

IADC Briefing Book

EPA/BLM Emissions Rules



In 2016, the U.S. Bureau of Land Management (BLM) proposed to update its regulations to reduce the waste of natural gas from flaring, venting and leaks from oil and gas production operations on federal and Indian lands. The proposed rule would require oil and gas producers to reduce this waste and modernize the existing 30-year-old oil and gas production rules. It would also modify existing royalty rate provisions. [1] Similarly, also in 2016, the U.S. Environmental Protection Agency (EPA) announced federal standards to cut methane emissions by 40 to 45% below 2012 levels by 2025 to meet climate change reduction goals. [2]

Key Messages

- In the U.S., hydraulic fracturing and horizontal drilling have contributed to an energy renaissance, unlocking significant quantities of natural gas and ensuring the US the top spot as the world's largest producer of natural gas.
- Natural gas is a clean burning fuel, and has surpassed coal in generating electricity. Increased use of natural gas for electricity generation have, according to Energy Information Administration data, contributed to a 20 year low in carbon dioxide emissions, as well as lower levels of sulfur dioxide (SO₂), nitrogen dioxide (NO₂) and fine particulate matter. [3]
- According to EPA data, methane emissions from 1990-2014 associated with the natural gas industry declined by 14.8% even as U.S. natural gas production increased by 47%. In that time frame, U.S.-based oil and natural gas companies invested an estimated \$217.5 billion in greenhouse gas mitigating technologies, which represents a much higher number than other US-based private industries, which invested around \$102.8 billion. [4]
- Some of the emission reduction technologies implemented by industry include installation of vapor recovery units, development of techniques for reduced emissions during well completions and increased used of lower-emitting pneumatic controllers and pumps, among others.
- Data shows a downward trend in methane emissions, despite the major increases in the production and use of natural gas. [4] Yet, the EPA and BLM have introduced rules that will impose significant costs without an equal benefit. As currently written, the BLM rules would require costly methane controls for some of the same emissions sources already regulated by the EPA. This duplicative effort is on top of existing state-level regulations, with industry maintaining that the duplicative regulations are unnecessary.

Resources

1. http://www.blm.gov/style/medialib/blm/wo/Communications_Directorate/public_affairs/news_release_attachments.Par.74451.File.dat/VF_Fact_Sheet.pdf
2. <https://blog.epa.gov/blog/2016/03/epa-taking-steps-to-cut-methane-emissions-from-existing-oil-and-gas-sources/>
3. <http://www.eia.gov/todayinenergy/detail.php?id=26152>
4. <https://www.epa.gov/ghgemissions/us-greenhouse-gas-inventory-report-1990-2014>

