

BUREAU OF LAND MANAGEMENT
OUTREACH REGARDING VENTING
AND FLARING FROM OIL AND
GAS OPERATIONS

TRANSCRIPT OF
PUBLIC OUTREACH

Taken At
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1 (The proceedings herein were had and made
2 of record, commencing at 1:05 p.m., Friday, May 9,
3 2014, as follows:)

4 MS. CONNELL: Good afternoon, everybody.
5 I'm Jamie Connell. I'm the state director for the
6 BLM for the Montana and Dakotas Region. It's my
7 pleasure to be here this afternoon. It's nice to
8 see such a good turnout.

9 You know, the management of public lands
10 in the West can often be a somewhat heated and
11 debated issue, and I personally think that it's
12 always nice for us to be able to sit down and have
13 a lot of people show up and talk about these kinds
14 of things. Worst case scenario is when we host a
15 meeting and nobody shows up. It happens to us
16 sometimes. Not as often as it used to, that's for
17 sure.

18 I want to welcome you. I know that you're
19 all very, very busy people. I know some of you
20 traveled from a good distance, and so the fact that
21 you would take time out of that busy schedule and
22 all the choices of things on such a beautiful,
23 beautiful North Dakota day, take your time and come
24 and spend it with us this afternoon, please know
25 that we really do appreciate it.

1 On behalf of our Washington office for the
2 Bureau of Land Management, I would like to welcome
3 you to the forum on venting and flaring. Like I
4 said, I know there's things out there that can be
5 complicated and difficult, and here in North Dakota
6 and the Montana area, we really like to think that
7 we can sit down and talk about things and work out
8 very complicated solutions to very difficult
9 challenges. So I'm looking forward to
10 participating today.

11 On behalf of the district manager for the
12 BLM for eastern Montana/Dakotas area, Diane Friez,
13 who is here in a green BLM shirt somewhere, and
14 Rick Rymerson, our local fieldman in the back, many
15 of you might know, I would like to welcome you to
16 Dickinson and hope you have an opportunity to visit
17 some of your public lands when you're out in this
18 area at least at some point this summer.

19 The Bureau of Land Management manages only
20 58,000 acres of surface here in North Dakota, which
21 isn't very much when it comes to the areas of land
22 that we usually participate in.

23 We have a little bit of a different role
24 here. We manage nearly one and a half million
25 acres of mineral estate that's federal and another

1 approximately 600,000 acres of Indian trust estate.
2 So we have a very, very busy team here. As you
3 know, the Bakken is a busy place and our office has
4 been hopping for the last number of years here in
5 the Dakotas area.

6 If you look at those acreages that I
7 described, that turns out to be about 9 percent of
8 the total acreage. And in some areas 9 percent
9 wouldn't seem like very much, but when you have the
10 type of activity, the amount of productive oil and
11 gas that comes out of the Bakken formation, even
12 that 9 percent really does turn out to be a large
13 percentage, and it's certainly contributing to the
14 energy development and the needs of this nation.
15 So we're proud of the work that we're doing here
16 and our partnership with our other sister agencies
17 in the area.

18 As a key player in the development of
19 this, it's important for us that we engage with you
20 and we have conversations about venting and
21 flaring. I know there's been a lot of discussion
22 going on with the governor here in North Dakota and
23 with the oil and gas companies, with private
24 interests, with tribal interests, and we're just
25 happy to be at the table and working on this issue

1 with you together.

2 I would like to introduce -- I'm very,
3 very pleased to introduce for you today our newly
4 appointed Deputy Secretary of the Interior, Mike
5 Connor.

6 I met Mike actually when he was the
7 director of the Bureau of Reclamation. Everyone
8 introduced him as Mike when I met him, so I didn't
9 get too knowledgeable of his official title, but
10 Mike's background, I think, is very well suited to
11 the work that he's doing as our deputy secretary,
12 starting out as a chemical engineer, working in
13 industry with General Electric and in manufacturing
14 and then working his way through law school and
15 spending a bunch of time in very important
16 positions working on Capitol Hill in the United
17 States Congress. He is very fluent at speaking to
18 all of these issues, but can definitely understand
19 the technical challenges that we're faced with in
20 energy development on public lands in the West.

21 So I would just like to introduce Mike and
22 tell him that we really, really appreciate him
23 being here today.

24 MR. CONNOR: Thanks, Jamie. Thank you for
25 the kind introduction and thank you, of course, to

1 all of you for taking the time out of your
2 schedules to be here today and provide us input on
3 this very important subject that we have here
4 regarding venting and flaring and our thoughts in
5 moving forward. I know that you all have had a lot
6 of thoughts already on this subject in working
7 through the many issues that you have had to face
8 out on the ground and as community members affected
9 by the activity that's going on here in the Bakken.
10 It's an incredible sight to see.

11 I guess I would -- you know, just to state
12 kind of the overarching purpose here, we certainly
13 want to hear from you more than anything else. I
14 kind of broke it down to two different areas. We
15 obviously want to hear impacts that people see from
16 venting and flaring of gas, and we also want to
17 discuss, understand, hear your thoughts on
18 strategies that can and should be implemented to
19 address those set of issues.

20 I think overall we're probably going to
21 have some more discussion about this over time, but
22 as an overarching matter, I would just say one of
23 the reasons that we are very interested in this
24 subject at the Department of the Interior and
25 Bureau of Land Management is that in 2010 the

1 Government Accountability Office issued a report
2 and it indicated that at that point in time, 2010,
3 that 126 billion cubic feet of gas was being vented
4 or flared each year from federal onshore leases,
5 and that was the equivalent of about \$23 million in
6 lost royalties to Indian tribes, who we're
7 responsible to, but also to the U.S. taxpayers. So
8 that's a 2010 report.

9 Obviously these days, in particular with
10 the increase in development activity in the oil and
11 gas industry, that number has got to even be
12 bigger. So our goal is to reduce waste. I think
13 that's a goal that the industry shares, obviously
14 the state shares, and I think most people would
15 look at as a good thing. We want to reduce that
16 waste and we want to be accountable, as we should
17 be, to maximize returns for the taxpayers and
18 specifically the tribes who we're responsible to.

19 In addition to that, this natural gas also
20 contains a lot of greenhouse gas emissions, pretty
21 potent greenhouse gases, so it has the added
22 benefit of addressing the issue of climate change,
23 which is important certainly from the Obama
24 administration's perspective.

25 Those impacts of climate change are being

1 seen across the landscape in many ways, shapes and
2 forms, certainly in my prior capacity what we're
3 seeing in deepening length and more systemic
4 droughts. All that's being exacerbated by
5 increased temperatures, so there's an added value
6 there. And then, of course, the VOCs that are part
7 of that gas that's being vented contributes just to
8 the overall air pollution issues, air quality
9 issues that everybody is trying to deal with from
10 many communities.

11 So from that standpoint, the Department of
12 Interior and BLM think it's appropriate and proper
13 at this point in time to update the regulations
14 that exist currently, and they're over 30 years
15 old, and a lot has changed in that time.

16 North Dakota by necessity is a laboratory
17 for addressing these excess gas issues. And I know
18 strategies are being developed already. I know
19 this has been a priority for Governor Dalrymple. I
20 met with him a couple months ago back in D.C. right
21 before I was confirmed in this position.

22 He was talking to me about water issues
23 that involve the Bureau of Reclamation, but he also
24 -- I was hoping to get confirmed by that point in
25 time, so Governor Dalrymple raised a whole lot of

1 other issues. We had a good discussion about his
2 goals and objectives here in North Dakota, and then
3 we had a terrific discussion just a little bit ago
4 with the North Dakota Petroleum Council and the
5 state -- the Industrial Commission on things that
6 they've already moved forward with in trying to
7 meet the governor's goals and objectives.

8 So there's been a lot of very good
9 planning and thought put in towards this effort. I
10 very much appreciate hearing about that because I
11 do think it's going to very much inform how we move
12 forward, and I certainly understand that
13 infrastructure is fundamental to this process of
14 addressing this issue of venting and flaring.

15 The past two days -- I just want to note
16 that I didn't come here just for a meeting. These
17 are the least fun aspects of the job, although I've
18 got to say that meeting in North Dakota is more fun
19 than the meetings I have in Washington, D.C., from
20 a lot of different perspectives, so I'm happy to be
21 out here, but I have been here since Wednesday
22 night spending time on the ground.

23 We had a great day yesterday visiting a
24 couple of facilities, one well drilling operation.
25 We were hosted by Enerplus, and that was just a

1 terrific opportunity to get out on the rig, better
2 understand the process as they were completing a
3 well. Then we did a production facility tour, EOG
4 Resources, EOR Resources, and that was very
5 informative. And, again, this morning we went out
6 to another production facility hosted by Fidelity,
7 terrific, very candid discussions.

8 So I appreciate the hospitality, but I
9 also appreciate the educational process that folks
10 invested their time and effort in trying to get us
11 up to speed and understand, particularly some of us
12 from Washington, D.C., better how the process
13 works.

14 We also spent some time yesterday on the
15 Fort Berthold Indian Reservation, had a very good
16 discussion with Tex Hall and a number of the
17 leaders from the tribal community up there.

18 So I recognize even from those two days
19 there's a wide array of circumstances that exist
20 here in the Bakken dependent on the infrastructure
21 that's available right now. And I certainly
22 appreciate the good work that's already gone on in
23 a lot of those facilities that we visited, but
24 driving across the landscape you can see the
25 difference that exists in those facilities, some

1 which are doing a very minute amount of flaring and
2 others where it's much more significant. So it
3 would be good for us to understand those
4 differences, if they're all related to
5 infrastructure or other aspects of the production
6 process. That will be important for us to
7 understand.

8 So with that, that's my thought. I very
9 much appreciate the hospitality. I hope to get out
10 to North Dakota again in the Bakken. There's so
11 many issues coming together in this place. It's
12 representative of things that the Department of
13 Interior deals with overall. I feel very blessed
14 and I must be destined to come back if you've got
15 weather like we have today. It's always like this;
16 right?

17 So with that, am I going, Linda, to you or
18 to Tim? All right.

19 Let me introduce our deputy director at
20 the BLM, who we are very lucky to have, Linda
21 Lance, who is very experienced in all of these
22 issues, a tremendous resource for the Secretary and
23 I, and also somebody who I worked with and who then
24 followed up some of the work I did at the Senate
25 Energy and Natural Resources Committee. So Linda

1 understands these issues much deeper than I do, and
2 I'll turn it over to Linda Lance.

3 MS. LANCE: Thanks, Mike. Thank you all
4 for joining us today and I'm really pleased to be
5 able to be in North Dakota. This is my first trip,
6 but I'll be back, like it or not. This has been
7 great.

8 But as Mike said, what we really want to
9 do today is hear from you. This is the third
10 outreach session that we've done like this.

11 And I just wanted to kind of give you the
12 two-minute version of where we are in terms of
13 thinking about dealing with these issues within the
14 BLM and how we kind of want to do today's
15 conversation, and then I'm going to hand it off to
16 Tim and we can get underway.

