

***OIL AND GAS OPERATIONS ON PUBLIC LANDS***

**Deposition**

***BLM OUTREACH MEETING***

*03/19/2014*

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***Agren Blando Court Reporting & Video, Inc.***

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BUREAU OF LAND MANAGEMENT  
VENTING AND FLARING  
PUBLIC OUTREACH MEETING

March 19, 2014

1717 Denver West Boulevard

Golden, Colorado

1 P R O C E E D I N G S

2 MR. NEDD: Good afternoon to everyone. Can  
3 you hear me, please? Yes.

4 We would like to go ahead and get started  
5 with our outreach session this afternoon.

6 So, again, good afternoon. My name is  
7 Mike Nedd. I'm the assistant director for the BLM's  
8 Energy Minerals and Road to Management Program. This  
9 afternoon we welcome you to our outreach session, our  
10 venting and flaring outreach session as we consider  
11 options for updating existing standard.

12 This afternoon's session is being live  
13 streamed over the Internet so we have individuals who  
14 are on the Internet. We encourage those of you on the  
15 Internet, if you can go to the questionnaire and if you  
16 don't mind, filling in your name and affiliation,  
17 whether you are asking a question or not so at least we  
18 can get an idea of who's there.

19 So those of you here, if you didn't sign  
20 in, we would ask if you can sign in out front; we have  
21 a list where you can sign in. And we also ask that you  
22 can check if you think you are going to have some  
23 questions and make some statements or whatever it may  
24 be.

25 Again, this afternoon we have a number of

1 people here. We have a number of BLM employees here  
2 who is both on the live stream and here in person.  
3 We want to thank them.

4 We have individuals from the Bureau of  
5 Indian Affairs, we have individuals from the Office of  
6 Natural Resource and Revenue. Again, we want to thank  
7 them for being here.

8 So, again, we thank everyone. We thank  
9 each and every one of you for being here.

10 I want to introduce our deputy director,  
11 Linda Lance, deputy director for programs and policy.  
12 Linda Lance joined the BLM in October of last year  
13 after serving as senior counsel for former senator --  
14 senate energy and natural resource chairman, Jeff  
15 Bingaman of New Mexico.

16 She also worked as an attorney in the civil  
17 division of justice department for a few years, and  
18 also served as a senior counsel to the senate committee  
19 on commerce, science and transportation.

20 Linda also worked for eight years as the  
21 Wilderness Society as vice president of policy.

22 Again, Linda has been with BLM. She has  
23 stepped in and taken on a leadership role for many of  
24 the policy issues we are dealing with, and we in BLM  
25 are certainly glad to have her onboard and we

1 appreciate all she's been doing in our leadership.

2 So with that said, I will invite Linda to  
3 come up and make some remarks. And after Linda, you  
4 would hear from Tim Spisak, one of our senior advisor  
5 in the BLM.

6 MS. LANCE: Hi, you all. Thank for you  
7 coming. And you will be happy to know I'm not going to  
8 make a speech. This is about hearing from you today,  
9 and we are so grateful to you all for making the time  
10 to come.

11 This is an issue that is overdue for the  
12 BLM to begin work on and is one that we have as a high  
13 priority and think is of great importance to move  
14 through.

15 A couple of numbers make clear why that is.  
16 Our last guidance on this was issued in 1980. That's  
17 been a few years ago. Things have changed, technology  
18 has changed, a lot of things have changed that enable  
19 us to do a lot of things differently, we believe.

20 And the government accountability office  
21 has told us that about 4 to 5 percent of all the  
22 onshore natural gas in the country that is produced is  
23 wasted through venting and flaring. And they estimate  
24 that in one year for the gas that's produced on federal  
25 onshore lands, that could have meant \$58 million in

1 royalties for the taxpayer. So obviously there's work  
2 to be done.

3 It's also a complicated problem, as you all  
4 know. There are lots of sources for this venting and  
5 flaring, there are lots of reasons, things change,  
6 differ from place to place to place. We want to work  
7 hard to get our arms around that and figure out what we  
8 can do in the most efficient way.

9 I know a lot of you have been thinking  
10 about this, too. As just a sort of frame up of where  
11 we are now, Tim, as many of you know, is going to do a  
12 little, short PowerPoint presentation that just  
13 attempts to set out kind of the framework for what we  
14 think of right now as the issues and some of the  
15 potential menu of solutions that are on the table.

16 This is not intended, by any means, to say  
17 that the door is closed, that these are all the issues,  
18 that these are the only possible solutions; but,  
19 rather, just to be a framework for beginning of our  
20 discussion. So that's where we are. We want to do  
21 that.

22 We are just starting to frame this up  
23 ourselves. We don't have any rules written, but we  
24 will move in that direction and we want to move quickly  
25 because we think there is an urgency to this problem.

1           So, again, we are very, very grateful for  
2 you taking the time. We think our work, obviously,  
3 will be so much better if we can do it in collaboration  
4 with all of you. So thanks for coming.

5           And Tim is going to set it up. And as he  
6 goes through, he will stop and ask for questions on  
7 -- on these particular issues, and then we'll have  
8 time, for sure, for any of you who want to have further  
9 discussion, make statements, anything like that.

10           So thanks again and welcome.

11           MR. SPISAK. Again, thank you. Welcome.

12           And I want to recognize again the people on  
13 the live stream. It's about a 30-second time delay.  
14 And so we want to make sure that any comments that we  
15 have, we use a mic so that it gets into the record. We  
16 are recording this session. We will have it posted up  
17 on our Website. Also, this PowerPoint will be posted  
18 up on the Website.

19           As mentioned, my name is Tim Spisak. I'm a  
20 senior advisor for conventional energy. I work for  
21 Mike Nedd in the Washington office.

22           We are here today to begin a dialogue  
23 regarding venting and flaring from oil and gas  
24 facilities on public and Indian lands.

25           We conducted a similar session for our

1 rewrite efforts of our Onshores 3, 4 and 5 last April  
2 of 2013. That live streaming process, we felt, worked  
3 well, was a good way to get a good outreach to a large,  
4 good cross section of people. And so we are trying to  
5 continue in that direction.

6 As Linda and Mike have mentioned, our  
7 current regulations are -- are out of date. They do  
8 not reflect the technologies that have proliferated on  
9 the domestic energy front. Our rules date back over  
10 30 years. And we are looking to develop a regulatory  
11 effort that will set an environmental baseline, of  
12 sorts, a standard that we could use across federal and  
13 Indian trust lands.

14 Additionally, we want to recognize that  
15 EPA's New Source Performance Standards are already in  
16 effect. I'm going to be referencing them in a couple  
17 different places when we move forward. And our  
18 intention is to complement those rules and not to  
19 overlap. And so that's part of this outreach, to help  
20 identify those areas.

21 Again, this is a starting process. We  
22 intend to have additional sessions in the coming months  
23 in North Dakota, New Mexico and Washington, D.C. And  
24 we wish -- we are planning to consider the existing  
25 federal tribal state rules and industry best practices

1 that are already out there. And so we are going  
2 through this -- this process of pulling all these  
3 different things in.

4 Some of you may have seen this PIE chart  
5 from EPA. It was an emissions inventory that they  
6 conducted in 2011. Starting clockwise, 25 percent  
7 of --

8 a little over 41 billion cubic feet, according to the  
9 inventory, is associated with emissions from  
10 completions and workovers. The next biggest amount,  
11 another 41 BCF is associated with pneumatic devices.

12 Just to be clear, this isn't just on  
13 federal lands. It's total production-wide federal,  
14 state, tribal, fee lands. And you can see where it  
15 breaks down to lesser amounts, but still some  
16 significant emissions sources.

17 These help inform our decision-making  
18 process about those areas that, in effect, help us  
19 guide towards those areas that might have a larger bang  
20 for the buck, so to speak, to identify areas where we  
21 can streamline and -- and come up with means of -- of  
22 reducing those -- those emissions.

23 That isn't to say that some of the smaller  
24 amounts could have some very effective, easy -- easy  
25 fixes to help reduce that, so we tend to kind of look

1 at it across the board.

