjY3Mjc1Ni4xNzg3MzMxNTQ0.

[19] BLM, "Royalty for Oil and Gas Lost From Onshore Federal and Indian Leases," June 24, 2026. https://www.federalregister.gov/d/2026-12738/p-115.

Royalty is due on avoidably lost oil or gas but not due on unavoidably lost oil or gas. Compared with the case-by-case flaring approval process under NTL-4A, which led to widely varying rates of royalty collection, the 2024 rule more clearly defines what constitutes avoidably and unavoidably lost gas. The proposed 2026 rule would weaken these definitions of avoidably lost gas, effectively broadening the circumstances under which operators can waste gas without paying royalties.

Under § 3179.41(b) of the 2024 rule, gas is considered unavoidably lost if the operator has taken reasonable steps to avoid waste, has fully complied with applicable laws, lease terms, regulations, provisions of a previously approved operating plan, and other written BLM orders, and the gas is lost due to one of 13 specified operations or sources.

In total, the proposed rule would identify 12 operations or sources of unavoidable losses. The proposed rule would maintain 11 of the operations or sources that qualify as unavoidable loss and remove two sources identified in the 2024 rule: § 3179.41(b)(4), exploratory coalbed methane well dewatering,[20] and § 3179.41(b)(13), flaring of gas from a well that is not connected to a gas pipeline, to the extent such flaring was authorized by the BLM in its approval of the APD. <u>TCS supports removing these two conditions from the definition of "unavoidably lost gas" and supports charging royalties on all gas lost in these circumstances.</u> The proposed rule would also create a new operations or source of unavoidable loss—flaring of gas that is of such a low quality as to be unmerchantable.

3. BLM should, at the very least, maintain the same volumetric thresholds and time thresholds for royalty-free flaring for new well completion and in emergencies.

The proposed rule would also increase the amount of time operators can flare royalty-free and the total volume of gas they can flare royalty-free by:

- Expanding allowances for new well completion and recompletion:
  - Increasing the royalty-free flaring limit from 20,000 Mcf to 50,000 Mcf.
  - Allowing operators to request extensions beyond the existing 60-day limit or increases in volume beyond the specified limits.
  - Removing the volume limit on royalty-free flaring for exploratory wells in remote locations.
- Expanding the timeframe for emergencies:
  - Allowing up to a total of 17 days of unavoidable loss for an emergency during well drilling.
  - Allowing royalty-free flaring during emergencies for up to 48 hours while giving BLM discretion to extend the period of unavoidable loss by up to 15 additional days.

<u>TCS opposes these and other proposed expansion of royalty-free flaring exemptions.</u> Loosening time and volume limits and allowing the BLM to grant extensions risk returning to the inconsistent

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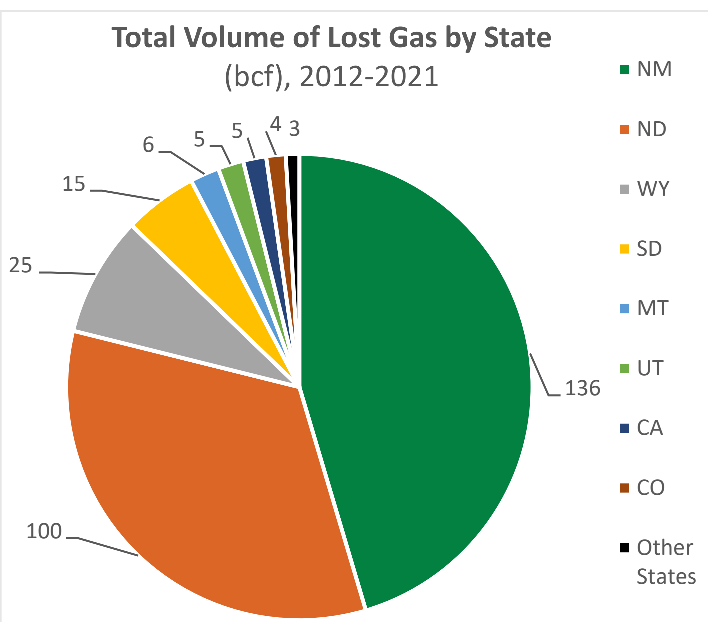
[20] BLM states that current production records show that § 3179.41(b)(4) is no longer applicable.