17 Where we are, we do not have a proposed
18 rule yet, but dealing with this issue is a very
19 high priority for us at the BLM, so we found it
20 really useful in the past before we actually start
21 writing rules to have these kinds of sessions, and
22 what we're going to be able to do today is to
23 outline for you what our current thinking is, what
24 our sort of potential menu of options might be, but
25 wanted you to clearly understand that none of this

1 is cast in stone. We don't think we necessarily
2 have the absolutely complete list or absolutely
3 best menu at all, so we want to hear from you on
4 all of that and hope that we'll come out of this
5 with a whole lot of new ideas and better ways of
6 thinking about how to deal with this issue.

7 So what we've done in the other sessions
8 that worked well, I think, Tim has a presentation,
9 a slide show. If he ran straight through it on his
10 own, it would only be about 15 minutes long, but
11 what we think has worked well in the past is he's
12 going to stop as he gets through each individual
13 issue and ask for comments and questions on each
14 issue rather than make everybody just kind of wait
15 till the end.

16 We have a great crowd here today. I think
17 we'll be able to accommodate everyone's views, but
18 if it turns out that we're running really, really
19 long, we'll think of plan B. But that's how we
20 wanted to run it today.

21 The one thing that I've come away from the
22 other sessions with, and I feel like this will be
23 equally good, if not better, there's an enormous
24 value to us from hearing from you all at this
25 stage, but in addition to hearing from all of you

1 who have different perspectives on this issue, come
2 from different places, have different relationships
3 with the impacts of this industry.

4 So what I'm going to ask you to do is
5 listen to each other as well, and this is an
6 opportunity for a dialogue that you all can have
7 with each other, and we learn a ton from that. So
8 I look forward to that conversation, and feel free
9 to speak up, ask questions as Tim is going along,
10 make comments, and then we'll have an opportunity,
11 I think, at the end for more general comments and
12 questions as well.

13 So thank you again for being willing to
14 take the time out of your day to be with us today.
15 It's a pleasure for us to be able to hear from you.

16 And Tim Spisak. And Tim is one of our
17 senior people back in D.C. working on a range of
18 fossil energy issues. He's an engineer by
19 training. So have at it.

20 MR. SPISAK: Thank you. Can you hear me
21 all right? Again, my name is Tim Spisak. And this
22 mike is not working.

23 Okay. Good afternoon. I'm glad to be
24 here. I think it's the first time I've been to
25 Dickinson before, but I have been to Bismarck, if

1 that matters.

2 We are using this process -- we did a
3 similar outreach on our Onshore Orders 3, 4 and 5
4 in April of last year, where we've done these
5 sessions both with the tribal in the morning and
6 the public outreach in the afternoon. We broadcast
7 some of these live. We did one back in Denver in a
8 live session and we'll be doing that next week in
9 D.C. as a live session too. We've found it a very
10 useful way of getting information to us early in
11 the process before we come out with a proposed rule
12 and hopefully keep us going in the direction that
13 we think is most useful for everybody.

14 As has been mentioned by Linda and a
15 little bit from Mike, the reasons that we're going
16 forward with looking at venting and flaring,
17 NTL-4A, which stand for the notice to lessee, 4A
18 doesn't reflect many of the current best management
19 practices that have developed over the past
20 30-some-odd years since NTL-4A has been put into
21 place.

22 As Mike mentioned, certain recent Office
23 of Inspector General and General Accountability
24 Office reports have suggested that there's a lot of
25 waste and a better job we could do at trying to

1 capture and minimize the venting and flaring of
2 operations on federal and tribal lands.

3 Also we want to recognize, though, that
4 other agencies such as EPA is putting out -- has
5 put out New Source Performance Standards that also
6 require some new action regarding venting and
7 flaring. I will mention those at a couple places
8 along the way where there could potentially be some
9 overlap. We certainly -- our intention is not to
10 pile on with different levels of regulations, but
11 to try to identify where other regulations are and
12 try to dovetail and work with them as best as
13 possible.

14 Also just last month EPA put out several
15 new white papers, they're called, dealing with
16 liquids unloading, pneumatic devices, hydraulic
17 fracturing on oil well completions, natural gas
18 compressors, and leaks that was just released. We
19 are looking at those also. That's kind of their
20 way of doing what we're doing as far as getting
21 some outreach and getting some more informed
22 discussion as we go forward with developing these
23 rules.

24 Again, we're trying to start up a dialogue
25 with the interested parties. This is the third of

1 four locations and, as I mentioned, we want to
2 ensure that we consider existing federal, tribal,
3 state rules, and the industry best practices that
4 are out there.

5 This next chart is an EPA inventory of
6 emissions. It's from onshore. It's not limited to
7 federal leases. I must note it's a 2011 inventory.
8 It's a little bit dated, but it does help in
9 forming our discussions. There are -- this data is
10 continuing to be updated and we'll be using
11 information as it becomes available.

12 A couple things I wanted to point out with
13 this particular chart, starting at twelve o'clock,
14 moving clockwise there, about 25 percent of the
15 emissions inventory was associated with pneumatic
16 controllers. In other words, fugitive emissions
17 associated with the running of pneumatic
18 controllers in this inventory showed about a
19 quarter of it coming from those devices.

20 The next biggest area was another 25
21 percent associated with completions and workovers.
22 Another couple notable areas were emissions from
23 storage vessels and tanks, about 17 percent. The
24 next biggest area was gas compressors and engines,
25 about 10 percent.

1 So looking at that, those would appear to
2 be areas that we want to focus on trying to
3 identify regulatory efforts of looking at the areas
4 where there might be the most amount of emissions
5 of venting and flaring that could occur, but this
6 is just one piece that we're looking into, but I
7 thought it was a good way to illustrate some of the
8 issues.

9 The major topics that we'll be covering
10 are these listed: Well completions, production
11 tests, well purging during liquid unloading
12 operations, casinghead gas and associated gases,
13 gas conservation plans, emissions from storage
14 tanks and vessels, pneumatic devices, and leak
15 detection and repair programs.

16 Again, the purpose of the outreach is to
17 solicit areas of views on these major topics. As
18 Linda mentioned, this is not necessarily a complete
19 list. We want to be able to get an idea of are
20 there other areas that we should be considering,
21 are some of these that we are talking about maybe
22 unrealistic. We want that type of feedback. We
23 certainly welcome your input.

24 I've got an email address at the end that
25 you'll be able to send comments in to

1 notwithstanding the discussion we have here.

2 Right now we have the comment period
3 open -- it will be open till May 30th. This won't
4 be the end of the process, but it will be the way
5 to get your comments into the mix of discussion as
6 we develop a proposed rule.

7 Each of these areas, I'm going to have a
8 similar format where I'm going to talk about what
9 it's defined as, any current BLM policy that's
10 associated with this particular area, and then some
11 potential ideas for dealing with them. After the
12 end of each one of those potential ideas slide,
13 I'll stop and ask if there's any questions or
14 comments or clarifications. We like to kind of
15 keep the questions and comments and clarifications
16 to the particular task, recognizing at the end of
17 the presentation we'll be able to open it up to
18 more general comments if we have them.

19 The first one, well completions.
20 Generally it's the process of completing the well
21 all the way until the point where a permanent
22 wellhead is set. So all of the initial testing or
23 flowback associated during the completion
24 operations is part of this task. Right now current
25 BLM policy is that any of the vented or flared gas

1 during the well completion operations, they do not
2 accrue any royalty associated with them.

3 Some potential areas where we could
4 confine or regulate the well completions, first,
5 would be require no requirements on well
6 completions, recognizing the EPA has the NSPS
7 already in place for emissions associated with
8 hydraulically fractured gas wells.

9 But going further, BLM could look at doing
10 similar types of an approach to -- focusing on
11 capturing or injecting, using or combusting or
12 flaring gas on other types of completions, whether
13 it be oil wells or non-hydraulically fractured
14 wells.

15 Any questions or comments about well
16 completions?

17 Okay. Moving right along, production
18 tests. Production tests are those that are on oil
19 or gas wells and they're generally used to
20 determine the flow capacity at specific conditions
21 of reservoir based on reservoir characteristics,
22 flowing pressures, that sort of thing.

23 Currently BLM policy has some restrictions
24 on initial production tests. They're usually
25 authorized up to 30 days or 50 million cubic feet.

1 And the evaluation tests themselves shouldn't
2 exceed 24 hours unless specifically approved.
3 Production during these tests are not royalty
4 bearing under our current policy.

5 Potential options could include extending
6 the well completion requirements, such as the green
7 completions to production tests, for instance, or
8 maybe requiring more stringent limits on gas wells
9 or oil wells, tightening them down to smaller
10 amounts, assuming that the newer technologies are
11 able to get to the reservoir characteristics more
12 efficiently without having to need as much gas to
13 produce, could include requiring operators to be on
14 site during all tests, and certainly to limit the
15 performance tests just to those times needed to
16 validate performance.

17 Any questions or comments, clarifications
18 on production tests? You need to say your name.

19 MS. MOGEN: I am Kristi Mogen. I'm from
20 Wyoming with WORC and Powder River Basin Resource
21 Council. You know, I really would like somebody on
22 site while they're testing that -- the production.
23 That would -- they would understand what we live
24 with.

25 MR. SPISAK: Thank you. Any others?

1 Moving right along. Liquids unloading,
2 well purging. When we were talking this morning,
3 it doesn't sound like there's a lot of this in this
4 particular area, but generally what we're talking
5 about on gas wells, when liquid after -- this is
6 usually in the later stages of the productive life
7 of the well, as accumulated liquids coming from the
8 reservoir, that pressure from -- the hydrostatic
9 head of the pressure of the liquid in the wellbore
10 precludes the gas well from producing anymore, so
11 what the operator must do is open the well to the
12 atmosphere and let that differential pressure push
13 the liquids out into the atmosphere. That's what
14 liquid unloading is that we're talking about here.

15 Current BLM policy is that we limit events
16 to 24 hours, but we do not have any cumulative
17 limits, for instance, on a daily or monthly or
18 annual-type basis.

19 Potential options could be, and the first
20 four kind of mimic some of the rules that Colorado
21 just put in place.

22 MR. ARRINGTON: I have a question on
23 your --

24 MR. SPISAK: Okay.

25 MR. ARRINGTON: You were saying that the

1 liquids had to be pushed to atmosphere. I think
2 they could be pushed to a collection tank and that
3 tank could be under negative pressure.

4 MR. SPISAK: Certainly, but we're talking
5 about the cases where there's not a tank there to
6 be able to do that and the operation has been it's
7 just blown to the atmosphere.

8 MR. ARRINGTON: The tanks are readily
9 available. They can get them.

10 MR. SPISAK: So that's a potential option,
11 certainly.

12 Others could include the operator must
13 first attempt to unload liquids without venting;
14 require the operator to be on site during the
15 treatment; recording the cause, date, time, and
16 duration of the event; and opening the wellbore to
17 the atmosphere as a last resort. Those four, as I
18 understand, are part of a newly passed Colorado
19 rule.