2 The major topics that we will be talking  
3 about today -- that we will be presenting on today  
4 -- the talk might go another way -- direction as we go  
5 forward, but we will talk about well completions and  
6 our production tests; certainly liquid unloading  
7 through the well purging; casing head and associated  
8 gases. That's a big issue in some states. Gas  
9 conservation plans, primarily tank emissions from  
10 storage vessels, pneumatic devices and leak detection  
11 and repair.

12 Again, the purpose of the outreach, we are  
13 soliciting views on some of these major topics. As  
14 Linda had mentioned, this is not intended to be a  
15 complete list. We are wanting to see are there other  
16 areas that should be considered; are some of these that  
17 we are talking about -- are they unrealistic when it  
18 comes to actual on-the-ground impact.

19 We welcome your input.

20 On the BLM log site that the folks that are  
21 streaming, there is a comment form that you can use  
22 after today to go online and put your name and  
23 affiliation and you can attach and put your comments in  
24 there. So we will be taking -- that will be up for --  
25 through May 30th. And I'll recap that again at the

1 end.

2 So, again, we welcome your input as we go  
3 forward.

4 First one we want to talk about are well  
5 completions. And the format is going to be, I'm going  
6 to go through the definition of current policy and then  
7 some of the potential ideas for each one. After I  
8 discuss -- or present the potential ideas, we will open  
9 it up for any questions or comments and that will be  
10 the format for going forward.

11 But well completions, as we've defined it,  
12 is a process of establishing production from a well  
13 after the production-casing string has been set,  
14 cemented and pressure-tested until the permanent  
15 wellhead is installed for production.

16 I know I just read that, but I wanted to  
17 point out specifically the permanent wellhead. That's  
18 the demarcation line that we kind of tentatively set  
19 that any -- any activities before that would be in this  
20 -- in this particular bucket.

21 Certainly, if you have comments about  
22 another point which might make sense for -- for policy  
23 consideration, we would certainly be glad to hear that.

24 Our current policy right now, there is not  
25 a royalty obligation for any gas that's vented or

1 flared due to well completion activities.

2           Some potential options that we could go  
3 forward with may be placing no new requirements on well  
4 completions. This would be, though, recognizing what  
5 the EPA's NSPS already has in place for hydraulically  
6 fractured gas wells which requires gas capture,  
7 reinjection, use of an -- as on-site fuel or  
8 combustion.

9           So, again, trying to dovetail. We don't  
10 want to write a regulation if there's something already  
11 in place; so if we did have a new requirement, it will  
12 be recognizing the approach that EPA already has in  
13 place, or there could be additional considerations to  
14 just the hydraulically fractured gas wells.

15           We might consider capture/injection, use  
16 combust or flare for gas wells or oil wells or other  
17 classifications. So it could be extending that same  
18 concept to other classification of wells.

19           Any comments or questions on the well  
20 completions.

21           Yes.

22           MR. SPISAK: If you could say your name and  
23 affiliation for our court reporters.

24           MR. SCHROEDER: My name is Darren  
25 Schroeder. I'm with Clean Air Task Force out of

1 Austin.

2 I had kind of two separate questions. One  
3 is, in certain situations when you are talking about  
4 the hydrofractured gas wells, I want to see if you are  
5 also talking not just well completions but also  
6 including the recompletions. So, you know, five years  
7 down the line if you have to recomplete the well, to  
8 make sure any potential options would also include  
9 that.

10 And then also to see what -- to see your  
11 thinking, and then also suggest that you include not  
12 just gas wells but the completions for oil wells as  
13 well. I know you might be getting to that in some  
14 other segments.

15 MR. SPISAK: Well, that's -- in certain  
16 circumstances, in addition, it would be maybe we do  
17 this for oil wells, too.

18 MR. SCHROEDER: Okay. It would be both for  
19 gas and oil wells?

20 MR. SPISAK: Again, this isn't -- these are  
21 just ideas.

22 MR. SCHROEDER: Yeah, yeah, yeah.

23 MR. SPISAK: So what you are saying is  
24 maybe we consider for oil wells.

25 MR. SCHROEDER: For oil and gas wells and

1 also recompletions.

2 MR. SPISAK: Understood.

3 MR. SCHROEDER: Thank you.

4 MR. SPISAK: Sure.

5 MR. SINGER: Thank you, Tim. I'm Tom  
6 Singer with the Western Environmental Law Center.

7 I'm just wondering if the focus behind this  
8 provision or other provisions should be the royalty  
9 obligation, as opposed to a more direct look at ways to  
10 minimization.

11 And there seems to be an assumption that  
12 the royalty obligation may be large enough to drive the  
13 behavior to minimize waste, and I'm not sure that  
14 assumption is valid in all cases. And so I would  
15 encourage you to look at the waste minimization as the  
16 objective here and not necessarily collecting royalty.

17 MR. SPISAK: It is both. It's the royalty  
18 but it's also the conservation of resource. Those are  
19 the two aspects that are -- that are within our direct  
20 purview that we will be considering as part of that, so  
21 I think it covers it. You are right, it does have a  
22 different --

23 MR. SINGER: I was reacting to a slide.  
24 Thank you.

25 MR. SPISAK: More questions, comments?

1           Okay. Moving on.

2           Production tests. The test on oil or gas  
3 to determine its flow capacity at specific conditions  
4 of reservoir and flowing pressures. Currently our  
5 policy is that the initial production test -- that's  
6 the venting and flaring -- is allowed, is not royalty  
7 bearing up to 30 days or 50 million cubic feet. These  
8 tests are not to exceed 24 hours.

9           Generally these tests are conducted after a  
10 permanent wellhead is installed. I'm trying to make  
11 the differentiation between the well completion and  
12 production tests. These -- this current policy, the  
13 gas that would be consumed, or wasted if you will, does  
14 not incur a royalty.

15           Some potential ideas. We could extend the  
16 well completion requirements to production tests. So  
17 -- and that's essentially the -- it could be whatever  
18 we do for well completions, extending it over. It  
19 could be something like EPA for the hydraulic  
20 fracturing of gas wells that would require gas capture  
21 and rejection, combustion, that same sort of thing.

22           It could be limiting the initial well  
23 evaluation test to something less than we've had  
24 before, maybe 30 days, maybe fewer days, maybe a less  
25 amount of gas.

1           Keeping in mind, a lot of these thresholds  
2 were set back 30 years ago, the industry has come a  
3 long way in being able to do the required -- the needed  
4 testing in a more efficient way, using less gas,  
5 potentially. So it might make sense to lower some of  
6 those thresholds to recognize some of the advances that  
7 have been made.

8           Potentially putting in restricted limits  
9 for oil wells. Maybe there's -- with the gas wells,  
10 you would expect that there would be infrastructure  
11 closer by so there would be a greater ability to  
12 capture the gas. So essentially maybe there should be  
13 less allowed to be wasted, compared to an oil well  
14 which may or may not have a pipeline infrastructure  
15 close by. So that may be a reason to have a different  
16 threshold, potentially.

17           A potential option might include requiring  
18 an operator to be on-site for all the tests and to  
19 essentially limit the performance test just to the time  
20 needed to validate the performance.

21           Those are some ideas. Any questions or  
22 comments on any of those?

23           MR. MACKE: Brian Macke with Chesapeake  
24 Energy.

25           My question about the limit on the oil

1 wells, why would it necessarily be the case that there  
2 would be pipeline infrastructure more likely near an  
3 oil well?

4 MR. SPISAK: If I said that, I meant to say  
5 more likely near a gas well. So if I said that, my  
6 apologies.

7 MR. MACKE: I may have misheard you.

8 MR. SPISAK: I would expect it to be more  
9 likely from a gas well.

10 Any other questions, comment?

11 Yes.

12 MS. McGUIRE: My name is Karen McGuire.  
13 I'm going to stay here so I don't have to climb over a  
14 bunch of people.

15 MR. SPISAK: Our online people can't hear  
16 you.

17 MS. McGUIRE: I will try to speak up.

18 One thing I would like to do is just  
19 mention that we view venting and flaring as very  
20 distinct and different activities, and it might be  
21 beneficial, especially since we are talking about  
22 minimizing waste, to remember the environmental impacts  
23 that people are concerned with and making that  
24 distinction between venting and flaring when we talk  
25 about these numbers.

