

Good afternoon. My name is Dr. David McCabe. I am a Senior Scientist with the Clean Air Task Force, an environmental organization focused on solutions to deliver clean air and climate protection. I work to understand the sources of air pollution from the oil and gas industry, and how wasteful and harmful releases of natural gas from the industry's operations can be reduced or eliminated with modern technologies and practices.

I would like to thank Congressman Grijalva for inviting me here to discuss the Bureau of Land Management's Methane and Waste Prevention Rule. The standards for oil and gas operations in this rule are practical, feasible, and will work to reduce waste from these operations without hampering the industry.

The rule addresses three main types of waste of natural gas from oil and gas operations: Leaks, venting – or intentional release of gas from certain types of equipment - and flaring. Importantly, BLM's standards for each of these types of waste are modeled on highly successful programs in leading oil and gas production states. The standards for leaks and venting are modeled on programs in Colorado and Wyoming, which have worked well without harming the industry.

The standards to reduce flaring at oil wells were modeled on North Dakota regulations, which the state developed working with the oil industry there. While we believe that BLM's standards and the North Dakota rules should be more protective, they are certainly beneficial. They will reduce wasteful flaring of gas – as they have done in North Dakota. And the North Dakota experience shows that, as with the standards for leaks and vented releases, the flaring standards in BLM's rule won't hamper the industry.

I will focus most of my remarks today on the experience in Colorado, where my organization has been a participant in the rulemaking process. In 2013, Colorado Governor Hickenlooper

called for “zero tolerance” for fugitive emissions from oil and gas operations in the state. In early 2014, the state put in place standards to reduce harmful and wasteful leaks and venting from these operations.

These standards work. They reduce wasteful releases of methane and other components of natural gas by close to 200,000 tons per year, and the industry has implemented them without difficulty. Natural gas and oil wells are still being drilled in Colorado at a frequent pace. Both the number of active wells, and the amount of gas they produce, have continued to climb since the rules were put into place 3 years ago.

In fact, in a recent survey, 7 of 10 oil and gas well operators in Colorado said that the benefits of regularly checking equipment for leaks outweigh the costs. Since the rules went into effect, inspections by Colorado regulators have shown a marked decrease in facilities with wasteful releases in the state.

Wyoming has also developed a strong program to prevent harmful waste from oil and gas operations in parts of the state. The standards are quite similar in the two states, and as I mentioned earlier, BLM’s standards are modeled upon these programs.

However, state rules are not enough. Emissions from Colorado’s tribal lands are still largely unregulated, and the gas wasted on these lands and the state’s extensive federal lands is valued at 26 million dollars. This is enough gas to heat 100,000 homes. Much of this can and will be captured and brought to market, for productive use by consumers and industry, as a result of BLM’s rules.

And of course, this is a nationwide problem - an estimated 330 million dollars worth of gas is wasted nationwide from federal and tribal lands.

Capturing this gas will be good for consumers, good for taxpayers since it will increase royalties, and of course it will be good for the environment.

Finally, it will also be good for jobs and businesses. As you know, hydraulic fracturing technology has completely changed oil and gas production in recent years. What is less well known is that other technologies have similarly changed other aspects of the industry— such as finding leaks from oil and gas equipment. Infrared cameras – which operators will use under both the BLM standards and the State rules I have mentioned – allow inspectors to quickly and efficiently find the leaks at a site. They can literally see the gas leaking on the screen. This is game-changing compared to older technologies. As a result, small businesses that use these cameras to inspect oil and gas sites for the industry are emerging and growing today.

Other companies are working to create even better and more efficient ways to inspect for leaks, and technologies that can reduce venting of gas. Still other companies develop and manufacture technologies that can use gas right on a wellpad, so companies don't need to flare gas if pipelines are not in place at a well.

A recent report identified 76 companies that manufacture, sell, and support methane mitigation controls at 500 different locations across 46 states. More than half of these companies are small businesses. This industry provides highly skilled, good-paying jobs and will grow to meet the challenge of reducing waste of natural gas resources on federal and tribal lands if BLM's Methane and Waste Prevention Rule stays in place.

Thank you for allowing me to speak today.