20 The next one, the idea is for new wells,
21 if you know you're in an area where typically as
22 the well gets older and it's going to require some
23 kind of liquids unloading method to keep the well
24 productive, that the operator would put in at the
25 start the various equipment that would be very

1 costly to put in later -- to put that equipment in
2 at the start of the process so that at the point in
3 time when it becomes necessary to remove that
4 liquids, that they have that infrastructure already
5 in place.

6 Another potential option could be to
7 establish lower cumulative duration limits for
8 liquids unloading.

9 Any questions or comments? We have one
10 with a tank under negative pressure as an option.

11 MR. ARRINGTON: By the way, I'm Bob
12 Arrington.

13 MR. SPISAK: Bob Harrington.

14 MR. ARRINGTON: Arrington, A-r.

15 MR. SPISAK: Thank you. Questions,
16 comments?

17 Next, casinghead and associated gas. This
18 is defined as natural gas produced from an oil
19 well. It's either used in some fashion, hopefully
20 rarely vented, and it's usually dependent on
21 whether there's a gathering line close by that it
22 could be connected to, although not always. As
23 we've learned, just because you have the
24 infrastructure there, there may be other
25 considerations causing flaring of associated gases.

1 Right now current BLM policy requires that
2 you get approval to flare casinghead gas. The BLM
3 also considers the total leasehold production, both
4 the oil and the gas, to determine -- when
5 determining the economics through a fieldwide plan.

6 Now, we recognize that BLM has little
7 guidance on what constitutes appropriate economic
8 analysis in approving such applications, and that's
9 one of the issues of trying to provide a consistent
10 means of determining when a capture of associated
11 gas is economically viable.

12 Getting into some potential options, could
13 establish a clear and economic test that might
14 include such items as specifying rates of return or
15 discount rates, maybe specifying a particular
16 payout criteria, ensuring that the analysis is done
17 on a fieldwide basis regardless of whether you have
18 multiple operators may be a way. The thought would
19 be we wouldn't specify a particular equation, but
20 it could be a template that would consider a number
21 of variables that the operator, that the BLM
22 engineer would use to come up with a more
23 consistent means of how to determine economics of a
24 particular case. Maybe it would consider a gas
25 combustion efficiency standard.

1 Yes, ma'am.

2 MS. MORRISON: Yes. Thank you very much.
3 My name is Jill Morrison. I'm from Wyoming and I
4 work with landowners, with Powder River Basin
5 Resource Council.

6 And we are very appreciative, first of
7 all, that BLM is looking at these issues. One of
8 the things -- I mean, as you probably know, there's
9 a lot of federal minerals in Wyoming, particularly
10 also in the Powder River Basin where we work, so we
11 are concerned with the new increased deep oil
12 drilling we're seeing come into our area, the
13 increased flaring of gas that's beginning there,
14 and hopefully not following to the extent we see in
15 the Bakken.

16 So what we started to do about a year ago
17 was work with our -- bringing the issue more to the
18 forefront in Wyoming and -- with the Wyoming Oil
19 and Gas Conservation Commission, and our commission
20 really stepped up to the plate and also our State
21 Land Department to really try to comply with our
22 Wyoming Conservation Act, which requires prevention
23 of waste, not just reduction. And so we're asking
24 really for BLM to look at a prevention of waste
25 criteria.

1 And what has happened over the past year
2 is the number of flaring permits went -- was cut in
3 half within this past year over this stepped-up
4 action by the commission. So now when a company
5 wants to get a flaring permit from the state, and
6 the federal permits are also required to go before
7 our Oil and Gas Commission, the companies have to
8 come in now with a plan that shows all the wells
9 around them, the infrastructure that exists around
10 them, and has to present a plan to demonstrate how
11 that gas is going to be captured and by a certain
12 time. And that has actually been very effective in
13 reducing the volume with time -- time of flaring,
14 but also industry either -- in many cases has maybe
15 choked down those flaring limits to an amount
16 that's permitted in Wyoming on a 60 Mcf a day or
17 shut in the well until they can get the
18 infrastructure in place.

19 So I think what we're really hoping BLM
20 will do is kind of look towards that Wyoming
21 example and look towards, you know, not lowering
22 that bar, but keeping it raised.

23 The other thing the state is doing more of
24 is fining for violations when companies are flaring
25 without a permit or above these limits.

1 So I would be happy to provide you with
2 any of the documents, or I'm sure the commission
3 would, that industry has presented to the
4 commission and you can see the kind of thought and
5 consideration and cooperation that begins to take
6 place. That's really, again as I said, cut the
7 number of flaring permits within a year in half.

8 MR. SPISAK: Very good. Thank you.

9 Some other potential options in this
10 area of the gas -- go ahead.

11 MS. CUTTING: It seems appropriate to also
12 make this statement at the same time about what
13 North Dakota has done to increase gas capture
14 because it falls very much in line with what Jill
15 mentioned about the state of Wyoming.

16 I'm Kari Cutting with the North Dakota
17 Petroleum Council, and the North Dakota Petroleum
18 Council represents 98 percent of the oil produced
19 in North Dakota. And I've shared this with some
20 BLM people today earlier, but the Petroleum Council
21 had established a flaring task force, and one of
22 the -- I'm not going to go through the whole thing,
23 I will leave the testimony for the group.

24 But one of the big goals -- there were a
25 number of goals set by the governor of North

1 Dakota -- actually three main goals: Reduce flare
2 volumes, reduce the number of wells flared, and
3 reduce the connect time from first gas production
4 to marketing of gas sales.

5 The task force identified all the
6 roadblocks to capturing gas, you know, some of
7 those being the midstream partners and having a
8 plan well into the future. And so a gas capture
9 plan now is part of the requirement for permitting
10 in the State of North Dakota -- or will be as soon
11 as June 1st, this year.

12 And the goals of the task force is to set
13 new targets to capture 85 percent of the gas within
14 the next two years and 90 to 95 percent of the gas
15 to be captured by 2020. Achieving these goals
16 requires the full engagement of industry, state,
17 the North Dakota Industrial Commission, the tribes,
18 and the landowners to implement this plan.

19 One of the roadblocks to having pipe in
20 the ground is right-of-way access, and so landowner
21 relations are very important in that as well.

22 So, you know, that being said, there was a
23 letter that came out today actually from the
24 Department of Mineral Resources to operators
25 letting them know all of the stipulations of the

1 gas capture plan, and failure to comply with the
2 stipulations listed in the gas capture plan will
3 lead to production curtailment, denial of a permit
4 or requirements to use remote capture technologies.

5 And a lot has been done with remote
6 capture technologies. In fact, the Energy and
7 Environmental Research Center in Grand Forks was
8 tasked with becoming the repository of the
9 available remote capture technology, and so that
10 information is available and they will work with
11 companies, companies can go to EERC and get all of
12 that available information.

13 I think that's all I'll say. Like I said,
14 I'll leave the rest of this with the group.

15 MR. SPISAK: I appreciate that. Thank
16 you.

17 DR. SETH: I'm Dr. Seth, S-e-t-h. I am a
18 retired professor at the University of North Dakota
19 in the field of lung disease.

20 And while we're talking about flaring, I
21 thought I would just interject the health effects,
22 if that's okay with you at this point in time,
23 since we're talking about some of that.

24 MR. SPISAK: We're trying to go through
25 the various options.

1 DR. SETH: Yes.

2 MR. SPISAK: There's specific ones to, for
3 instance, casinghead and associated gases, and then
4 at the end I think we'll have plenty of time, we'll
5 talk about the things that might cover across the
6 board. But since you're standing, please go ahead.

7 DR. SETH: Thank you. The reason I
8 mention that is when we're deciding the economic
9 implications and making those decisions, I think an
10 equation to look at the misery index of the people
11 and the health effects may be worth interjecting.

12 MR. SPISAK: Please do.

13 DR. SETH: It appears that by calling it
14 flaring, we seem to minimize that what we're really
15 doing is we're burning a lot of high-pressure gas
16 in an uncontrolled manner, which then brings out
17 sulfur dioxide which we're worried about and
18 nitrous oxide, all of which then impacts my lung
19 disease patients with their asthma, their COPD and
20 their bronchitis, all of which gets worse.

21 And the interesting thing is the impact
22 due to the particulate matter that is produced is
23 present for thousands of meters away from the
24 flaring. The benzene effects, we're all aware of
25 it. Benzene is a known carcinogen, causes

1 leukemia, and apparently can be found, according to
2 Canadian studies, within five kilometers, two and a
3 half, three miles.

4 So the point is as we're looking at the
5 economic reasons of why we should control flaring
6 and how many years we wait before we institute
7 these things, let's be aware that flaring has been
8 done for 40, 50 years. We don't have to make the
9 North Dakotans living in the Bakken guinea pigs
10 again in this experiment to see that their health
11 effects and their cancers and their volatile
12 organic compounds that hurt their endocrine
13 systems, and so on, all of that.

14 We don't have to reinvent the wheel. This
15 is well-known that flaring has caused a lot of
16 misery in many parts of the world. In colonial
17 Africa they have been doing it for 45, 50 years,
18 under the British they did that in Nigeria Delta
19 and never stopped.

20 So just want to make a plea that we who
21 live in North Dakota do not have to become guinea
22 pigs to this experiment and wait seven, eight, nine
23 years to get this thing done. Thank you.

24 MR. SPISAK: Okay. Thank you.

25 If the gas conservation is not economic,

1 some of the areas that we might consider are where
2 an operator would only flare with an approved
3 application to flare or consider whether approval
4 should be valid for a fixed period of time and if
5 there's different approval terms, for instance.

6 If we're talking about for a fixed period
7 of time, we would want to make sure that as
8 conditions change, pipelines are put in place or
9 other types of liquid removal facilities are put in
10 place that the prior approvals would be adjusted
11 and reanalyzed for the new economic effects.
12 Certainly if new wells are added into the field,
13 you would expect that the new gas coming online
14 might affect the economics of putting in a
15 pipeline, for instance.

16 Any other questions or comments on this
17 particular area?

18 MR. WILSON: My name is Pat Wilson. I'm a
19 member of the Northern Plains Resource Council in
20 Montana, and I'm also a cattle rancher, both a
21 surface and a mineral owner, and I do lease some
22 grazing rights from the BLM. I'm from Bainville,
23 which is as close as you can get to Williston,
24 North Dakota, and still stay in Montana, so we
25 really are impacted by a great deal of Bakken

1 development.

2 One of the things that I think I'm
3 noticing, and I think it's going to be a looming
4 problem, is, okay, when development first came,
5 say, in 2009, when this new round of development
6 came, the companies did come in, drill wells, I
7 think, sometimes strategically to hold as much land
8 by production as would be possible, and now they're
9 coming in with infills.

10 Those first wells were -- most of them
11 were attached to gathering lines right away, but
12 now with the additional infills coming, I think
13 what's happening, and I think I'm starting to see
14 it, is the gas lines are running over capacity.
15 When they hit a certain point, the flares pop on,
16 and I think I'm seeing more and more of that. In a
17 couple of instances I think I see that almost on a
18 daily basis on some lands adjacent to ours.