1 MR. SPISAK: The comment, essentially again  
2 for the folks online, is the differences between  
3 venting and flaring and recognizing there are  
4 differences.

5 Just a side comment, I think, generally  
6 speaking, we prefer to have it flared rather than  
7 vented, but there may be reasons that venting is  
8 appropriate, certainly, but . . .

9 Any other questions or comments?

10 Okay. Moving right along.

11 Liquids unloading, well purging. Generally  
12 the process of opening the well bore to the atmosphere  
13 and allowing the reservoir pressure to push out any  
14 liquids accumulated out of the well bore. Current BLM  
15 policy limits these events to 24 hours but does not set  
16 any cumulative duration limits; for example, per month.

17 Some potential options might include the  
18 operator first -- first attempt to unload liquids  
19 without venting. Some of these ideas, you might  
20 recognize from Wyoming-Colorado rules, but that  
21 demonstrates we are trying to open up and look at what  
22 some other folks are doing.

23 Requiring the operator to be on-site during  
24 -- during treatment; maybe requiring the cause, date,  
25 time and duration of the date. A lot of these things

1 have been occurring for many years, and if we are not  
2 regularly capturing the occurrences, it may get -- it  
3 may be difficult to really clearly define some of  
4 these -- these emission inventories, actually how much  
5 is being vented through these processes. Something  
6 like this might help in getting a better handle of the  
7 universe of well purging.

8           This next one for new wells, and that would  
9 be you would know going in -- you are drilling the  
10 well, you know this is in an area that is prone to, as  
11 it gets later on in life, needing some kind of liquids  
12 removal; that if and when the liquids unloading is  
13 necessary, a method other than a well purging must be  
14 employed.

15           So you would know as an operator that if I  
16 have to blow a well, I'm not going to be allowed to for  
17 this well so I need to put in a program or equipment or  
18 whatever in place so that at the time that liquid  
19 unloading is needed it's not a big expense later on in  
20 life.

21           Possibly establish lower cumulative  
22 duration limits.

23           Any questions or comments on any of these?

24           MR. BLACK: Mr. Spisak, Grant Black with  
25 Wyoming Oil and Gas Conservation Commission.

1 I think it might be helpful to clarify  
2 further addressing this with respect to gas wells, oil  
3 wells, or both.

4 MR. SPISAK: Okay. Generally, I think we  
5 are talking about gas wells in this, but, you know, at  
6 this point, we are open to looking at all these  
7 different areas.

8 Other comments, questions?

9 Okay. Moving right along.

10 Casing head and associated gases. This is  
11 the natural gas that's produced along -- from an oil  
12 well. It's either sold, reinjected or used for  
13 production purposes. It's vented rarely. We're  
14 expecting that this is typically flared. And it  
15 depends on whether the well is connected to a gathering  
16 line.

17 Of course, if it's connected to a gathering  
18 line, you wouldn't expect there to be any vented or  
19 flared gas.

20 Current BLM policy requires that operators  
21 receive approval for flaring -- approval of flare  
22 casing head gas. It is also an important note that the  
23 BLM considers total leasehold production of both the  
24 oil and gas when determining the economics through a  
25 field-wide plan. I know that may not be consistently

1 applied.

2           Certainly, the BLM has little guidance on  
3 what constitutes appropriate economic analysis, and  
4 that's something, I think, we would -- we want to  
5 explore and do a better example there. And that is one  
6 of our potential options.

7           Establishing a clear and rigorous economic  
8 test that may include such items as specific rate of  
9 return or discount rate; maybe defines a specific  
10 payout period. For instance, if the equipment needed  
11 to capture the gas is -- will take X number of years to  
12 pay out, you know, if it's longer than X number of  
13 years, it would be a no-go; if it's shorter, you would  
14 do it. That's an example of what we are talking about  
15 there.

16           It could include doing a field-wide  
17 economics for gas capture and transport, including all  
18 the different operators, not just operator by operator.

19           Another potential idea is considering a gas  
20 combustion efficiency standard.

21           I've got another page here. Okay. If gas  
22 conservation is not economic, we may consider an  
23 operator may only flare with an approved application to  
24 flare. Consider whether the approval should be valid  
25 for a fixed period of time or consider other

1 limitations to the approval term.

2           So in that circumstance, if there's a fixed  
3 period of time, then subsequent applications to flare  
4 must have a revised economic analysis so we are not  
5 just working off of dated information. It certainly  
6 may be there would be consideration when new wells are  
7 added, that economic analysis would need to be  
8 refreshend with the latest information so that we get a  
9 complete picture.

10           Questions or comments on these potential  
11 items?

12           MS. FLEISCHMAN: Hi. My name is Lesley  
13 Fleishman with Clean Air Task Force.

14           And I have two comments: One, you talked  
15 about how wells that are connected to gas gathering  
16 infrastructure are unlikely to flare, but there's  
17 examples of wells that are connected but are still  
18 flaring significant amounts. So I was wondering if you  
19 can talk about if you are thinking about other  
20 alternatives to flaring in those cases and, also, how  
21 those alternatives of flaring could apply to wells that  
22 don't pass this economic test for -- for the -- using  
23 the associated gas you are talking about.

24           MR. SPISAK: Okay. Thank you.

25           MR. SINGER: Tom Singer again with Western

1 Environmental Law Center.

2 I would just to -- we submitted a set of  
3 core principles to your office that laid out in greater  
4 detail what I'm about to say on behalf of several  
5 organizations.

6 I just would like to draw a very direct  
7 line between BLM's planning obligations and activities,  
8 specifically resource management plans, and there are  
9 other types of plans that you are very familiar with,  
10 and the notion of gas capture planning, of gathering  
11 system planning, of processing capacity planning,  
12 because the -- the lens that I see on these slides is  
13 sort of a well-by-well, very disaggregated type of  
14 look.

15 And it seems to us that through these  
16 planning processes and with lease sales and with EPDs,  
17 that the BLM could -- could help these -- as the  
18 North Dakota Petroleum Council's recommendations in  
19 North Dakota, which I know you are aware of, I would  
20 encourage you to look at also flaring reform in  
21 Wyoming, the industry could be encouraged to think  
22 ahead more and more in concert to make sure that the  
23 infrastructure is in place, either to get gas to market  
24 or to identify field use of gas and get it used  
25 beneficially on site. I hope the BLM is looking at

1 those things.

2 MR. SPISAK: Thanks.

3 For instance, here the field-wide economics  
4 for gas capture, I think that's partly what you are  
5 talking about. I think you're even thinking -- from  
6 what you provided before about even earlier on in the  
7 planning process. Right? Okay. Thanks.

8 Any others?

9 Moving right along.

10 Gas conservation plans, defined as an  
11 action plan that eliminates or minimizes venting or  
12 flaring from gas from oil wells. Current policy. We  
13 develop action plans that will eliminate venting or  
14 flaring within one year from the date of enactment of  
15 application. When we implement those, they are usually  
16 done royalty-free during the implementation of the  
17 plan.

18 Some potential options. With an operator's  
19 commitment to install gas gathering infrastructure,  
20 then we would allow flaring that is authorized during  
21 that construction time.

22 Another potential option might restrict the  
23 number of extensions allowed for approval of flaring.

24 If a gas concentration is economic and the  
25 infrastructure is not in place, an operator may only

1 flare under an approved gas conservation plan.

2 Another slide on this. A potential option  
3 in cases where the gas is clearly -- the gas recovery  
4 is clearly economic, maybe they might consider  
5 or redefine the definition of unavoidably lost gas for  
6 a fixed period of time, then after that time being  
7 clearly economic and is not captured and might become  
8 royalty bearing thereafter.

9 This last one would be a circumstance where  
10 you have an area where it's a gas field, say, and the  
11 infrastructure is in place -- or it's maybe not quite  
12 there, but you know going in, before you drill a well,  
13 it's going to be -- there's going to be gas coming out  
14 of it, maybe associated gas, that we would put a  
15 condition of approval that the well couldn't be drilled  
16 or put onto production until that infrastructure is  
17 complete or will be ready soon.

