API SUPPORTS DECISION TO POSTPONE COMPLIANCE DATES FOR PARTS OF BLM METHANE RULE

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WASHINGTON, June 14, 2017 – API welcomed the June 15, 2017 notice by the Department of the Interior that it will delay certain compliance dates in the Bureau of Land Management’s (BLM) rule addressing methane emissions related to oil and gas production. Reviews of the rule are underway as questions remain over the rationale of many provisions of the rule.

“This is an important step in the process to ensure that regulations are cost-effective, feasible and lawful,” said API Upstream and Industry Operations Group Director Erik Milito. “Any rule that could impede U.S. energy production while reducing local and federal government revenues (http://www.api.org/news-policy-and-issues/testimony-and-speeches/2017/02/23/tracee-bentley-press-call-on-blm-methane) could slow a growing U.S. economy and run counter to a balanced approach to environmental management.”

BLM’s redundant and technically flawed rule overlaps with existing state and EPA regulations and could further reduce activity on federal lands where natural gas production is already down 18 percent from 2010 to 2015. Analysis by Environmental Resources Management on the proposed rule found that the added cost of compliance could result in up to 40 percent of wells that flare on federal lands being permanently uneconomic to produce. Based on 2016 royalties reported by the federal Office of Natural Resources Revenue, even a 1 percent loss of royalties due to loss of production would result in lost government revenues of more than $14 million (http://energymorrow.org/blog/2017/02/23/blm-rule-could-impact-production-revenue).

“As an industry, we are committed to managing emissions from our facilities and we look forward to working with the administration on policies that encourage the safe production of the energy that Americans rely on, help consumers, create jobs, strengthen our national security, and protect our environment,” said Milito.

The EPA’s annual draft inventory of U.S. greenhouse gas emissions report released in March (https://www.epa.gov/ghgemissions/inventory-us-greenhouse-gas-emissions-and-sinks) shows that methane emissions from all petroleum systems decreased by over 28 percent since 1990 – including a decrease of emissions from petroleum production of around 8 percent from 2014 levels. EPA attributed this improvement to reductions in emissions from associated gas venting and flaring.
API is the only national trade association representing all facets of the oil and natural gas industry, which supports 9.8 million U.S. jobs and 8 percent of the U.S. economy. API's more than 625 members include large integrated companies, as well as exploration and production, refining, marketing, pipeline, and marine businesses, and service and supply firms. They provide most of the nation's energy and are backed by a growing grassroots movement of more than 40 million Americans.

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