19 So there was kind of a willy-nilliness
20 about development there. And I wonder if a better
21 suggestion I might have would be some sort of
22 phased development where everybody sort of takes a
23 deep breath, plans things in stages, and, you know,
24 mitigates some of these problems before they
25 happen. I think if I could make a suggestion to

1 BLM, it would be focus more on phased kinds of
2 development. Thanks.

3 MR. SPISAK: Thank you.

4 MS. MOGEN: Again, Kristi Mogen from
5 Wyoming. It really -- for those pictures right
6 there, I don't know if you want to get them now or
7 I just can talk to them.

8 I'm a split-state owner. BLM minerals are
9 under my land. We live not too far from a BLM
10 well. Dr. Seth had talked about the health effects
11 of flaring. You can see --

12 MS. LANCE: Let me stop you for a second,
13 Kristi.

14 MS. MOGEN: Yes.

15 MS. LANCE: So people are clear about what
16 they're seeing, this is not part of BLM's
17 presentation, but you had asked earlier if, when
18 you made your comments, you could show a couple of
19 pictures, and we're happy to accommodate folks who
20 want to do a visual and so that's what this is.

21 MS. MOGEN: And thank you for that
22 opportunity. I do appreciate that. These are
23 pictures from me and some of my neighbors.

24 The first flare there -- this is the same
25 exact well. The first one was spring of 2012 and

1 that flare went off and we had rolling black smoke
2 out of that for about six months. The noise from
3 there -- and this isn't even near our -- like
4 within hundreds of feet. This is almost a mile
5 from my home. The noise from that felt like we
6 were living on the DIA tarmac, Denver airport. Our
7 houses -- when we were inside, we couldn't even
8 hold conversations or hear our TV over that flare.
9 We were up 24/7, lack of sleep, because it was on
10 all the time, constant noise.

11 That black smoke -- we didn't even at that
12 time know or understand how dangerous it was and
13 all the toxins we were exposed to. And that flare
14 did not have approval either. It just went on.

15 In September we went before the Wyoming
16 Oil and Gas with 19 letters of protest saying, Hey,
17 we've got a problem out here. Oil and Gas said
18 Chesapeake withdrew. They actually got a permit
19 later that afternoon to continue flaring, and you
20 can see it went on until September -- or until a
21 little after June of the next year. Good thing
22 that changed, though, was the flare got more
23 efficient. It was still big, it was still loud,
24 but at least we weren't having the black smoke so
25 we did have some efficiency controls.

1 Since then our state has said this is
2 enough, we are going to conserve this and save our
3 money.

4 The next slide, this is what happened
5 during that six-month period of black smoke. We
6 suspected, and we called Wyoming DEQ and it was
7 confirmed, that the flares had affected our
8 gardens. We need to look at the impacts of flaring
9 on our crop productions.

10 The third slide, this is getting to the
11 economics of it. In Wyoming if you have a gas
12 well, if it's permitted as a gas well, there's no
13 flaring. Flaring is not allowed on a gas well, and
14 all those companies have managed to not have flare.
15 That well produces more gas than oil, so it should
16 be called a gas well and we would not have any
17 flaring.

18 The last one shows, the very first line,
19 production performance of this Smith Creek Unit
20 32-78 horizontal Niobrara well, has been deemed by
21 BLM to be uneconomical. If that gas was captured,
22 this well would not have been uneconomical.

23 We have been poisoned with all that stuff
24 for a well that was deemed uneconomical. Thank
25 you.

1 DR. SETH: So this is just a follow-up
2 comment to Kristi. This is Dr. Seth. Just five
3 seconds. Five seconds.

4 MS. LANCE: Go right ahead.

5 DR. SETH: She lives within a mile of this
6 huge flare. The Canadian data will say that with
7 that -- or the microgram of particulate matter per
8 meter squared would be up to 21. For one microgram
9 the risk of premature death per year per hundred
10 thousand people is 6.72. So she would have 121
11 times 6 point -- times 750 more premature deaths in
12 that region per hundred thousand people, and you
13 can multiply it to their family. I don't know how
14 many people.

15 MS. LANCE: If I could just make a
16 suggestion, because it does seem like we have a lot
17 of people wanting to make comments that are more
18 general, and that's terrific, and we want to be
19 sure we hear them all, but at the same time we want
20 to make sure that everyone has a chance to see the
21 full presentation and list of issues that we have
22 with us, so -- and I know some people won't be able
23 to stay as long as others, so what I might suggest
24 at this point is maybe Tim can just go on through
25 the rest of his presentation, it's another five to

1 seven minutes, and everybody can hold their
2 comments till the end of that presentation. Would
3 that work for folks? Because I notice a lot of
4 these comments are not about the particular issue
5 that's up on the screen, but the more general
6 issues of venting and flaring, which are great
7 also, but I think maybe -- we want to make sure
8 that we are able to get through this presentation
9 in the time allotted. Does that work? We're going
10 to be another five to ten minutes of presentation,
11 then we'll take comments as long as you want to
12 speak.

13 Say hallelujah. I'm guessing from your
14 silence, that that's okay. Thanks.

15 MR. SPISAK: Okay. Gas conservation
16 plans. I kind of mentioned it a little bit
17 earlier, but there are actually plans to eliminate
18 or minimize venting or flaring from oil wells.

19 Generally our current policy is that we
20 allow for one year's -- one year from the approval
21 date and it's royalty free during implementation of
22 the plan, with the expectation at the end of that
23 year there will no longer be any venting or flaring
24 associated with that particular well.

25 Potential options. With an operator's

1 commitment to install gas gathering infrastructure,
2 during the construction time the flaring would be
3 authorized however long that might be, but approved
4 in advance.

5 Potentially restricting the number of
6 extensions allowed for flaring.

7 If gas conservation is economic and the
8 infrastructure is not in place, the operator may
9 only flare under an approved gas conservation plan.

10 Other potential options could be in cases
11 where gas recovery is clearly economic, we would
12 redefine where the gas is -- it will become
13 unavoidably lost after a fixed period of time, so
14 after that period of time it becomes royalty
15 bearing and they have to pay royalty on it, so it
16 would be an economic incentive to get that recovery
17 in place sooner.

18 Another potential idea could be certainly
19 in an area where you know there is associated gas
20 production going in from the beginning, that we
21 conditionally approve an APD to where you'd have a
22 set period of time if you know there's going to be
23 infrastructure in place that will take care of it.
24 So in effect you wouldn't drill until you know
25 you've got all the infrastructure in place to take

1 all gas and oil that that particular well is
2 expected to produce.

3 Next major area is emissions from storage
4 vessels and tanks. Basically it's defined as
5 vapors coming off of a storage tank. All vapors
6 right now from a storage tank are considered
7 unavoidably lost and they're not royalty bearing
8 unless there's a particular case where the
9 authorized officer may require it.

10 Potential options associated with this on
11 new wells require the capture or combustion of gas
12 vapors from certain tanks. I would like to note
13 that the EPA now requires combustion or captured
14 gas vapors from storage vessels with emissions
15 potential greater than six tons per year of
16 volatile organic compounds, or VOCs.

17 So the question might be for existing
18 wells, would we extend a similar type of provision
19 to storage vessels on existing wells, use a
20 different threshold, a different methodology, a
21 different means of determining that.

22 We heard earlier this week some comments
23 that they would much prefer to use the same -- if
24 we're going to do something, to use the same
25 methodology as EPA, not come up with something

1 different in a different way to have to also
2 calculate. So that certainly forms an interesting
3 comment.

4 Pneumatic devices. This is one of those
5 areas that I mentioned earlier where it seems like
6 there's a lot of emissions associated with it.
7 Pneumatic devices are powered by pressurized
8 natural gas and control all sorts of different
9 controllers, the pressure regulators, and that sort
10 of thing now. Right now gas used to power
11 pneumatic devices, regardless of how much is
12 bleeding off of the equipment, is considered used
13 on lease and is not royalty bearing.

14 Some potential options to deal with
15 pneumatic devices emissions, for new or replacement
16 devices, that's an area where the EPA already has
17 rules, we wouldn't expect to overlap on that, but
18 maybe on existing rules maybe it could be a formula
19 of some type that would consider new equipment, the
20 reduction in bleed rate that it might have, the
21 cost of that equipment and the installation,
22 including the price of gas and how long would it
23 take to pay that out.

24 For instance, if making that calculation
25 you found that it would take 20 years to pay off

1 the installation of equipment, then clearly it
2 wouldn't make sense to replace that equipment; but
3 if you found that replacing that equipment allowed
4 for it to pay for itself in less than a year, then
5 it maybe would make sense to replace that
6 equipment.

7 Now, how could this be administered? Is
8 it on a formula basis or is there some thresholds
9 that we would be able to use to determine above a
10 certain rate it would just be a go/no go, for
11 instance.

12 Last major topic is leak detection repair.
13 These programs are defined simply as a means of
14 identifying and repairing leaks from gas loss from
15 lease operations.

16 Right now BLM does not have any particular
17 policy requiring or developing some kind of leak
18 detection monitoring program or standard.

19 Potential options could be requiring
20 operators to do periodic inspections, maybe tied to
21 the size of a facility or how much gas or oil is
22 produced through it. What might those thresholds
23 be, what might make sense to require these types of
24 programs, we'd like some information on that.

25 Next steps, as I mentioned, we have a

1 comment period open until May 30th. The email
2 address is there, BLM_WO_OG.comments@blm.gov.
3 Sorry about the length of that.

4 We do have additional outreach sessions,
5 which I mentioned. Catch Washington, D.C., live
6 stream if you're not interested in making the trip
7 to the beltway. We do have a website set up now
8 where we're putting information on this. At the
9 BLM website on our energy page under the public
10 events on oil and gas, that's where we announced
11 these various sessions, and we're putting links
12 that have the agenda, the PowerPoint presentations,
13 the videos. We're putting the transcripts from the
14 public sessions on there and there's also the link
15 to the email address that you can send in your
16 comments by.

17 Last slide. Any questions?

18 MS. LANCE: Thank you for waiting until we
19 got to the end of that. I appreciate that. We'll
20 take your comments. Maybe just in the order that
21 you all want to get up.

22 MR. SPISAK: Yeah, that will make sense.
23 Please, your name.

24 MR. LeRESCHÉ: Thank you. I'm Bob
25 LeResche. I'm from northern Wyoming. I'm a board

1 member of Western Organization of Resource Councils
2 and of the Powder River Basin Resource Council.

3 I'm a rancher in northern Wyoming.

4 I'm here to tell you that this is not a
5 new problem. I moved to Alaska in 1964, spent my
6 professional career in Alaska. I was an oil and
7 gas regulator for a lot of those years.

8 We're talking about at least a 40-year-old
9 problem in North America, problems with which we
10 should have learned something by now. We're
11 reinventing the wheel here today. Let me tell you
12 what happened in Alaska.