18 What's soon? 90 days, 180, a year, two  
19 years? So, in effect, if you know what you are getting  
20 into going into it, we want to ensure that the first  
21 Mcf of gas that would be produced would be captured.  
22 That's kind of what we are talking about here.

23 Questions, comments?

24 Okay. Tank emissions from storage vessels.  
25 Generally gas vapors lost from storage tanks on lease.

1 Our current policy is that the emissions from storage  
2 tanks are considered unavoidably lost and they are not  
3 royalty-bearing unless the authorized officer  
4 specifically requires recovery.

5 Potential options: The new wells require  
6 the capture or combustion of gas vapors from certain  
7 tanks. This is primarily the NSPS EPA standard. They  
8 require that any new tanks with emissions greater than  
9 6 tons per year of volatile organic compounds be  
10 combusted or captured. So for new wells, that would be  
11 in place.

12 For existing wells, potentially we would  
13 require installing combustors or equivalent devices on  
14 those storage vessels with emissions greater than a  
15 certain amount. There is an X in there. Potentially  
16 you might think there would be a different level. If  
17 it's an existing tank, the economics aren't quite the  
18 same; maybe a higher tons per year might be  
19 appropriate.

20 So we are wanting to get some comments on  
21 that. Is there another threshold other than the 6 tons  
22 per year? Would there be a -- is there a throughput, a  
23 number of barrels per day or a flow -- or a gas flow  
24 that would get to the same thing and be easier to -- to  
25 enforce and to determine than tons per year. We are

1 looking for those -- information on those types of  
2 things. Are there some safety related thresholds that  
3 need to be considered.

4 So we are looking for information along  
5 those lines.

6 Questions, comments?

7 Yes, sir.

8 MR. GRAHAM: I'm Gary Graham with Western  
9 Resource Advocates.

10 Just to clarify, are you considering  
11 methane as part of these emissions?

12 MR. SPISAK: They are part of the VOCs.

13 MR. GRAHAM: Second, are you familiar with  
14 the rules just passed in Colorado by the Air Quality  
15 Control Commission?

16 MR. SPISAK: We understood they just passed  
17 them. We are analyzing those now.

18 MR. GRAHAM: Okay. Thank you.

19 MR. SPISAK: Sure.

20 Anything else? Yes, sir.

21 MR. SCHROEDER: I just want to understand a  
22 little bit better. When you say methane is included as  
23 part of the VOC's, I understand the way EPA calculates  
24 the tonnage, the threshold where if it's 6 tons per  
25 year, it's an effective facility, it's not including

1 the methane emissions.

2 So when we are looking at this, maybe one  
3 recommendation is either set a VOC threshold or also  
4 set a methane threshold, because my understanding is  
5 that it changes the further downstream it goes.

6 MR. SPISAK: We will look at that. I may  
7 have misspoke.

8 Any other comments, questions?

9 Okay. Pneumatic devices. Many controllers  
10 on a well site use pressurized natural gas to control  
11 the liquid level controllers, pressure regulators and  
12 such. Current BLM policy, gas used to power these  
13 devices, regardless of the bleed rate, is considered to  
14 be beneficially used and is not considered royalty  
15 bearing.

16 Potential options: For the new or  
17 replacement devices, we have the EPA rules in place.  
18 And they are -- again, they require that new pneumatic  
19 devices be low bleed. New pneumatic processing plants  
20 must be zero bleed. That's usually off lease.

21 What we might be considering is something  
22 along the lines -- for existing devices, requiring  
23 replacement of those if it's economic to do so. Such a  
24 calculation might be looking at the reduction in bleed  
25 rate, the cost to replace that equipment, the price of

1 natural gas and the rate and extent of recovery of that  
2 cost through that additional gas capture.

3 One can calculate does it make sense to  
4 -- to -- to replace those -- that equipment before  
5 -- before you normally would or if it was new. How can  
6 this be administered? We've done some preliminary  
7 looking at some calculations, and we would probably  
8 make it as complicated as anything or, certainly, I  
9 think you would like to keep things simple.

10 There may be some thresholds that -- when  
11 you start running some of the numbers that it just  
12 would just make sense a bleed rate above -- I'm just  
13 pulling a number out of the air right now -- 30 cubic  
14 feet an hour might just make economic sense almost in  
15 the large majority of cases to replace them. Again,  
16 don't quote me. That number is just an example.

17 You know, are there some things like this  
18 -- are some thresholds that might make sense to replace  
19 existing devices, not the new or replacement devices  
20 that the EPA rule already covers.

21 Questions? Comments?

22 Okay. Leak detection and  
23 repair. Basically programs to identify and repair  
24 leaks to reduce gas lost from the lease operations. We  
25 are typically talking about leaks before the custody

1 transfer meter, so it's those leaks on lease. Right  
2 now we do not have a policy for leak detection and  
3 monitoring.

4 Potential options would be one of maybe an  
5 operator is required to do periodic inspections to  
6 identify and repair those leaks. It could be something  
7 that would be more frequent on bigger facilities, less  
8 frequent on smaller facilities, might be a way to  
9 tailor that and not be strict to a certain requirement.

10 What threshold might we use to determine  
11 which leaks to repair? There's a lot of work being  
12 done on the infrared camera equipment. My  
13 understanding, that those are very good at saying you  
14 have a leak; they are not necessarily very good at  
15 saying how big the leak is.

16 It may -- probably with repeated use of it,  
17 you could probably have some people that might get  
18 pretty good at being able to determine big leaks,  
19 little leaks, whatever those are.

20 I know Linda had mentioned earlier this  
21 morning about a recent article or study that came out,  
22 and you might have seen it in the news today, about the  
23 cost effectiveness of fixing leaks and that sort of  
24 thing. If all you have to do is turn a wrench to fix a  
25 leak, well, you probably ought to be turning the wrench

1 to fix the leak no matter how big it is. Those types  
2 of things, so . . .

3 Any questions or comments on this one?

4 MR. SCHROEDER: Darin Schroeder again.

5 We actually released that report this  
6 morning. And just to kind of fill in what threshold  
7 might be determined. What we found out is once the  
8 leak is identified in the cases -- this is, I think,  
9 both upstream and downstream in U.S. and Canadian  
10 facilities, about 40,000 components -- once the leak is  
11 identified, it was economical to repair 97 percent of  
12 those leaks.

13 So I don't know that there's a threshold  
14 needed. It's more of a -- you require -- require the  
15 inspection. And we -- these leaks were identified  
16 through the use of the IR camera. And it's economical  
17 to repair 97 percent of those leaks.

18 And I also do want to point out -- this  
19 wasn't part of the PIE chart earlier, but from what  
20 we've seen from the inventory and everything within the  
21 oil and natural gas sector, both of them combined,  
22 leaks amount -- or account for about 30 percent of the  
23 methane emissions from that entire sector. So we think  
24 it's, you know, very beneficial to require both the  
25 inspection and the repair of leaks.

1           And I have -- I do have the fact sheets  
2 that I can give you guys after this is over.

3           MR. SPISAK: Okay. Thanks. Noted.

4           Any other comments, questions?

5           Next steps -- as I mentioned, we are  
6 keeping the comment period open until May 30th.

7           Just a point of reference, the form is  
8 going to be filed at [www.blm.gov/live](http://www.blm.gov/live). We use that for  
9 other live broadcasts, so there may be a link pointing  
10 to another place, but that's the best place to go to,  
11 certainly for the next week or so, and then probably a  
12 week after each event it will be there, but there will  
13 be a link to go to where you can get that form.

14           And I mentioned additional outreach  
15 sessions: North Dakota, New Mexico and Washington. We  
16 are looking at dates in early May and the specific  
17 locations will be sent out.

18           Do we have any questions from the  
19 streaming?

20           MR. WELLS: All right. Tim, from online,  
21 we have Shannon Anderson out of the Powder River Basin  
22 Resource Council, Wyoming.

23           Getting ahead of flaring often requires  
24 comprehensive planning before the drilling permits are  
25 issued. What will BLM do differently in its NEPA

1 analysis for the RMPs and project level review to  
2 assist with these necessary planning efforts?

3 And, if you would like, I think it  
4 continues.

5 Continued: Based on a recent slide, how is  
6 this analysis, and then in parentheses, it says,  
7 currently permits authorized under NTL4A considered at  
8 the time of APD approval and site-specific NEPA  
9 analysis.

