# Royalty Policy Committee

# September 13, 2018

# Denver, Colorado

# Chairman Angelle and Members of the Committee, thank you for providing me the opportunity to present testimony today. I am here to represent the views of The Center for Methane Emissions Solutions, or CMES, a business coalition 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. 130 companies have headquarters in the U.S., and there are approximately 570 methane mitigation facilities located across the country. These facilities are manufacturing plants, assembly facilities, service centers, service provider offices, and administrative offices.

In the United States, the oil and gas sector is the largest industrial source of methane emissions. These emissions represent a significant economic challenge: every year, America loses nearly $2 billion worth of methane due to inefficiencies at oil and gas well sites including faulty equipment and venting and flaring practices.

Responding to this market challenge, companies have developed effective, low-cost LDAR services and technologies that reduce wasteful methane emissions. Indeed, several firms provide LDAR surveys at well sites for as low as $250 dollars. While most American LDAR firms are small businesses the growing methane mitigation industry has created thousands of high-skill, high-pay, and geographically-diverse jobs that cannot be offshored.

The advances made in our industry are especially critical to consider on public lands, where the methane lost from operations on federal lands in 2016 was worth an estimated $75.5 million. CMES hopes the Committee will consider the opportunity to capture leaked methane in a cost-efficient manner when establishing revenue policies for oil and gas extraction on public lands. This, coupled with a common-sense approach to regulating methane waste, would protect tax payers from millions in lost revenues each year.

Thank you for providing this opportunity to speak.