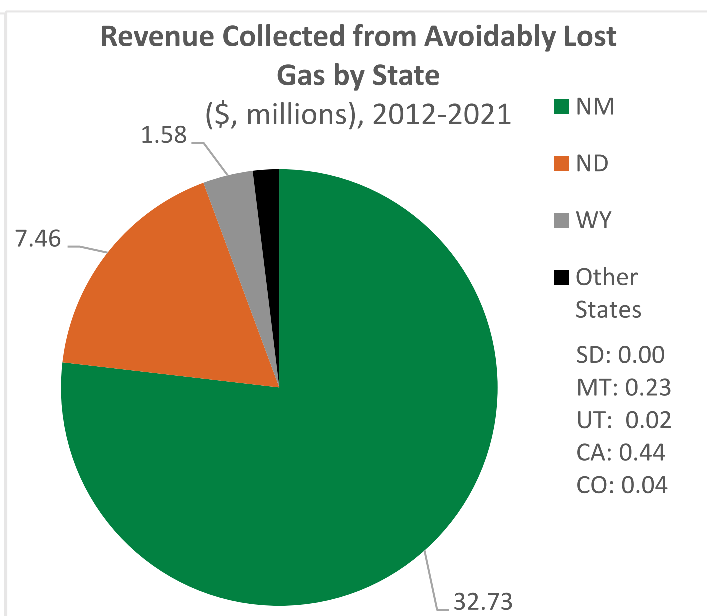
and subjective determinations of when lost gas is subject to royalty that characterized the NTL-4A framework before the 2024 rule was finalized.

4. BLM should remove the royalty-free flaring exemption for pipeline capacity and midstream processing constraints or, at a minimum, maintain the volumetric thresholds established in the 2024 rule.

Removing volumetric limits on flaring of associated gas lost due to pipeline capacity constraints, midstream processing constraints, or failures to be considered unavoidably lost would further encourage poor industry practices at the expense of taxpayers. Routine flaring due to inadequate pipeline infrastructure is not an unavoidable operational reality. It is a foreseeable consequence of developing oil wells before adequate gas capture infrastructure is in place. Operators often choose to drill and market oil, which is more lucrative, while flaring the associated natural gas rather than wait for sufficient takeaway capacity. BLM should not return to granting unrestricted royalty-free exemptions for pipeline capacity constraints.

In the proposed rule, the BLM states that the need to flare gas due to pipeline capacity constraints, including midstream processing failures and similar transportation-to-market challenges, has become common in recent years and that limiting such flaring places an undue burden on operators because they are already incentivized to capture and sell gas. However, OGOR-B data from before passage of the IRA and issuance of the 2024 rule tell a different story. Operators have repeatedly flared significant volumes of associated gas from oil wells despite the potential value of capturing and selling it. Allowing royalty-free flaring due to pipeline constraints without an overall cap would also reintroduce the inconsistent determinations among BLM field offices over when losses caused by pipeline capacity constraints should be considered unavoidable.





From FY2012 through FY2021, before implementation of the 2024 rule, 82% of gas lost by drilling operators was flared, with most of that flaring occurring at oil wells.[21] New Mexico and North Dakota accounted for 45% and 33% of all lost gas volume on federal lands, respectively. North Dakota, where flaring of associated gas is more prevalent due to limited natural gas infrastructure, wasted nearly three-quarters as much gas as New Mexico, even though it produced only about one-quarter as much oil during that timeframe. Eliminating volumetric thresholds for flaring risks once again encourages industry practices that waste taxpayer-owned resources and reduce royalty revenue. TCS urges BLM to remove the pipeline takeaway capacity exemption in its entirety or, at a minimum, maintain limits on the volume of gas that can be flared royalty-free and the frequency with which the exemption can be used.

5. BLM should explicitly prohibit routine flaring.

To effectively curtail waste, BLM should require operators to capture associated gas during oil production and prohibit routine flaring. Data shows that charging a royalty on avoidably lost gas alone is not sufficient to prevent substantial flaring. Our 2022 report, *Gas Giveaways II: Methane Waste on Federal Lands is Business as Usual,* found that New Mexico assessed royalties on avoidably lost gas more consistently under NTL-4A than other states, accounting for 77% of royalty revenue collected by the Office of Natural Resources Revenue (ONRR) from avoidably lost gas. Although New Mexico collected more royalties in proportion to lost gas and flared less gas per barrel of oil produced than other states, it still accounted for 45 percent of all lost gas on federal lands from 2012 through 2021, more than 136 billion cubic feet (bcf). This demonstrates the limits of relying on royalties alone to deter waste, particularly when natural gas prices are low relative to oil prices and operators have a strong economic incentive to flare, especially when the price of gas (and, therefore, the royalty value of the gas) is low with respect to the price of oil even in the face of royalty payments.

Operators should not be allowed to routinely flare gas because of foreseeable pipeline takeaway capacity constraints. Flaring associated gas because sufficient pipeline capacity is not available wastes taxpayer-owned resources and deprives consumers of a valuable domestic energy source. To protect public interest, BLM should go beyond the current rules and explicitly prohibit operators of oil wells from routinely venting or flaring associated gas as a means of disposal. Associated gas should instead be sold, put to a beneficial use on-site, or reinjected to enhance oil production or preserve the gas for future extraction.

6. BLM should sustain the Leak Detection and Repair (LDAR) program

The proposed rule states that the LDAR program is overly burdensome and is expected to capture only 1% of total gas losses from venting, flaring, and leaks.[22] However, a report commissioned by

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[21] For more information, see our 2022 report "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/.