10 We also have an additional comment that's  
11 similar. Jill Morrison out of the Powder River Basin  
12 Resource Council. How is the BLM addressing the  
13 flaring and venting issues in the planning process?  
14 Couldn't BLM better address flaring and venting during  
15 the planning process to reduce flaring and venting?

16 Let's see. Regarding Slide 7, under  
17 Potential Options for Well Completions, are you  
18 restricting to simply gas and, if so, why not instead  
19 of oil wells. So the first one was the planning part,  
20 If you would like to respond.

21 MR. SPISAK: Yeah, the planning is  
22 something we could consider. You know, several seemed  
23 to be around that.

24 What was the last one, Steve?

25 MR. WELLS. The last one was on Slide 7, If

1 we could go back. And I think the comment was, would  
2 it apply to oil wells as well as just gas wells.

3 MR. SPISAK: Slide 7? 17 maybe?

4 MR. WELLS: It says, Slide 7 under  
5 Potential Options for Well Completions, are you  
6 restricting to simply gas, and, if so, why not include  
7 oil wells?

8 MR. SPISAK: Okay. Yeah.

9 MR. WELLS: Does make sense?

10 MR. SPISAK: That was mentioned before.  
11 That was part of that second bullet there. The EPA  
12 just identifies hydraulic fracturing gas wells. And  
13 part of our consideration would be -- could be to open  
14 that up to a larger class of wells: oil wells, whether  
15 they are hydraulically fractured or not, that sort of  
16 think.

17 MR. WELLS: Moving on. Furthermore, Jill  
18 had a question: How does the current or a new BLM  
19 policy work with state oil and gas commission flaring  
20 requirements?

21 MR. SPISAK: How does the new rule work?

22 MR. WELLS: Yeah. How would it be  
23 integrated or --

24 MR. SPISAK: Well, just to clarify, we  
25 don't have a new rule yet. I just want to say that to

1 the benefit of everybody, but it would be a  
2 coordination effort, which is starting, frankly, with  
3 today to kind of start -- get the topic in discussion.

4 I know we've got some state folks here. We  
5 are going to be meeting with them going forward, like  
6 we have with the tribal folks, and to start that  
7 dialogue. And, you know, we need to recognize, I just  
8 heard this just a half an hour ago.

9 And I'm going to say it again. I thought  
10 it was good. You know, not everybody is going to get  
11 everything they want. And from state to state,  
12 it -- there are different needs, often, that -- that we  
13 want to focus on.

14 A state might have more casing head gas  
15 than another state, and so they may be more interested  
16 in, you know, developing regulations that will -- that  
17 will address their needs.

18 And so, you, know we have to be sensitive  
19 to those types of concerns, and we are trying to  
20 eventually build a regulation that -- that will serve  
21 as, you know, a foundation that could certainly deal  
22 with federal lands, Indian lands, and, you know, be  
23 able to work hand in hand with our state regulatory  
24 partners and our tribal regulatory partners.

25 MR. WELLS: Very good. Thank you.

1           Dugan Production Corporation, John Roe asks  
2 if there's any additional information about the  
3 upcoming outreach sessions, specifically New Mexico.

4           MR. SPISAK: Yes, one in New Mexico. We  
5 don't quite have all the details worked out and -- and  
6 hating to go put something out there and then have a  
7 last minute change and somebody says, I thought it was  
8 -- so I want to wait on that, but I would expect in the  
9 next two weeks or so we should have all that  
10 information nailed down and -- and get it out to folks.

11           MR. WELLS: And we've had a number of  
12 requests for the PowerPoint copies, which will be  
13 posted tonight --

14           MR. SPISAK: Right.

15           MR. WELLS: -- on this site

16           MR. SPISAK: On the site.

17           MR. WELLS: -- so everyone can get a chance  
18 to get a copy.

19           MS. LANCE: There will be hard copies in  
20 the back.

21           MR. SPISAK: Right. For those in  
22 attendance, there's still a few hard copies out there  
23 at the table, if you would like. Of course, don't all  
24 rush at once. We would rather to get to your comments.

25           MR. SPISAK: I hate to print a whole bunch

1 of copies and then they are sitting there at the end of  
2 the day, so . . .

3 MR. WELLS: Believe it or not, we are  
4 trying to get paperless here.

5 There was a question, too, about, you  
6 mentioned that the options that you're considering is  
7 when it might make sense -- economic sense to do so, so  
8 what will be the basis for considering those options on  
9 the economics?

10 MR. SPISAK: That's what we want to hear  
11 about. I mean, you know, we could come up with some  
12 kind of economic analysis and put it in a regulation  
13 and then, you know, call it good. That's not going to  
14 work.

15 I mean, what could happen is we might put  
16 out a couple template type economic analyses that  
17 -- that would kind of get to the pieces that we want to  
18 look at as examples that one could use or -- or they  
19 could come up with their own that kind of gets to the  
20 same -- gets to the same end point with information  
21 that may be more readily available to a company or  
22 entity.

23 So the thought is as a template for our own  
24 internal consumption and for those that are having to  
25 do it on the other side where we put out some -- some

1 ideas in the regulatory language that -- that would  
2 serve as a guide of what we are looking for when it  
3 comes to an economic test.

4 But it will be difficult, if not  
5 impossible, to come up with a single regulatory test  
6 that's going to work on every case that can possibly  
7 come up.

8 MR. WELLS: That might get to that data  
9 about 97 percent of the repairs being economical and  
10 looking at all data.

11 That's all the questions we have online so  
12 far, so I'm sure they are piling up so I will go back.

13 MR. SPISAK: Thanks, Steve.

14 MS. OGBURN: Stephanie Ogburn, ClimateWire.  
15 I had a few questions. One was, do you have a sense  
16 for in which of these areas the majority of gas is  
17 being lost? So is there sort of a step where you might  
18 want to focus some of the rulemaking a little more  
19 intensely?

20 MR. SPISAK: Well --

21 MS. OGBURN: Sorry. I had another  
22 question, too, but would you rather me wait.

23 MR. SPISAK: Yeah. Let me answer it this  
24 way. I put the EPA's inventory -- I know that the  
25 University of Texas has come up with another study that

1 kind of tweaks it a little bit differently. There's  
2 going to be other studies coming out.

3 I think it makes sense to kind of go to  
4 those -- those big areas where there's -- where  
5 there's, you know, a lot of -- a smaller effort -- I  
6 don't want to minimize it, but, you know, the  
7 whole -- the better bang for your buck type argument.

8 So it doesn't make sense to focus on that,  
9 but I don't expect that we are just going to go to  
10 those and forget the rest. I think we want to look at  
11 all those.

12 There may be some others that may have  
13 lesser amounts but there could be very easy fixes.  
14 Now, that's easy for me to say. Probably if it was an  
15 easy fix, it probably would have been done already, but  
16 it's still something that we will go through and look  
17 at.

18 And I think that's part of this outreach.  
19 We want you all to identify those types of things, too.

20 Second question.

21 MS. OGBURN: Great. Yeah. And as a  
22 reporter for ClimateWire, I sort of need to ask the  
23 question about climate change and, you know, the  
24 flaring of methane is better for the climate than the  
25 venting, and I was wondering if there was any emphasis

1 in your potential rulemaking about the climate impacts  
2 of methane.

3 MR. SPISAK: Well, generally, flaring is  
4 better, and we -- the emphasis is, certainly, in the  
5 industry to flare -- flare gas. There are  
6 circumstances where -- where venting is more  
7 appropriate. You know, you might be in an area where  
8 lighting a big, you know, Roman candle or flame is  
9 probably not the best thing to do. So that's something  
10 we need to be cognizant as we develop the rules going  
11 forward.

12 MR. BLACK: Mr. Spisak, Grant Black again  
13 with the Oil and Gas Commission in Wyoming.

14 I think the young lady there made an  
15 interesting comment because circumstances do vary from  
16 state to state, and I think it will be beneficial to  
17 conduct a survey, of sorts, as to reasons why the  
18 flaring is occurring in various geographic areas,  
19 because it does vary quite a bit.

