

# FALLING SHORT

## STATE OIL & GAS RULES FAIL TO CONTROL METHANE WASTE



PUBLIC HEALTH, TAXPAYER REVENUE & OUR CLIMATE FUTURE ARE AT STAKE

How a strong federal rule can fill the gaps in state methane waste regulation and achieve the government's obligation to protect public trust resources for the American people

### SUMMARY: THE PROBLEM AND THE SOLUTION

Oil and gas companies intentionally leak methane from poorly maintained equipment, deliberately vent it to the atmosphere, and burn it as a waste product from oil drilling. This threatens public health because dangerous pollutants are released alongside methane. It squanders energy that could be used by homes, schools, and businesses. It robs public treasuries of royalty revenue, harms other resource values, and makes an outsize contribution to climate change.

Close examination makes clear that Interior West state oil and gas rules leave too many gaps to solve the problem of methane waste on federal lands. The solution: broad federal standards that target all of the major sources of oil and gas methane waste and protect public health, conserve resources, deliver to the public its fair share of the value of these resources, and limit the pace of climate change.

### PURPOSE: ARE STATES PREVENTING METHANE WASTE ON FEDERAL LANDS?

Our report looks at whether federal standards to reduce methane waste on federal lands duplicate what state oil and gas regulators in the Interior West are already doing, or could fill major gaps in state regulation. It also looks at whether state methane waste rules can fulfill the federal government's legal responsibilities to protect resources it holds in trust for the American people.

### APPROACH: HOW DO STATE OIL AND GAS RULES STACK UP AGAINST TOUGH BLM STANDARDS?

Our report focuses on the six Western states that host the bulk of oil and gas activity on public lands: Colorado, Montana, New Mexico, North Dakota, Utah, and Wyoming. For each major source of methane waste, the report compares the rules on the books of state oil and gas regulators against our recommended standards and assigns a grade of pass, partial credit, or fail. Analyzing state rules across the board answers the question: "Are state oil and gas rules in place to prevent methane waste?"

### FINDINGS: STATE OIL AND GAS RULES ARE NOT PREVENTING WASTE ON FEDERAL LANDS

It is clear that states are not doing the job and that new federal standards are urgently needed. Controls on methane waste by states responsible for most of the oil and gas production on federal lands leave enormous gaps and fail to protect the public interest in these resources. While in practice Interior West states and the BLM do work together to prevent waste, BLM's standards will set a floor for state action, and the BLM is ultimately responsible for preventing methane waste on federal lands. It is the federal government's responsibility to prevent the waste of resources it holds in trust for the American people. Comprehensive, up-to-date federal standards are needed to establish uniform rules to force more responsible behavior by industry.



> This document is a summary of the full report. The full report details the background, legal analysis, and conclusions. It also contains a Legal Q&A for federal vs. state authority, personal stories, citations, and more. A table from the report is below.

**TABLE 1: Current state methane waste rules compared to recommended standards for major sources of methane waste and prevention tools.**

		STATES AND THEIR GRADES					
		★★★ Pass	★★ Partial Credit	★ Fail			
		CO	MT	NM	ND	UT	WY
WASTE SOURCES	Oil Well Completion	★★	★	★	★	★	★
	Well Maintenance	★	★	★	★	★	★
	Well Liquids Removal	★	★★	★★★	★	★★	★
	Gas-Driven Equipment	★	★	★	★	★	★
	Compressors	★	★	★	★	★	★
	Storage Tanks	★	★	★	★	★	★
	Gas-Producing Oil Wells	★	★★	★★	★★	★★	★★
	Leaks	★	★	★	★	★	★
	PREVENTION TOOLS	Gas Capture Planning	★	★	★	★★★	★
Benefit-Cost Test		★	★	★	★	★	★
Conditions on Permits		★★★	★★★	★★★	★★★	★★★	★
Phasing of Development		★★★	★	★	★	★	★
Penalties		★★	★★★	★★★	★★★	★★	★★

Air Quality regulators in CO, UT, and WY have adopted rules that cover some methane emissions.

Photos: Utah Capitol by Jimmy Emerson, DVM. Gas flare by Blake Thornberry.