

United States Senate

April 5, 2016

The Honorable Sally Jewell
Secretary of the Interior
U.S. Department of the Interior
1849 C Street, NW, Room 5665
Washington, D.C. 20240

Dear Secretary Jewell:

I am writing today about the Bureau of Land Management's (BLM) proposed rule entitled, "Waste Prevention, Production Subject to Royalties, and Resource Conservation," published in the *Federal Register* on February 8, 2016. I understand that the proposed rule is intended to help reduce unnecessary venting and flaring of natural gas at oil wells on federal and Indian land. While I support efforts to reduce unnecessary venting and flaring of natural gas, I'm concerned that the rule fails to address a principal reason for flaring: protracted delays in the permitting of natural gas gathering lines and related infrastructure on federal and Indian land.

The proposed rule states that "[t]he primary means to avoid flaring of associated gas from oil wells is to capture, transport, and process that gas for sale, using the same technologies that are used for natural gas wells"—namely, "gas-gathering infrastructure." It explains that flaring takes place in "areas with existing capture infrastructure, but where the rate of new-well construction is outpacing the infrastructure capacity" and "areas where capture and processing infrastructure has not yet been built out." The rule "recognizes that in the aggregate, operators do not want to waste gas." However, it notes "[t]he costs of installing equipment and pipelines for capture and transport can range from \$400,000 to \$1 million per mile for a 4-inch natural gas pipeline."

The proposed rule would set limits on flaring, assess royalties on gas flared above those limits, and require operators to submit a plan to minimize waste. I find it troubling that the rule does not include steps that *BLM* will take to account for and remedy delays when permitting gas gathering lines. For years, oil and gas operators have reported significant delays in obtaining rights-of-way (ROWs) for gas gathering lines across federal land. Operators have also reported long delays in obtaining sundry notices for gas gathering lines on federal oil and gas leases. I have repeatedly asked *BLM* to provide details on the pending requests for ROWs and sundry notices for gas gathering lines on federal land. However, *BLM* seems unable to retrieve this information.

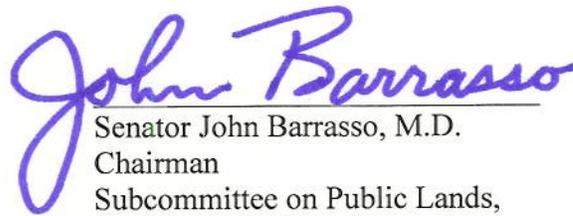
In April 2015, you wrote that *BLM* "lacks capability" to track pending requests for sundry notices for gas gathering lines on federal leases. You explained that *BLM* can track pending requests for ROWs across federal land. However, *BLM* "does not distinguish between requests for oil or gas, gathering or transport, lines." In January 2016, *BLM* Director Neil Kornze sent me a list of the pending requests for ROWs for oil and gas pipelines across federal land. That list stated that, as of August 7, 2015, *BLM* had 867 pending ROWs, nearly half of which had been pending for more than two years. Again, *BLM*'s list *only included* pending requests for ROWs across federal land. It did *not* include pending requests for sundry notices on federal leases.

Earlier this year, you testified that “it’s a very fair question to say, ‘as we look at addressing venting and flaring, can we expedite permitting?’, and we will look into that.” I appreciate your statement and ask that you ensure that any final rule include a means by which BLM can readily account for and promptly address delays in permitting gas gathering lines on federal land. (BLM, for example, should expand the use of categorical exclusions under the National Environmental Policy Act when permitting gas gathering lines.) A rule that fails to expedite permitting would do little to reduce flaring and punish operators for circumstances largely outside of their control.

The Senate Public Lands Subcommittee will hold an oversight hearing on the proposed rule on April 14th. I ask you to provide me—prior to that date—an updated list of the ROWs and, to the maximum extent practicable, sundry notices for gas gathering lines currently pending at BLM. Please include the date on which each of the pending requests was first submitted to BLM.

Thank you for your consideration and I look forward to your prompt response.

Sincerely,



Senator John Barrasso, M.D.
Chairman
Subcommittee on Public Lands,
Forests, and Mining

Cc: Amanda Leiter, Deputy Assistant Secretary for Land and Minerals Management,
Department of the Interior.