[22] BLM, "Royalty for Oil and Gas Lost From Onshore Federal and Indian Leases," June 24, 2026. https://www.federalregister.gov/d/2026-12738/p-101.

EDF and TCS from Synapse Energy Economics found that leaks accounted for 75 bcf, or 46% of all lost gas on federal and Tribal lands in 2019, based on satellite data.[23] The actual volume of leaked methane may be substantially greater than BLM estimates because BLM does not collect data on volumes of gas lost through leaks. TCS urges BLM to maintain the LDAR program. Eliminating the program and its reporting requirements would make it more difficult to identify and reduce leaks and would further hinder accurate accounting of methane lost from federal and Tribal oil and gas operations.

Methane Waste Costs Taxpayers, Consumers, and Communities

Methane waste is a persistent problem on federal lands with far-reaching consequences. The 2024 rule took important steps to curtail this waste. Undoing key reforms implemented by the rule risk increasing methane waste and associated taxpayer losses.

TCS estimates that over the ten-year period from 2016 through 2025, operators reported venting, flaring, or otherwise losing 209 billion cubic feet of natural gas on federal lands, worth an estimated $658 million. That volume of gas is equivalent to the amount of power needed to heat 2.8 million homes for a year.[24] These estimates are likely conservative because independently collected emissions data suggest actual losses are significantly higher than operator-reported volumes.[25] Although DOI has adopted leak detection requirements, those requirements are not yet in effect, and the agency does not require operators to report volumes of natural gas leaked from equipment at well sites. Abandoned wells that have not been properly or promptly cleaned up can also be a significant source of methane waste.

Although operators have reported less wasted gas since 2021, even as federal oil production has increased, rolling back key provisions of the 2024 rule risks reversing that progress. Previous periods of weaker federal standards have coincided with substantially higher levels of routine venting and flaring.

Technologies to detect and reduce methane waste, including satellite monitoring, infrared cameras, and drones, have become more cost-effective and are already used by many oil and gas operators. But nearly a decade of regulatory uncertainty has complicated investment in methane mitigation. Rolling back the 2024 rule would disadvantage operators that have already invested in

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[23] Olivia Griot et. al., "Onshore Natural Gas Operations on Federal and Tribal Lands in the United States: Analysis of Emissions and Lost Revenue," Jan. 20, 2023. https://www.taxpayer.net/wp-content/uploads/2023/01/EDF-TCS_Public_Lands_Analysis.pdf.

[24] Natural gas was assumed to have a heat value of 1,037 Btu per cubic foot. The U.S. Energy Information Administration (EIA) reports that the average American household consumed 76.8 million Btu of energy in 2020. Source: EIA, "2020 RECS Survey Data," accessed August 19. 2026, https://www.eia.gov/consumption/residential/data/2020/index.php?view=consumption#summary.

[25] For more information, see our 2022 report "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/.

reducing methane waste while allowing operators that have not made comparable investments to avoid those costs.[26]

Increasing waste would deprive consumers of a valuable domestic energy resource at a time of heightened concern about energy prices and supply. It would also expose nearby communities to avoidable health and safety risks, leading to liabilities that will likely be shouldered by taxpayers.[27] Because much of the gas reported lost under previous regulatory frameworks did not incur a royalty, taxpayers also lost millions of dollars in potential revenue. TCS estimates that if the current royalty rate of 12.5% had been assessed on all reported lost gas over the last decade, taxpayers would have received $53 million in royalty revenue. $29 million more than what was actually collected. BLM estimated that the 2024 rule would generate an additional $51 million in royalty revenue annually. Rescinding key provisions of the 2024 rule would put that additional revenue at risk.

Conclusion

The widespread waste of natural gas on federal lands represents an unacceptable loss of taxpayer-owned resources and associated royalty revenue. By undoing key reforms of the 2024 rule, BLM risks returning to a regulatory framework that allowed substantial volumes of publicly owned natural gas to be wasted without compensation to taxpayers. TCS urges BLM to withdraw the proposed 2026 rule and preserve the key provisions of the 2024 Waste Prevention Rule that reduce waste, establish clear standards for royalty assessment, and help ensure taxpayers receive a fair return for publicly owned natural resources.

[26] Environmental Defense Fund, "U.S. Methane Mitigation Industry: Growing Strong," February 18, 2025, https://library.edf.org/AssetLink/630bm3846d50uw5yn8hxhoc1ceu1xe3t.pdf?_gl=1*1e1ughf*_gcl_au*MTE3MjY3Mjc1Ni4xNzg3MzMxNTQ0.

[27] TCS, "Five Fast Facts about the Taxpayer Costs of Methane Emissions," June 25, 2026. https://www.taxpayer.net/energy-natural-resources/five-fast-facts-about-the-taxpayer-costs-of-methane-emissions/