13 First of all, let's just say that this
14 problem that we're discussing requires -- clearly
15 requires front-end planning associated to this. It
16 requires a plan, as you talked about briefly, not
17 just for capture, but for capture and use, use or
18 sale of that material.

19 Now, in Wyoming, as Jill Morrison told
20 you, nowadays an APD from the state commission
21 requires the infrastructure designed and the
22 commission to build it before the APD is approved.

23 Secondly, the economics of these things --
24 and I was trying to follow some of your economic
25 discussion, but economics have to be played wide.

1 You can't look at each well and calculate the
2 economics for each well and make a decision based
3 on that. I mean, like it or not, this is a
4 collective thing, just like the reservoir is a
5 collective thing, so should be the economic
6 treatment of the production.

7 Now, this may require new financing
8 authorities maybe created by the state. In Wyoming
9 we created an infrastructure authority for gas
10 pipelines during the CBM boom and that worked quite
11 well. It changed the economics for a lot of the
12 producers. People have to think about things like
13 that.

14 Now, people who preceded me, and some are
15 to follow me certainly, have established pretty
16 clearly that this is a problem that needs solving
17 for three main reasons. Nobody likes flaring and
18 venting. It's pretty clear. The producers don't
19 like it. It's a negative value problem that they
20 have to deal with. There's a verging body of
21 data -- you've heard a little bit about it -- about
22 human health and environmental health, air quality
23 problems, crop destruction. Those are facts. They
24 need to be considered.

25 Secondly, this is a real problem that you

1 heard from Mrs. Mogen there. It's something you
2 can rightly call theft of quiet enjoyment of her
3 private property. How can you live in a place like
4 that? There's noise, there's smoke, there's smell,
5 there's light 24 hours a day. It's not good. It's
6 a problem that needs solving.

7 And, finally, it's a problem that involves
8 a lot of costs, not just these externalized costs,
9 but real dollar costs. Basically waste is wrong,
10 and it's wrong in this case. Costs are to the
11 royalty owner, whether it's a private individual
12 with fee minerals or whether it's state land or
13 whether it's United States land managed by BLM or
14 tribal lands managed by BLM. It's a real cost to
15 flare gas rather than pay royalty on it. It's a
16 loss to taxing authorities. In our state, Wyoming,
17 this costs school children, it costs county
18 commissions that want to build roads if the gas is
19 flared rather than taxed. The problem has got to
20 be solved.

21 But I have a final point and a main point
22 that you really haven't touched on to my
23 satisfaction, anyway. Associated gas also has a
24 significant value as a driver of economic
25 development. In other words, every Mcf flared is

1 an opportunity foregone for healthy economic
2 development in the area.

3 Back to Alaska. In Cook Inlet in 1964
4 when I moved there, the first time I flew into
5 Anchorage, it was at night, there were 14 huge
6 monopod stretches in Cook Inlet producing lots and
7 lots of associated gas. They were flaring it all.
8 I mean, it was spectacular. You could have had an
9 open tourist attraction. But you can see it out
10 here as well.

11 In 1971 the Alaska Oil and Gas Commission
12 did a very courageous thing. They looked at their
13 statute, their statutory mandate, which included,
14 still includes, the standard prevention of waste
15 mandate. Now, probably all of your states have
16 that mandate. It's in the standard oil and gas
17 commission type authorities that they must prevent
18 waste. Our commission interpreted it both as
19 economic and physical waste.

20 There was a big lawsuit, of course.
21 Chevron, who owned most of the gas in Cook Inlet at
22 that time, didn't like it much, but the Oil and Gas
23 Commission in Alaska prevailed, prohibited all
24 flaring in the state of Alaska of associated gas.

25 Okay. It sounds terrible. They heard all

1 the arguments that we hear here, but what's
2 happened since then? Of course, the air is
3 clearer. There were not many people living out in
4 the middle of Cook Inlet, but Anchorage, the
5 population center of the state, has 60 percent of
6 Alaskans living in Anchorage, had for the first
7 time a domestic gas supply. From Fairbanks to
8 Homer, most of the railbelt in Alaska, 80 percent
9 of the population used electricity generated from
10 that natural gas which had previously been flared.
11 America's first LNG export facility was built in
12 Kenai and operated for about 40 years. And there's
13 a very large fertilizer plant built just north of
14 Kenai, which has made a lot of money since then.

15 So don't forget the economic development
16 opportunity that you're just throwing away if you
17 allow flaring, and don't forget to put that in your
18 economic calculations. Thanks.

19 MS. THEODORA BIRD BEAR: My name is
20 Theodora Bird Bear. I'm from Mandaree on the Fort
21 Berthold Indian Reservation.

22 And I've experienced two wild prairie
23 fires from the open flaring in the Mandaree area.
24 These wildfires came from the flares that were
25 there on a site, and this happened in two

1 consecutive years. In the first case there was
2 three occupied homes of tribal members that was
3 threatened by the fires. One of the homes the fire
4 came into their yard. It was volunteers that put
5 out the fires that occurred. That year there was
6 multiple fires throughout Fort Berthold and they
7 were associated with the well sites that are being
8 developed out there.

9 We don't have a fire department, so we
10 have to rely on volunteers. We're spread out.
11 We're the largest land base on Fort Berthold, and
12 where they're developing is in very remote areas,
13 so those fires can spread pretty fast. So there's
14 a public safety issue with the flaring on Fort
15 Berthold in addition to the health impacts that are
16 occurring from this.

17 I was at a meeting probably about a month
18 ago on the state of the environment with the energy
19 development on tribal lands, and the tribal
20 biologist from Fort Berthold reported that the
21 numbers of wildlife are dwindling on Fort Berthold.
22 Because we're a large land base in Mandaree, that's
23 where a lot of the wildlife lived, and she reported
24 that formerly there was like three herds of mule
25 deer of about 50 each, but now those herds have

1 dwindled probably to 10 or 12 mule deer. So they
2 are doing surveys and they are identifying the
3 changes that are occurring since the oil and gas
4 development started on Fort Berthold. That's a
5 result of the well sites and the continuous flaring
6 that's occurring at all of these well sites.

7 There is -- I know she also talked about
8 some prairie grouse that had a lek on a well site
9 and they came there to dance and it was -- it was a
10 well site, that that was a place where they had
11 always come to, but that well site was now an
12 industrial zone.

13 It was interesting to see BLM's concern
14 about the economic costs to the industry. You
15 know, most of the well sites on Fort Berthold in
16 the Mandaree area are flaring. They're flaring
17 continuously for 24 hours a day, 365 days a year,
18 and this is with the approval of the BLM.

19 According to a tribal report, 67 percent
20 of the natural gas that's produced in Four Bears
21 District is flared and about another 58 percent of
22 the natural gas in Mandaree is also flared. The
23 report didn't include the volume of natural gas
24 flared. And I believe that BLM is talking about
25 their website, how they're going to provide

1 information there. I would like to see a listing
2 of the flared gas on Fort Berthold. I would like
3 to know the volume of that identified. That's an
4 economic cost that the individual mineral owners
5 are taking because the BLM's policy is not to pay
6 royalties for the waste of this flared gas.

7 This flared gas also contains propane, and
8 just earlier this year, this cold spring, this cold
9 winter, one tribal member in Standing Rock died in
10 a home because there was no propane to heat that
11 home. You know, that's an economic cost. What's
12 the cost of that?

13 There's 30-foot flares that often go and
14 there are multiple flares. They're not just one
15 flare. They're multiple flares that are at well
16 sites on Fort Berthold. So there's a high volume
17 that's being wasted. We are only hearing, of
18 course, the percentages, but we are not hearing
19 what the actual volume of natural gas is wasted.
20 Because of the development, APDs are approved
21 automatically apparently by the BLM even though
22 it's undermanned, understaffed, doesn't have enough
23 funds. It would seem common sense that BLM would
24 institute a slowdown in this APD process to allow
25 the infrastructure to develop to allow mineral

1 owners to receive the natural gas royalties that
2 they should be receiving from this process.

3 I know that pipelines are the coming
4 transmission line process for the flaring of
5 natural gas, and pipelines also have their own
6 issues. The industry -- I've been to several
7 legislative committee hearings in the State of
8 North Dakota recently on energy development, and I
9 know that repeatedly in those meetings the industry
10 points to Fort Berthold as the issue, as the
11 problem that's causing the state to have a black
12 eye in the national view. So they're pointing at
13 Fort Berthold, and I think our tribal leadership
14 should be aware of this.

15 What I wanted to say was the tribal
16 members are not the -- they're not the cause of the
17 natural gas flaring and tribal members are not the
18 barrier to pipeline development. The industry, if
19 they're really serious about this, they will work
20 with the landowners not in a superficial way, but
21 in a way that really addresses the concerns that
22 individual tribal members have.

23 We see the spills, the fires, the
24 explosions, the damages that are occurring now from
25 pipelines. We see what's going on. We love our

1 country, we love our land, and we want to protect
2 it. Is that so hard to understand?

3 So the industry and BLM really need to
4 address those transmission methods if they want the
5 cooperation and support of tribal members. Thank
6 you.

7 MR. SPISAK: Thank you.

8 MS. JOLETTA BIRD BEAR: Hello. My name is
9 Jolletta Bird Bear. I am an enrolled member of the
10 Nueta, the Hidatsa and the Sahnish Nation located
11 on Fort Berthold.

12 I agree with all of the comments that have
13 been voiced today, and especially can identify with
14 the woman who spoke about the change and the
15 intrusion upon her own land in terms of the
16 industrialization impact to her, to her yard, to
17 her home.

18 If the decisionmakers had to endure what
19 we are enduring today, they certainly wouldn't
20 hesitate to put measures in to regulate what is
21 going on on federal lands. This is the last
22 bastion of limited oil and gas, of natural
23 resources.

24 I brought some comments today and I do
25 intend to submit comments before the deadline.

1 I am a landowner and I am also a mineral
2 owner. I am not deriving any royalty.

3 Place language in the lease document, the
4 front end of the oil and gas drilling process, that
5 requires operators to use proven emission reduction
6 technology and emission reduction devices in all
7 phases under the lease. Develop seamless
8 transition to bring all existing leases into
9 compliance to emission reduction requirements
10 within minimum amount of days to the final language
11 approval or pay gas royalty to mineral owner at a
12 higher percentage until the completion is met.
13 Develop transition of an emission reduction plan to
14 maintain steady stream of existing gas royalty to
15 the mineral owners. Require in lease document the
16 implementation of meters on equipment and devices
17 to detect, report and measure gas flare, gas vent,
18 gas leaks in volume. Require in lease document
19 infrared cameras on all equipment and devices to
20 detect gas leaks. Require operators to submit
21 report data to BLM on all metered volume of all gas
22 produced, captured, flared, vented, leaked under
23 lease on a monthly basis, even daily basis because
24 things change dramatically.

25 I live in a rural area. There's not staff

1 equipped in my tribal government to supervise
2 what's going on in my area, let alone BLM officials
3 who have the authority to maintain regulation.
4 That's why I would even say on a daily basis.
5 There's no reason not to. We have the technology
6 to do that.

