

**The Center for Methane Emissions Solutions**  
Washington, DC

November 6, 2017

**BY EMAIL**

Bureau of Land Management  
Department of the Interior

RE: RIN 1004-AE54  
Waste Prevention, Production Subject to Royalties, and Resource Conservation;  
Delay and Suspension of Certain Requirements

The Center for Methane Emissions Solutions (CMES) is a coalition within a non-profit organization that represents the views of companies in the methane mitigation industry in the United States, specifically in the leak detection and repair (LDAR) space.

The methane mitigation industry is a robust and growing American industry. More than 100 companies have headquarters in the U.S., and there are more than 500 methane mitigation facilities located across the country, in 46 states. These facilities are manufacturing plants, assembly facilities, service centers, service provider offices, and administrative offices.

In response to publication of the proposed delay and suspension of the BLM Rule on Waste Prevention, Production Subject to Royalties, and Resource Conservation, CMES offers these thoughts:

- ✓ We believe the current rule now in effect provides the most practical, economic, and effective structure to capture methane emissions that would otherwise be released into the atmosphere, and American methane mitigation companies believe that no delay in the effectiveness of the rule is appropriate or necessary. The case of Colorado's Regulation 7 – more than three years old now -- conclusively demonstrates that an even stronger rule than the BLM rule can be cost-effective in a large oil-and-gas state with significant public lands.
- ✓ In fact, such a delay will cause further uncertainty in the marketplace, penalizing companies that are making the investment to seize the initiative to reduce their methane emissions and leaving them at a competitive disadvantage against companies that are dragging their feet on methane waste.
- ✓ Any delay in the effectiveness of the rule will slow the development of a robust domestic market for methane mitigation technologies, which is so important to the growth of methane mitigation companies here in the United States. As global production of natural gas is expected to increase by more than 60% over the next 25 years and as the global market for methane mitigation technologies correspondingly grows, any such delay will handicap the competitive position of American methane mitigation companies by denying them the American domestic market they need for their products and services.

- ✓ Finally, Secretary Zinke has testified before the Senate that “methane waste is a problem.” But delaying effectiveness of the BLM final rule until 2019 will mean:
  - (1) that the oil and gas industry will waste enormous amounts of methane over that delay period -- it was estimated that \$444 million of natural gas was wasted on BLM lands in 2014 alone -- just a single year,
  - (2) when that waste is complete unnecessary; we know that the Colorado rule is cost-effective for producers and has reduce methane emission leaks by 75%, and we know that repair leaks of methane emissions is almost always cost-effective (see *Quantifying Cost-Effectiveness of Systematic Leak Detection and Repair Programs Using Infrared Cameras*, Carbon Limits Report CL-13-27, March of 2014, page 5.)

### **A Note on the Implementation of Colorado’s Regulation 7**

The BLM’s final rule that would be suspended and delayed by the proposed rule refers several times to Colorado’s Regulation 7, the most comprehensive set of methane waste regulations at the state level. In fact, the Colorado rule is in many ways more stringent than the BLM final rule. No lawsuits have ever been filed to stop the implementation of the Colorado rule, and we are unaware of any significant effort to roll back the rule legislatively or at the regulatory level. In fact, Colorado is in the midst of considering refinements to the rule that will make it even stronger and more effective. So in an effort to understand why implementation of such a rigorous regime has gone so smoothly, CMES published a study of the oil and gas industry’s perceptions of the implementation of Colorado’s Regulation 7. The study is attached to these comments as Exhibit A.

Of the ten oil and gas operators who sat for in-depth interviews, Keating Research found that these companies had themselves conducted more than 1,100 site inspections at facilities over the year preceding the survey. On average, oil and gas companies found methane leaks on 9 out of 10 sites inspected. More importantly, oil and gas companies reported that implementing Colorado’s rule was very cost effective. When they took into account the natural gas they saved and sold because of their LDAR programs, 8 out of 10 said they had either profited, broken even, or paid just a little more under Colorado’s regulation. And 7 of 10 said that the benefits of the regulation outweighed the costs.

Sincerely,



Patrick Von Bargen  
Executive Director