20 And I think that also a rule should  
21 probably apply across the board, not necessarily vary  
22 from one place to another, but I think doing that  
23 survey would be advantageous.

24 MR. SPISAK: Okay. Thank you.

25 Yes, sir.

1 MR. STUMPF: Hi, my name is Christian  
2 Stumpf. I'm with the American Lung Association in  
3 Colorado, and we're here from the health perspective.  
4 And we do have some concerns about the potential health  
5 impacts that occur of air pollution associated with oil  
6 and gas production, particularly with venting and  
7 flaring, but we are anxious to learn more about the  
8 magnitude of the emissions associated with these  
9 operations and strategies to reduce them.

10 So those are my comments. Thank you.

11 MR. SPISAK: Thank you. Sure.

12 Any others?

13 MR. GRAHAM: Hi, Gary Graham again with  
14 Western Resources Advocates.

15 Monday night, former secretary of interior  
16 Babbitt was in Boulder and I guess, to put it mildly,  
17 it was a fairly scathing review of BLM. One of the  
18 things that he pointed out was BLM is really not --  
19 shouldn't be in the business of making sure that oil  
20 and gas production is economic on the public's land.

21 Having said that, in real world, we know  
22 you have a balancing act there, but I just want you to  
23 be very explicit in the way you articulate that with  
24 respect to the externalities associated with the  
25 emissions that are coming out.

1           So when you are doing your economic  
2 analysis, make sure that you factor in the very debated  
3 topic of the social cost of carbon in your analyses.

4           Understood. Thanks.

5           MR. GREENSLADE: Bob Greenslade with Norton  
6 Rose Fulbright.

7           The slides mention best management practice  
8 and how technology has evolved. Some of those best  
9 management practices are based on pollution control  
10 needs, EPA cleaner air act standards and are evaluated  
11 based on, you know, dollars per ton of emissions  
12 reduced, not on whether implementing those measures is  
13 of themselves cost effective.

14           How is BLM planning to evaluate those types  
15 of best management practices, seeing as what appears to  
16 be the case here is the focus of the rule isn't  
17 pollution and air impacts, it is management of waste.

18           MR. SPISAK: Our current authorities are  
19 embodied in the conservation of the resource and the  
20 royalty piece, and that's where we need to work  
21 together without stepping on the other authorities  
22 vested in EPA and the state bodies. So that is -- we  
23 are focusing on that because that's where our  
24 authorities lie.

25           MR. GREENSLADE: Thank you.

1 MR. SWANE: Hi, Frank Swane with  
2 Conservation Colorado.

3 I saw compressor stations were in your  
4 inventory analysis and was wondering if they fall into  
5 the purview of this rulemaking and what policies you  
6 are considering to lower the emissions associated with  
7 compressor stations; or the waste, that is.

8 MR. SPISAK: Compressor stations as they  
9 would reside on -- on the lease would fall within  
10 -- with the -- within the -- this realm, within this  
11 rule.

12 MR. SWANE: But are you considering leak  
13 detection and repair to reduce those emissions or -- a  
14 number of those slides or --

15 MR. SPISAK: If it's on lease, it would be  
16 covered by -- if we did any of these things, it's on  
17 lease, it would be covered by the things we would be  
18 putting in the regulation. Does that make sense?

19 MR. SWANE: Yes.

20 MR. SPISAK: So if we do a leak detection  
21 program and there's a gas compressor on the lease, it  
22 would have to fall within the leak detection program.  
23 If there was some pneumatic controls on a compressor  
24 that was on a lease, it would fall within the purview  
25 of the regulation. Does that make sense?

1 MR. SWANE: Yes. Thank you.

2 MR. SPISAK: Sure.

3 Another live stream?

4 MR. WELLS: Live stream. Love this  
5 technology. We actually have six individuals so far  
6 that have asked to give a statement, so we'll get to  
7 them. We are not going to leave you behind.

8 From the online, Richard Ranger of API  
9 asks, Does the BLM plan to issue a new onshore order or  
10 present this subject matter through administrative  
11 rulemaking? If possible, could you speak to the  
12 criteria BLM will use in making any such determination?

13 MR. SPISAK: Well, we are using the term  
14 "venting and flaring" and trying to get away from the  
15 shorthand that we have been using internally, and  
16 externally to some extent, calling it Onshore Order  
17 No. 9. There isn't an Onshore No. 9. I mean, it was  
18 the next number, and so that was kind of the shorthand  
19 that we were using, but we recognize the onshore orders  
20 as -- they have the same impact as a regulation.

21 They go through the same comment, APA  
22 procedure -- you know, comment, proposed comment and  
23 final -- that a regulation does. We still talk of  
24 Onshore Orders 3, 4 and 5. As they move forward, they  
25 would be coming out as a regulation, as a 31XX,

1 whatever. And so this would be the same type of  
2 thing. As it would come in, it's not going to be an  
3 onshore order, it would be a Regulation 31XX, whatever  
4 that is. So . . .

5 MR. WELLS: Thank you.

6 MR. SPISAK: Any others? Now, you said we  
7 had six commenters?

8 MR. WELLS: Yes. They are ready.

9 MR. TITELBAUM: Hi. Harve Titelbaum with  
10 the Sierra Club.

11 I wanted to add to this gentleman's comment  
12 here, but perhaps in the form of a question to you  
13 about economic considerations. Are you required by law  
14 to make economic considerations a priority in your  
15 regulations? And, if so, are you required to just  
16 consider internal economics or can you also consider  
17 externalized economic considerations?

18 Thank you.

19 MR. SPISAK: Yeah. I'm not aware that it  
20 specifically spells out the economic that way, but  
21 -- I'm not really a hundred percent sure. I think I  
22 know where you are going with -- if there's a cost of  
23 carbon or something -- is -- is that where you are  
24 talking?

25 MR. TITELBAUM: That's part of it, but

1 considering all externalized cost, when you consider --  
2 if you are required by law to prioritize the economics  
3 of the situation.

4 MR. SPISAK: I mean, that's a good  
5 question. I'm glad you put it forth. And that would  
6 be something we've got a team formally that's going to  
7 be working on this, and we'll get our legal counsel to  
8 talk with them and -- and more fully flesh that out. I  
9 think that's a good question.

10 MR. TITELBAUM: Thank you.

11 MR. SPISAK: Sure.

12 MR. BLOTTER: My name is Rick Blotter. I'm  
13 a volunteer with the Sierra Club, too. In preparation  
14 for this meeting, I was concerned about the lack of  
15 information that's available as to what methane is  
16 being released.

17 And if that's a problem, then I wonder if  
18 there will be a way to measure those things after the  
19 process is finished. It's about accountability, isn't  
20 it? And if it's not being measured now, how will we  
21 know what the difference is in the end?

22 MR. SPISAK: Understood. And I'll note,  
23 what was then MMS several years ago, they had changed  
24 their reporting forms to break out venting and flaring  
25 where it had just been lumped together. So that was a

1 small step to try to get a better understanding of --  
2 of how much is vented, how much is flared.

3 A lot of these -- these emissions are  
4 -- are not something that you could measure, per se;  
5 you know, leak rates, those sorts of things. We hit on  
6 it a little bit with the liquids unloading. If we are  
7 requiring, you know, a log or an accounting of how  
8 often you had that and some statistics associated with  
9 that, that might get to a better understanding of -- of  
10 and emissions inventory, but I hear what you are  
11 saying.

12 Any other comments?

13 MR. SINGER: Tom Singer with Western  
14 Environmental Law Center.

15 With respect to the three planned  
16 additional meetings, I just wanted to make sure that  
17 you are all aware that the EPA Natural Gas STAR  
18 Program, which has proven up many of the methane  
19 capture methods, is holding their national  
20 implementation workshop in early May in San Antonio.  
21 And I would encourage BLM to be present at that  
22 meeting. It will have the latest findings from the  
23 natural star program and it would be unfortunate if a  
24 conflict were created with those states.

25 MR. SPISAK: See, another reason for not to

1 come out with a particular date and then find out  
2 something like that, so thank you.