7 Develop adequate data collection on a
8 daily basis on the management of the oil well and
9 gas to ensure that no waste rule is effectively
10 functional. Periodically subject data collection
11 to testing of accuracy and place procedure in place
12 to address inconsistent data reporting. Develop
13 data system which records the aggregate gas records
14 per well in a cumulative per oilfield per
15 communitized area. Strive to make data in a format
16 more easily understood by average citizen. Strive
17 to report gas in volume as well as in percentage.
18 Clearly volume is in more detail.

19 Develop a base of knowledge and research
20 data on best available technology in order to meet
21 the updated standards of emission reduction.
22 Require periodic review of emission standards and
23 requirements to meet the changes of the climate
24 change which is here.

25 Require existing and new flare stacks to

1 be tall in height to eliminate any further grass
2 fires due to oil industry flares. That's a simple.

3 Require the extraction of gas from oil to
4 reduce the volatility of further unanticipated
5 explosions of the Bakken Three Forks oil so that we
6 do not have another -- I can't say the name -- of
7 the one in Maine or in Canada of the explosion of
8 those wells or the one in Casselton, North Dakota.

9 Require the development and implementation
10 of emergency response plans to notify within a
11 three-mile radius citizens who live within the oil
12 and gas development under lease. Require annual
13 updated verification on the current contact
14 information of occupied residences who live within
15 the three-mile radius of oil and gas development.
16 Require face-to-face notification of gas releases
17 that exceed minimum allowances to these residents
18 who live within a three-mile radius of all oil
19 company development in that area. Require the
20 dissemination of annually updated emergency
21 response plans to residents and occupants within
22 that three-mile radius. Require the development of
23 a realtime notification system of gas detected, gas
24 releases over the maximum standard allowed.

25 The programmatic EA, which remains in

1 limbo, is inadequate and fails to meets the full
2 requirements of NEPA in the BIA/BLM federal oil and
3 gas drilling program on the Fort Berthold Indian
4 Reservation. The EAs being conducted dismissed the
5 reality of cumulative effects of flaring and
6 venting on Fort Berthold.

7 The BIA and BLM federal oil and gas
8 drilling program has drilled at least a thousand
9 new unconventional hydraulically fractured oil
10 wells and anticipates 2,000 to 4,000 additional
11 wells. This massive and rapid federal drilling
12 program does invoke and warrant a complete
13 environmental impact study on Fort Berthold.

14 The EIS is a legal requirement of NEPA and
15 it remains necessary in the further consideration
16 and further development of this federal drilling
17 program. As of to date, May 9, 2014, that required
18 EIS has yet to be developed by the federal lead
19 agency, the Bureau of Indian Affairs, and the
20 co-agency, BLM.

21 No more BLM violating its own no waste
22 rule when emission technology is readily available.
23 Bring existing leases into alignment within days,
24 soon, while the final flare and vent revision rule
25 is in development. Take action to adjust and to

1 implement flare and vent emission reduction in
2 parallel with the immediacy of the rapid pace to
3 develop oil and gas on federal lands.

4 Recognize that this earth is our mother.
5 As a mother, she provides for you, so don't harm
6 her anymore. Recognize the interconnectedness and
7 relatedness of nature and people. Please refrain
8 from making further decisions in a vacuum as if
9 your decision is of no significance to all systems
10 and all living systems. Thank you.

11 MR. SPISAK: Before you start, could we
12 just get a count of how many people are interested
13 in having some comments today?

14 MS. LANCE: Just want to make sure we're
15 going to have time for everyone to comment.

16 MR. SPISAK: I counted a dozen or so.

17 MS. LANCE: So we should be fine.

18 MR. SPISAK: I think we're good.

19 MS. LANCE: I was just wondering about
20 whether we needed to do time limit.

21 MR. ARRINGTON: The first time I was up
22 here I didn't give my name. My name is Bob
23 Arrington. I'm a professional engineer and I'm
24 associated with the WCC as one of the board
25 members.

1 I would like to thank the BLM on a job
2 well done on their presentation here opposing the
3 current practices and problems and by outlining
4 potential solutions.

5 I would remark as a side note that on
6 slide number 3, best management practices does not
7 equal best technology. And a company that's headed
8 to bankruptcy, they're going to waste those
9 resources and are going to be in violation of
10 environmental effects and efforts to conserve those
11 type of things.

12 Now, currently Colorado recently entered
13 into a program to reduce the emissions from all
14 these sources of oil and gas development and that
15 had a goal of zero methane as stated by Governor
16 John Hickenlooper. This would provide an outline
17 that the BLM could well use as a boilerplate, and I
18 do believe that you probably had plans to approach
19 all the various states and look at some of their
20 best practices and regulations for operation.

21 So we've heard many, many details on this,
22 and I would say that possibly think of the
23 philosophy behind this next thing because it
24 provides a way to really expedite the
25 implementation of these potential corrections.

1 Every wellhead for production well should
2 have a meter to transfer ownership from mineral
3 owner to extractor by purchase. This would
4 encourage that extractor to develop a plan to
5 detail with their newly acquired asset. If this
6 asset is lost or destroyed, then it is their bottom
7 line decision. Regardless, it would still be
8 subject to all the environmental effects
9 regulation. Thank you.

10 MR. SPISAK: Thank you.

11 MS. MARTIN: My name is Jessica Martin. I
12 live in Yosemite National Park and I'm a registered
13 nurse here at the hospital in the emergency
14 department.

15 And I would like to just agree with what
16 the good doctor was saying about the health effects
17 in the patients that I've seen, particularly the
18 patients and the children that live very close to
19 well sites, the increase -- there's a direct
20 correlation, direct correlation to how close you
21 live to one of these well sites to asthma, lung
22 disease, miscarriages, migraines, cancer -- direct
23 correlation.

24 And the fact that it's 2014 and we're not
25 paying attention to this and we as the human

1 population are still addicted to oil, it's sad. We
2 owe it to these dear children sitting in the back
3 to make better choices for them.

4 More importantly, the State of North
5 Dakota's emergency medical system is not set up for
6 the amount of drilling accidents and industrial
7 accidents that we have. Our little hospital is so
8 overrun, we do not have the ability to handle these
9 major trauma patients. The EMS system does not
10 have the training or ability to handle these major
11 trauma patients that we're already seeing. So you
12 add more flares, more explosions to this and people
13 are going to get hurt, people are going to die, and
14 it's terrible. And that's on us right here, right
15 now to set good regulations on this industry.

16 Second, the majority of people that I
17 meet, and this is in the emergency department, that
18 are driving these trucks, that are working these
19 oil rigs are not sober. They are drunk, they are
20 high. There is a major, major pill-popping problem
21 here in western North Dakota. So these people that
22 we are putting in charge of carrying out these
23 regulations that we sit and talk about might not be
24 making it in the best interest. And these
25 companies are so set on staffing that they don't

1 care, they're not drug testing or they're rigging
2 the drug testing, and I can telling you that's a
3 fact.

4 So we need to address these problems here.
5 We need to help and manage our emergency medical
6 system as it is now. These are dear, sweet people
7 who are volunteering their time to work on
8 ambulances, to work on fire departments, and we
9 need better training.

10 I'm an employee of the National Park
11 Service so I know -- I've worked with the BLM, so
12 are you guys going to bring out your own fire
13 departments? Are you going to bring in your own
14 structures in order to manage what is going to
15 come? So that is that. Thanks.

16 MS. MUTH: Hi. My name is Deborah Muth
17 and I'm from Red Lodge, Montana, Carbon County,
18 which is in south central Montana. We're a very
19 interesting county because we have beautiful
20 mountains and clean waters and fishing, but we also
21 have lots of agriculture. It's a very important
22 economy.

23 And right now we're being threatened just
24 as the Wyoming people south of us to have gas come
25 into our area and affect our farmers and our

1 ranchers and our families. And I know personally
2 my family has been affected and I can really relate
3 with Kristi Mogen, whose health I've seen go
4 downhill since gas and oil flaring came into her
5 area.

6 Montana has very weak rules, and so I
7 thank you, BLM, so much for helping the BLM, the
8 federal lands, set this standard higher than what
9 some of the states in our region have set, which
10 causes us to have complicated problems going on
11 over the borders. We have waste water dumping and
12 such in our area that you wouldn't if you had a
13 standard that BLM can set.

14 So I'm just asking you, please, to set
15 your standards higher than lower. Don't weaken the
16 standards that you have right now. Our health is
17 at risk and there's more to natural resources than
18 just extraction of gas or coal or oil. We also
19 have the natural resources of our agricultural
20 communities that rely on this for their
21 livelihoods.

22 We also have the wildlife. We also have
23 the sage grouse too. Their leks are so impacted by
24 the noise of the flaring that they will not mate
25 anymore. And a lot of the animals, their habitat

1 is just being taken over or taken away or poisoned.

2 But we also have the natural resources of
3 our youth. My health has been impacted and my
4 family, my children, and I fear for our
5 grandchildren and seven generations forward, what
6 is it that we are going to be handing them but a
7 toxic mess. We need some standards to raise
8 ourselves up to, and I'm really thankful for the
9 BLM to start setting some sort of standard that all
10 the states can rise up to. Thanks much.

11 MR. SPISAK: Thank you.

12 MS. HOBLIT: My name is Ronya Hoblit. I
13 am a member -- I live in Mandan, North Dakota, and
14 I'm a member of the Dakota Resource Council, and I
15 am also a member of the Oglala Lakota Tribe, which
16 is based in Pine Ridge, South Dakota.

17 There's a tribal philosophy that was
18 mentioned with the speaker prior about the seventh
19 generation, which is where we were to do things
20 with the seventh generation removed in mind, and
21 because that means in theory that we're not going
22 to be around to see what the outcome is of what we
23 decided to do.

24 But I would like to address the outcomes
25 of this room's decisions with relation to

1 collateral, human, and all other living things, one
2 of which is my granddaughter, who is six years old
3 and she lives in Williston with her mother and her
4 older siblings, and what I want you to do is to
5 tell me that you're going to take into account her
6 generation's health, their ability to enjoy the
7 local wildlife, to plant and harvest a garden and
8 to be warm at a reasonable rate. I want you to
9 tell me that, that you're going to consider that
10 today.

11 And I also want to ask this question, if
12 we're going to start flaring something useful
13 today, why can't it be common sense?

14 MR. SPISAK: Thank you.

15 MS. GILLETTE: Hello. My name is Cedar
16 Gillette. I'm an enrolled member at Fort Berthold.

17 The North Dakota BLM website says that in
18 2012 694 applications were put in to drill for oil
19 and gas. Last month I asked the North Dakota BLM
20 if they ever denied a drilling permit and they said
21 no. So if it's BLM's even North Dakota's policy to
22 just okay all these permits, then you have to be
23 accountable to the consequences of flaring.