3 MS. STEVENS: Hi. My name is Kim Stevens.  
4 I'm the campaign director with Environment Colorado.

5 And just in respect to impacts on our  
6 climate and public health, you know, we, obviously,  
7 want the BLM to regulate methane emissions to the  
8 furthest extent possible and then also reduce venting  
9 and flaring, but then also beyond that, we are a  
10 citizen based organization and have been talking to  
11 tens of thousands of Coloradoans about oil and gas  
12 development on our public lands, and they definitely  
13 are overwhelming concerned about development of public  
14 lands but then especially our most special places.

15 So I just wanted to make sure that you guys  
16 have that on your radar, and we will be sure to get our  
17 members in touch with you as well.

18 MR. SPISAK: No doubt. Thank you.

19 MS. STEVEN: Thanks.

20 MS. ENNIS: Hi. My name is Jessica Ennis  
21 with Earthjustice.

22 First, thanks for holding this, and we are  
23 looking forward to the continued public forums. Just a  
24 comment on that. It would be nice to know a little  
25 farther in advance when those are going to happen. I

1 know we had some partners who would like to be here  
2 today but couldn't because of prior commitments.

3 And second, I had a question. How does  
4 this interplay with the current hydraulic fracturing  
5 rule that BLM has had before it for quite some time  
6 now?

7 MR. SPISAK: That's the hydraulic  
8 fracturing rule, and that's a separate rulemaking.  
9 This is -- this is a separate initiative.

10 MS. ENNIS: Will this -- I guess also on  
11 the timeline, what kind of timeline are you thinking  
12 for the draft proposal, or is it too soon to tell?

13 MR. SPISAK: At this point, I think it's a  
14 little too soon to tell.

15 MS. ENNIS: Thanks.

16 MR. WELLS: We have another online  
17 question.

18 Would you consider some kind of venting or  
19 flaring credit that could be traded or sold by  
20 companies similar to RIN credits for renewable fuel.

21 MR. SPISAK: Interesting. Sure, we will  
22 consider anything. No. We will look into that.  
23 Thanks.

24 Steve, you said there was six people that  
25 identified that they wanted to make a comment. Before

1 we go to that, is there any other -- other comments?

2 Okay. Go ahead and --

3 MR. WELLS: All right. Well, I'm not sure  
4 of the order, but I guess first in time. Darin  
5 Schroeder, Clean Air Task Force. Anything else you  
6 would like to say?

7 MR. SCHROEDER: I wanted to echo what  
8 Jessica said. Thank you guys for taking out the time.  
9 We appreciate you guys all -- getting this process  
10 -- sorry.

11 Thank you guys, again, for taking out the  
12 time for traveling out here, we appreciate that and  
13 beginning this process.

14 I basically just want to speak to the  
15 venting and flaring aspect. As you guys, I'm sure, are  
16 aware that the statutory charge is to prevent waste.  
17 So we just want to make sure that to the maximum extent  
18 we can, you reduce flaring -- or you reduce venting as  
19 much as you can, but you also try to take into account  
20 any other flaring alternatives that may be possible,  
21 even in the absence of pipelines.

22 I think we -- I think there are a couple of  
23 studies possibly coming out soon that may speak to that  
24 that maybe we can point you guys to different  
25 directions, but, you know, venting is waste but so is

1 flaring. We would like, to the maximum extent  
2 possible, to find some sort of alternatives to move  
3 away from that.

4 So thanks again.

5 MR. SPISAK: Thank you.

6 MR. WELLS: All right. Next we have Lesley  
7 Fleishman, also of Clean Air Task Force.

8 MS. FLEISCHMAN: Hi. I just wanted to echo  
9 what Darin was saying about flaring. We've done -- we  
10 are in the midst of a study on alternatives of flaring  
11 and we've identified a number of alternatives,  
12 including CNG trucking and NGL recovery and others  
13 that, you know, could work in the absence of gas  
14 gathering.

15 And we will be sure to forward that to you  
16 when it's finalized.

17 MR. SPISAK: Very good. Thanks.

18 MR. WELLS. All right. Next is Kathy  
19 Collentine of Sierra club.

20 MS. COLLENTINE: Thanks. I'll just echo  
21 the thank you very much for having this here today and  
22 also for using the technology to put it online. I  
23 think that's a really great way for folks to connect  
24 who couldn't be with us today. And we look forward to  
25 the announcement of the dates for the future forums.

1 And we will echo that the more heads-up and, you know,  
2 public promotion of those dates, once you have them,  
3 the more folks that you will be able to get in the room  
4 and get online to hear from.

5 I wanted to just reiterate that there has  
6 been a directive from the administration for the BLM,  
7 for the EPA, for the Department of Energy to address  
8 methane. And so, you know, taking that directive and  
9 moving forward with it on a shortened timeline really  
10 would fulfill a number of the administration's goals  
11 that they have set out as well as a number of public's  
12 desires that you have heard here today and will hear  
13 throughout the public comment period.

14 And I know there are a number of members of  
15 the Sierra Club here in Colorado that have been very  
16 involved in some of the air quality rulemakings that  
17 have happened in the state with the Air Quality Control  
18 Commission and also looking to the BLM tracery of seal  
19 office, as well as some of the BLM publications that  
20 can be found online from their Colorado field offices.

21 They have laid out a number of things that  
22 were mentioned here and some that weren't related to  
23 steps that we can take, steps that are maybe some of  
24 those lower hanging fruit, if you will, those things  
25 that we really should be doing, the industry has proven

1 they can do and are willing to do in different places  
2 and that those should be taken into account as  
3 requiring the steps to move forward, especially in a  
4 state like Colorado.

5 This is important to us, and so we thank  
6 you for holding your first forum here.

7 MR. SPISAK: Thank you.

8 MR. WELLS: Tim, next is Jessica Ennis of  
9 Earthjustice.

10 MS. ENNIS: I'm done.

11 MR. WELLS: Oh, you are done? Excellent.  
12 Gary Graham of Western Resource Advocates.

13 MR. GRAHAM: Thank you. Gary Graham,  
14 Western Resource Advocates.

15 I'm sort of like a bat in an echo chamber  
16 here because I want to thank you as well. Particularly  
17 timely to be doing this, and you've got some, I think,  
18 opportunities to take this as far as you possibly can.

19 Some of those include the CEO's of Shell  
20 Oil and Noble have said that their goal is to get  
21 fugitive omissions down to zero. So there's corporate  
22 interest in doing this and doing it well. And that's  
23 on public and private lands. So you need to make sure  
24 you take advantage of that opportunity.

25 Another place to take advantage of -- we

1 just finished, as I mentioned, the oil and gas -- I  
2 mean the new fugitive emission rules of the Air Quality  
3 Control Commission. The staff there and the  
4 commissioners, I think, are some of the most  
5 well-informed people now probably on the face of the  
6 earth on some of the regulatory aspects of rulemaking  
7 on fugitive emissions. And I'm sure they are available  
8 to help you develop these rules in a really responsible  
9 way.

10 So with those thank yous, I also wanted to  
11 channel Bruce Babbitt again, because he was in public  
12 speaking, a distinguished lecturer at University of  
13 Colorado, and a point that he made that's relevant here  
14 is that with some of the rulemaking that is going on,  
15 you've divested the decision making down to the  
16 district level -- state and then district level, and  
17 that's creating serious inconsistencies on how things  
18 are implemented on the ground.

19 Because of the nature of emissions, what  
20 happens in one district has impact -- global  
21 implications. And so I would encourage you to make  
22 sure that when you get through with this that there is  
23 going to be kind of enforceable, accountable  
24 consistency throughout the BLM land holdings and how  
25 they are implemented.

1 Thank you.

2 MR. SPISAK: Thank you.

3 MR. WELLS. All right. Last on our list is  
4 Tom Singer of Western Environmental Law Center.

5 MR. SINGER: Thank you.

6 Tim, I just wanted to circle back to the  
7 slides. I'm reacting again to the slides and the  
8 notion that the royalty obligation is the hammer or the  
9 lever, the incentive that BLM has over industry to  
10 -- to minimize waste.

11 And I just want to reiterate -- I know you  
12 are aware of this -- that with resource management  
13 plans, there are mandatory mitigation measures that  
14 have been adopted by several field offices, RNPs about  
15 methane waste.