24 As the BLM, it is your responsibility to
25 the land and the air and to people who live under

1 your jurisdiction. In 2012 the U.S. Government
2 Accountability Office, GAO, reviewed studies that
3 showed shale oil and gas development poses risks to
4 air quality, listing engine exhaust from increased
5 truck traffic, emissions from diesel-powered pumps
6 used to power equipment, and gas that is flared,
7 burned or vented released into the atmosphere for
8 operational reasons, and unintentional emissions of
9 pollutants from faulty equipment or impoundments.

10 An estimated \$12 million per month in
11 natural gas royalties are being flared off just in
12 Fort Berthold. According to MHA Energy, as of
13 December 2012, Twin Buttes is the greatest impacted
14 by flaring with 92 percent of natural gas being
15 flared off. This is completely unacceptable.

16 At Fort Berthold people are getting
17 asthma, pleurisy and are on nebulizers, getting
18 headaches, runny noses, and even there's a cancer
19 spike. To be ignorant and say that these breathing
20 issues are not linked to what we are breathing
21 through the flares is completely asinine.

22 Benzene, toluene, xylene, carbon dioxide,
23 H2S shouldn't be things we breathe in. This is a
24 threat to public health. And increasing carbon
25 dioxide emissions is causing climate change. Just

1 today President Obama made a speech about cutting
2 emissions. BLM should follow his lead and cut
3 emissions of CO2, which means stopping the flares.

4 And without an environmental impact study,
5 you won't know the effects of what's happening at
6 Fort Berthold and the other what, four million
7 acres that you have jurisdiction over in North
8 Dakota. Once you make these rules, you need to
9 enforce these rules, because on the ground tribal
10 members and just regular North Dakota people don't
11 see the federal regulations. It just seems like
12 agencies are looking the other way because of all
13 the oil surplus. And you need to be accountable to
14 us because we live here, we live next to the
15 flares, we live next to the oil pads, and we
16 deserve to breathe clean air, and that our quality
17 of life isn't worsened like it is now.

18 And please require meters on all devices
19 and infrared cameras to monitor all natural gas
20 emissions. If you're going to go in this direction
21 and finally make frackers accountable, then you
22 need to measure and see how much they're actually
23 putting in the air. Thank you. That was my
24 comment.

25 MR. SPISAK: Thank you.

1 MR. HOLMES: Hi. My name is J.P. Holmes.
2 I'm an environmental scientist. I'm with Dakota
3 Resource Council.

4 I don't have anything as profound, just
5 kind of questions a little bit. I don't know if a
6 lot of these flares and stuff are set up on like a
7 cautionary principle, when they set up, they just
8 wanted to set up. But I just want everybody to
9 realize, you hear a lot about save the rain forest,
10 save the rain forest. It's about 67 percent. The
11 grasslands that we have out here is about 4 percent
12 left, and we live in it right now.

13 With these crops -- the crops and the
14 wildlife was brought up earlier. My curiosity is,
15 is BLM working with any other structures? Did you
16 study any habitats in those areas where these
17 flares went up? Was there any study prior to it?
18 How much of it has affected those habitats and
19 wildlife?

20 I like hunting, I like fishing, so I'm not
21 against those, but is there something being done to
22 look into the wildlife, because it is depleting in
23 this area, especially with the deer and a lot of
24 other animals. It's disappearing. Once you start
25 losing diversity in your animal population, that's

1 really bad in a lot of ways. I don't have to
2 explain how that's bad. And last time this
3 happened was in 1980, last boom.

4 So that's just pretty much where my
5 curiosity is. My comment is on wildlife. I'm
6 really interested in the wildlife portion. My
7 studies have been on fish. I worked with the USDA
8 on yield, crop season and everything else. So I'm
9 just curious with the flaring what has changed with
10 the habitat. Does anybody have an answer for
11 habitat?

12 MR. SPISAK: Well, at this point we were
13 not specifically tying this effort to flaring, but
14 I know through our resource management plans and
15 environmental impact statements associated with
16 them they look at all the different resource
17 conflicts and that sort of thing going forward, but
18 not specifically to what you're referring to.

19 MR. HOLMES: Was there a study prior to --
20 was there ongoing study prior to the proposal?

21 MR. SPISAK: We're in the process of
22 beginning the venting and flaring outreach. This
23 is a concern that's brought up, something that we
24 could consider going forward.

25 MR. HOLMES: Right. Because I was out to

1 the Killdeer Mountains and we were counting out
2 there and we counted 26 just in the top of the
3 Badlands alone, and just wondering -- you know,
4 that affects deer, that affects all sorts of
5 animals, especially the night creatures that hunt
6 at night. If they don't see night, then they die
7 off or they go somewhere else.

8 I'm just wondering of the studies, is what
9 I'm really curious. While everybody is talking
10 about the human element around here, I'm a wildlife
11 guy. Well, thank you very much. Appreciate it.

12 MR. SPISAK: Thank you.

13 MR. SINGER: Hello. Tom Singer with the
14 Western Environmental Law Center. I have three
15 comments that I want to elaborate on some things
16 that have already been discussed.

17 Specifically with respect to the rule, I
18 think that the best capture planning concept should
19 be expanded to include marketing, things like field
20 use, reinjection, getting gas to a sales line so
21 the captured gas isn't the end of the story,
22 because captured gas without anywhere to go is
23 going to go to flare. So gas capture and
24 marketing, I think, is the best approach.

25 I also think that things that are --

1 information as developed in plans and gas capturing
2 marketing plans should be transparent and, you
3 know, accommodating confidential -- confidentiality
4 should be accessible to the public.

5 Probably the most important point I want
6 to make, though, is when you mentioned resource
7 management plans just now, I think BLM has a
8 planning obligation here as well, not just
9 producers and lessees and operators. But
10 specifically we'd like to see the rule require
11 field offices to include gas capture, marketing,
12 and marketing and planning in resource management
13 plans, mineral leasing plans, not that broader,
14 high-level planning that BLM does, and then require
15 industry to do that kind of planning when they're
16 doing mineral development plans for applications
17 for permits to drill. Thank you very much.

18 MR. SPISAK: Thank you.

19 MR. WALD: My name is Mark Wald and I'm
20 president of a company called Blaise Energy.

21 What we do is focus on power generation
22 for flared gas, so we're actively out there trying
23 to convert that flare into a more usable form of
24 energy or turn it into kilowatts.

25 I will say that there's a tremendous

1 amount of interest from the industry on remote
2 capture technologies and ways to start leveraging
3 that gas and putting it to more beneficial use. We
4 have sites both on Fort Berthold Indian Reservation
5 and off, and we are starting to hit bigger and
6 bigger permitting requirements because as they move
7 into multi-well pads and the load goes up and up,
8 we're putting bigger gensets out there and
9 paralleling gensets out there. And all of our
10 gensets we put out today are EPA certified, so if
11 it's just one genset, we pretty much hit the
12 emission standard, but even if you had
13 EPA-certified gensets and you put several of them
14 on a site, you have to do site certification.

15 And so I guess my input would be is that
16 you look at these rulings -- there is a lot of
17 interest from the industry to start leveraging that
18 gas in a better way in the field, so a way to
19 fast-track from a permitting standpoint, so, you
20 know, if somebody is trying to put equipment out
21 there to consume that gas and put it to beneficial
22 use, there would be a way to fast-track it, because
23 it's a lot easier to get stuff on state land
24 because we're just dealing with the North Dakota
25 Department of Health versus dealing with going

1 through the extra layer on federal land.

2 So that would be my input, fast-track any
3 engine permitting, whether it's a generator, a
4 compressor to pull out NGLs or a compressor that
5 puts gas in the pipeline to reduce flaring. But
6 anything that the industry does to reduce that
7 flare in any way from a permitting standpoint that
8 that be fast-tracked, I think, would be a great
9 step in the right direction. Thank you.

10 MR. SPISAK: Thank you.

11 MR. TANK: My name is Greg Tank. I've
12 grown up in this area. My ranch is north of here
13 about 86 miles.

14 I've seen this happen many times with gas
15 flowing from the wells and I hear so much about
16 people's health. Did you know that if you work for
17 a company, you have to have a gas monitor on? If
18 you're going to go work on a location of a
19 pipeline, you have to have a gas monitor. So why
20 do the people that live -- like the lady that said
21 about her garden and her health and the doctor
22 explaining about the health problems, why don't the
23 people on these farms and ranches have a monitor in
24 their yard so that they will know if the levels are
25 high, if their place is being overrun?

1 This happened to me, to our family. We
2 have quite a number of houses on our place, and the
3 gas a mile away was so bad, the state said that it
4 should have killed me. My eyes burned. And this
5 was a mile away. And we're going to have 20, 30
6 times more wells than what we have right now. It's
7 been a problem for years already. I didn't see
8 anything on your presentation to cover that.

9 MR. SPISAK: As we mentioned a couple
10 times, I thought, most of our authorities surround
11 waste prevention and royalty. Air emissions is
12 usually an EPA role, so we're trying to kind of
13 thread that needle how our rules would dovetail
14 with something that EPA does. A state usually also
15 deals with air emission. So that's partly what
16 you're seeing there.

17 MS. LANCE: Let me just add to that. We
18 understand it doesn't matter to you which agency
19 does what you need, so I understand the limits of
20 our authority compared to EPA's is not of
21 particular interest probably to you. We are
22 limited by that, but I want to let you know that
23 we're working really closely with EPA and with the
24 states as we work on all these issues and that we
25 have -- we all kind of put the picture together and

1 do the best that we can when we start to work on
2 these issues. So we're doing that now. And EPA
3 has already put some rules in place on this, as you
4 might know.

5 But we appreciate very much your comments.
6 This is very helpful to us and gives us a
7 perspective that we wouldn't otherwise have if we
8 hadn't been here in North Dakota with you. So I
9 thank you for that. I can't give you complete
10 answers that's going to solve the problem today,
11 but I can tell you that we're working with the
12 other agencies as well.

13 MR. SPISAK: Thank you.

14 MR. SCHAFER: My name is Wayde Schafer.
15 I'm the conservation organizer for the Dakota
16 Chapter of the Sierra Club based out of Bismarck.
17 And we'll be submitting written comments, but I
18 have a couple things I want to say today.

19 The Dakota Chapter, both as a group and
20 individually, our members recreate on national
21 grasslands, BLM lands, and the adjacent three units
22 of Theodore Roosevelt National Park. And the
23 grasslands and the BLM lands are multiple use
24 lands, and the amount of oil activity is making it
25 harder and harder to find areas where we can

1 recreate without the diminished experience of
2 having one use dominate the landscape, especially
3 the flaring, the noise and smell and the visual
4 impacts really diminish the visitor experience to
5 these multiple use lands.

6 You know, at night if you're star gazing
7 or just solitude, the constant flaring really is a
8 problem. And, of course, with Theodore Roosevelt
9 National Park, it's not directly impacted because
10 it doesn't have oil wells on it, but it's ringed by
11 oil wells. And so our number one tourist
12 attraction is being impacted especially with the
13 flaring at night.