16 There are also, you know, the opportunity  
17 to provide stipulations at lease sales requiring the  
18 industry to do certain things. And then with the  
19 applications and permits to drill, there are conditions  
20 of approval that can be applied, again requiring  
21 industry to behave in certain ways.

22 So I would encourage you to look at the  
23 full range of tools that the BLM has for making sure  
24 that industry minimize its waste and not just rely on  
25 the royalty obligation.

1 Thank you.

2 MR. SPISAK: Thank you.

3 Anybody else?

4 MS. SGAMMA: I'm Kathleen Sgamma with  
5 Western Energy Alliance.

6 I just wanted to point out a few things. I  
7 know you probably know this, but I wanted to make sure  
8 based on some of the things we have been hearing today.  
9 First of all, methane is not regulated under the Clean  
10 Air Act as a pollutant or as toxic. It doesn't have  
11 direct health impacts. So that's one thing.

12 We, as an industry, are very dedicated to  
13 reducing methane and, of course, carbon emissions.  
14 That's why we are very proud that because of natural  
15 gas the United States has reduced greenhouse gas  
16 emissions more than any other country.

17 So I think that pulls in to the questions  
18 that were raised on whether you should consider  
19 economic impacts. You make natural gas and oil  
20 development uneconomic in the United States, you  
21 actually are counterproductive to the goals of reducing  
22 greenhouse gas emissions because then we are not  
23 producing as much natural gas which has that large  
24 carbon reduction benefit.

25 So I just thought I would point that out as

1 well. We are obviously going to be engaged in the  
2 rulemaking.

3 And I would also like to point out, too,  
4 that when we look at the contribution on the production  
5 end from natural gas development, you know, methane  
6 emissions are what EPA says around 9 percent of total  
7 greenhouse emissions for the country, and I think  
8 that's on a carbon equivalent basis.

9 So when you look at those methane  
10 emissions, we are a lower contributor to methane than  
11 is agriculture, for example. So the use of natural gas  
12 -- the whole life cycle benefit enables us to reduce  
13 greenhouse gas emissions overall in the United States.

14 So I think that should be an important part  
15 of this conversation, and that's why economics are  
16 important. If we make rules that make it too  
17 uneconomic to develop on public lands, then we put off  
18 -- limits a source of energy that's actually  
19 contributing -- provides the biggest contribution to  
20 reducing our greenhouse gases in the United States.

21 Thank you very much.

22 MR. SPISAK: Thank you.

23 MR. GRAHAM: Gary Graham again, Western  
24 Resource Advocates.

25 Thanks for that comment. For your

1 information and others that are interested, there's an  
2 entity in the west called the Western Interstate Energy  
3 Board, and they are in the process now of securing a  
4 consultant that's going to, at least in my opinion, do  
5 the most rigorous analysis to date of where that  
6 threshold amount is that natural gas does in fact  
7 reduce the carbon emissions that we are, unfortunately,  
8 experiencing with coal.

9           You know, there's a 3 percent level that's  
10 sort of out there, but it's not rigorously determined.  
11 So this analysis that's going to be done over the next  
12 six months to a year will really look at that very  
13 rigorously throughout the system, coal and natural gas,  
14 horizontally across how natural gas is developed.

15           And I think the data will add more  
16 certainty to the promise of natural gas and helping us  
17 transition to that clean energy future.

18           MR. SPISAK: We will keep an eye out for  
19 it. Thanks.

20           MR. TITELBAUM: Hello. Harve Titelbaum  
21 again, Sierra Club.

22           I used to also be a member of Physicians  
23 for Social Responsibility, and, as such, we would get  
24 involved with health aspects of greenhouse gases. And  
25 not to -- I know we don't want to get into any kind of

1 debate here, but just as a response to the thought that  
2 methane does not have a direct health impact, that may  
3 be true, but methane, not because of its prevalence,  
4 per se, but because of its potency -- two things to  
5 consider with the greenhouse gas are prevalence and  
6 potency.

7           And because of methane's potency, it is a  
8 much more powerful greenhouse gas than some others.  
9 Because of that and because of global climate change,  
10 it does have significant impact on human health.

11           So I just wanted to make that comment, just  
12 we consider health impacts of methane.

13           Thank you.

14           MR. SPISAK: Thank you.

15           Any others?

16           Going once. Going twice.

17           You are up, Mike.

18           MR. NEDD: So I would like to make some  
19 closing comments and then Linda will certainly make the  
20 last set of comments.

21           Again, we want to send out our thanks to  
22 many of you who ventured out here to come and share  
23 your thoughts with us. This is our first session.

24           And, as you can hear from the comments,  
25 there is comments from all side of the isle, and we

1 appreciate that. I mean, this is what makes it  
2 interesting, that we can hear from everyone who has  
3 something to say and want to share it. And as we move  
4 forward in this process and considering the options, we  
5 will take that into account.

6 I again want to thank the number of BLM  
7 employees that is either online, that are here that  
8 helps to make this online session feasible today. And  
9 so we thank you for that.

10 I want to thank the BIA, the Forest  
11 Service, the EPA, I was told had someone here, and  
12 Onshore Natural Resource Agency. I want to thank you  
13 all for being here today.

14 Certainly want to give a thanks to  
15 Tim Spisak who -- one of our subject expert -- and,  
16 yes, he deserve a round of applause -- one of our  
17 subject matter expert and certainly has been pouring  
18 over the volumes of information that has been coming  
19 out daily, as recent as this morning, and trying to  
20 keep up with all of that.

21 So, again, thank you, Tim, for that.

22 Steve Wells, who has been our runner here,  
23 he's our division chief of fluid minerals back in the  
24 Washington office, oversee all our oil and gas  
25 development. I want to thank Steve for that.

1           The Colorado state office and many of the  
2 employees who are here, they are the ones who are  
3 making this streaming possible and allow an individual  
4 with technology to get in with us, so we thank them for  
5 that.

6           We have a number of state representative  
7 individual here, so again we thank you state government  
8 for being here.

9           Certainly the Washington office leadership.  
10 Again Linda Lance, our deputy director for programs and  
11 policy, and Jeremy Anderson. I want to point him out  
12 again, thank them for being here.

13           And, again, we just want to thank each and  
14 every one of you again. Stay tuned. We will try to  
15 make it available soon when we will have those session  
16 in North Dakota and New Mexico and Washington, D.C. So  
17 we are working very hard to identify those dates with  
18 the logistics.

19           And again get the comments in, as Tim  
20 mentioned, by May 30th, any comments you have, any  
21 studies you have, any information you have, any options  
22 you have. No matter what it is, we would certainly  
23 encourage you to post those for us.

24           So, again, thanks to each and every one. I  
25 may have forgotten some of them here. Charge it to my

1 head and not to my heart, but I do appreciate each and  
2 every one of you being here.

3 Linda.

4 MS. LANCE: Yeah. I just wanted to  
5 introduce Ruth Welch to those of you who may not know  
6 her. She's our acting state director here in Colorado,  
7 and we appreciate her being here with us today and to  
8 all of your staff in the state office, thank you so  
9 much for helping us put this together. It's a heavier  
10 lift than you might think and it's really hard, so we  
11 appreciate that a lot.

12 This has been great for me. I've learned a  
13 lot today. And I hope you will stick with us and work  
14 with us as we go through this. It needs to be a  
15 dialogue and a collaborative effort with all the  
16 interest in this room. We care a lot about getting  
17 this right. We think it's really important.

18 And it's going to require a time commitment  
19 from you all, too, so just letting you know this is  
20 just the beginning, but we want to move along quickly,  
21 so more to follow. And, obviously, you know where we  
22 are. If you have thoughts in the interim between our  
23 outreach meetings, please let us know.

24 I think the more input that we get before  
25 we put out a proposed rule, the stronger it's going to

1 be, and so that's what our goal is. So thanks again  
2 for your time commitment. It means a lot to us. And  
3 we will look forward to keeping on working with you.

4 I think we are done, unless anyone has  
5 anything else, and if you do, come on down.

6 (The meeting concluded at 2:23 p.m.)

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In witness whereof, I have affixed my signature this 7th day of April, 2014.

My commission expires April 20, 2016.

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Annette Graham  
216 - 16th Street, Suite 600  
Denver, Colorado 80202