14 And I want to mention that the Bakken oil
15 wells typically produce most of the natural gas
16 when a well first comes online, so the gas needs to
17 be captured immediately. Waiting into the 60 days,
18 which, I believe, is the BLM's current policy,
19 means that a whole lot of natural gas is going to
20 be wasted.

21 And in the context of global climate
22 change, flaring of natural gas gives us all the
23 pollution and none of the energy. It's
24 unconscionable to allow this wasteful practice to
25 continue. So I urge you to set a policy that

1 captures the natural gas immediately. Thank you.

2 MR. SPISAK: Thank you.

3 MR. ABE: My comments shouldn't take too
4 long. I'm wondering if I can stick this PowerPoint
5 in the projector.

6 MR. SPISAK: While he's setting that up,
7 is there somebody else that wants to comment?

8 MS. SCHMITZ: My name is Mindi Schmitz and
9 I'm with the Environmental Law and Policy Center in
10 Jamestown.

11 And we request that BLM adopt regulations
12 that curb venting and flaring from oil wells and
13 that minimize methane leakage related to all phases
14 of gas production. Methane -- over one-third of
15 today's human-caused climate change is caused by
16 short-lived pollutants such as methane. Methane is
17 more potent than -- the more potent of all climate
18 pollutants because it traps radiation at a much
19 higher rate.

20 We will also be submitting more detailed
21 comments to the Bureau, but I want to thank you
22 guys for coming here. Welcome to North Dakota.

23 MS. LANCE: Anybody else while he's
24 setting up?

25 MR. GILLETTE: My name is Vance Gillette.

1 I'm from New Town, North Dakota, Fort Berthold Rez.

2 I've got a couple points. One is that I
3 request the BLM to examine that one-year rule of
4 free burning, or free waste, the same as the state
5 rule. The tribe, believe it or not, has a flaring
6 rule too, a clone of the state. So all three of
7 them lets you burn or waste gas for one year, no
8 penalty.

9 And the second thing I ask the BLM to do
10 is go see those flares at night and film them. The
11 daytime is deceptive, but the evening they're
12 coming on. They drilled the Bakken, now they're
13 coming back with three, four, multi-pad, blah,
14 blah, blah. It's grown like an octopus.

15 But what I would like to mention on the
16 economic impacts, even the investors of oil
17 companies are raising hell. It's been reported 1.4
18 million a day waste. That's not counting the
19 pollution. There's 42 million a month. 30 percent
20 of the wells at least or more at Fort Berthold are
21 flared. That's 12 million a month wasted. And if
22 you don't know, a lady froze to death in South
23 Dakota here this winter, no propane. What are we
24 doing with it up here? What is the state and the
25 feds and the tribe doing? Nothing. You guys come

1 out here, well, we'll do something. You have to.

2 The last thing, I'd ask you to look at
3 some alternatives. Statoil, the Norwegian company,
4 has mechanisms where they burn natural gas instead
5 of diesel and other innovations, but still we've
6 got the wild west attitude, in particular the
7 state. They issue these permits like free candy,
8 set the spacing. Look at those wells out there,
9 close to the water, close to houses, close to
10 yards, close to schools.

11 BLM, as the Bureau of Indian Affairs, they
12 rubber-stamp those permits on federal lands. You
13 guys have to take a better look at that. And by
14 better look, I mean besides the BIA and the feds on
15 these wells, you need to look at the impacts.
16 That's why I'm saying film these flares at night.
17 You could just see it. In fact, as we know, you
18 can see it from space now. So that's all I have to
19 say.

20 MR. SPISAK: Thank you.

21 MR. ABE: This is a quick flare study done
22 at Fort Berthold Community College by an
23 environmental science student. Mainly it's
24 addressing the issue that flares can -- we can
25 detect with laser counter particle counters --

1 laser particle counters, handheld devices, and have
2 the correlation to the high-quality air monitoring
3 instruments as attenuation monitors that the state
4 has. The correlation is there. It's on websites.
5 If you go to 1700, follow the tracing, you can
6 probably find that these monitors give good and
7 correlated data to micrograms per cubic meter air
8 contamination, and these are particles.

9 This is a site. You can see a very little
10 flare there. Sometimes that shoots 30 feet in the
11 air, it's variable, so we take data from a very
12 small flare.

13 Next. This is about the place where the
14 flare was monitored.

15 Next. This is a site -- site of the flare
16 downwind. You have to be in the direction of the
17 plume. The wind is coming from the northwest and,
18 of course, the concentration diminishes with
19 distance. As Dr. Seth said, it's still probably
20 detectable at distances kilometers away when it's
21 flaring very high.

22 Next. Six miles northwest of New Town,
23 site of the flare.

24 Next. Devices used. This is a weather --
25 pocket weather tracker for wind direction, wind

1 speed, humidity, temperature.

2 Next. Raw data. Student taking the
3 information.

4 Next. This will be over in a few minutes.
5 This is a control group. This is room air in a
6 room like this. You can see the levels are about
7 10,000 particles per cubic foot.

8 Next. This is two groups of data. The
9 first three minutes are normal air in levels
10 similar to the room quality. That's the first
11 three minutes, the first three blue lines. And the
12 flare data, which is up to 300 and -- or at least
13 30 times over the background type of air in a very
14 low-burning flare not far from where the flare is.

15 Next. Back to control data taken several
16 times.

17 All I'm trying to say in this study is
18 that simple, inexpensive handheld devices are
19 capable of detecting micrograms per cubic meter
20 particle matter in the range of 2.5 microns, which
21 is the air -- aerosols that we breathe in, we can't
22 breathe it out, and do the damage the doctor has
23 been talking about and the other people have been
24 talking about. This shows that the particles are
25 present in these flares and you just can't deny it.

1 This is hard data.

2 More studies will be coming later,
3 possibly connected with NIH. It's just to say that
4 overall impact, there could be some and we should
5 be looking at it.

6 Now, one thing about air monitors, you
7 have to take air monitors where people are. If you
8 live near a flare, you're going to be impacted. If
9 you're far away, of course, the air monitors won't
10 detect that. Most air monitors do not detect air
11 quality at places where people live, along
12 high-volume traffic areas where these diesel trucks
13 are producing these type of aerosols. Thank you.

14 MR. BRORBY: Taylor Brorby. I write for
15 the Huffington Post and am working this summer with
16 the Dakota Resource Council.

17 One thing I don't think that's been
18 addressed to today is also reclamation of the gases
19 by being burned off. We've imposed that in coal
20 mining in the state for land reclamation. You
21 might think it's a silly concept to do that to the
22 ozone layer, but as you've been hearing, methane
23 which is being burned off, other natural gases due
24 to flaring, they're nonrecoverable once they're
25 burned off right now. And I would love to see a

1 policy in place that starts from the BLM investing
2 in research how to take that out of the atmosphere
3 because we know the environmental implications of
4 burning this off are going to bring widespread
5 destruction. You can see North Dakota from space.

6 I've been around the country lecturing at
7 colleges and universities. You can see we're a
8 global player now because it's a bright burning
9 spot in the country at night, and it's not like
10 pollution like Seattle or Minneapolis or Chicago,
11 it's the burning of natural gases.

12 I thought since last fall when we were
13 burning 29 to 30 percent of natural gas, as you can
14 find in Mr. Helms' director's report from the
15 Department of Mineral Resources, I thought that
16 number would go down. In fact, it's gone up to 36
17 percent of flared waste, which when I've been
18 speaking at colleges and universities, all ask what
19 is a 36 percent? It's a 64 in a class, effectively
20 a D minus, you would not pass my English class. So
21 at a good day in the Bakken we're getting a D minus
22 grading.

23 We've actually gotten dumber. We have
24 gone from 29 to 30 percent down to 36 percent of
25 waste, just to put that in perspective for those of

1 you that have children. Theodora brought up a
2 great, great comment. Even if this number does go
3 down, with the amount of wells we're pulling from
4 and developing consistently going up, the volume
5 will increase even as the percentage goes down, so
6 it's important to study the statistics.

7 What I would recommend for the BLM to do
8 is not to have a conservative plan to say in the
9 next six years we'll get up to this certain percent
10 of capturing. It should be that there should be no
11 flaring because that energy source is effectively
12 gone unless you know some latest technology that I
13 haven't been reading about in terms of getting that
14 methane out of the atmosphere.

15 Some other comments that would be
16 practical for you to think about is to really get a
17 large part of the BLM to be traveling through the
18 Bakken at night. You can drive right up to these
19 flare sites. I recommend you maybe go for a
20 three-mile run and then come back and breathe in
21 deeply because I think you would understand the
22 testament then we're hearing today because we're
23 not talking about this other country.

24 When I've been lecturing as close to
25 Concordia College just across the border in

1 Minnesota, many of these bright, educated students
2 have no idea that we're wasting this amount of
3 precious resource, which for the gray hairs in the
4 room, you have the great fortune of probably dying
5 off before I do, but I will live long through this,
6 and North Dakota is a global player now due to how
7 the climate affects the rest of the planet.

8 It's not an insular issue that the BLM is
9 addressing today. It's actually a worldwide issue.
10 It's a global issue that's contributing to the
11 acidification of rainwater in this state. When
12 you're flaring off natural gas, it has to go
13 somewhere. It goes up into the cloud system.

14 I also recommend the BLM consider things
15 like cattle production in the state, because it's
16 not only humans who are being exposed to cancer-
17 causing agents and emphysema and asthma, it's also
18 things such as cattle and other wildlife that we so
19 desperately depend upon in this region.

20 So I think when we're looking at policies
21 of how to minimize flaring, what we need to say is
22 that the economic bottom line doesn't go deep
23 enough. In one of your slides you said you will
24 look at capturing gases when it's clearly economic.
25 Well, the word "economy" and "economic" come from

1 the Greek word oikos, which means care of the
2 household.

3 Right now as you've heard from people,
4 particularly tribal members, we're not caring for
5 households. In fact, we're screwing them over and
6 subjecting them to cancer-causing agents. So I
7 would play with your sense of the word "economy"
8 because to my understanding right now and how we're
9 talking about it, it doesn't go deep enough because
10 the market shifts, the market changes.

11 As Mr. Helms has highlighted in his
12 reports, last November oil was 20 times as valuable
13 as natural gas. This past February and March it
14 got within 13 times. So it was getting closer --
15 natural gas was getting closer in price. His most
16 recent report highlights -- his report came out
17 about 28 days ago -- that natural gas is 21 times
18 less valuable than oil. It's a cheaper
19 alternative, but oil is driving the economics of
20 this state and also means we're subjecting people
21 in Minnesota to not having natural gas because they
22 went without it this winter during a polar vortex.
23 Meanwhile the state next-door is burning it off
24 like some type of bonfire.

25 So I would recommend you start looking

1 into the practices to recover the gases that we are
2 wasting, take into consideration developing a
3 policy. That doesn't mean six years from now.
4 Effectively one year from now of having zero
5 flaring of natural gas. Thank you.

6 MR. SPISAK: Thank you.

7 MR. HELMS: Good afternoon. Lynn Helms,
8 the director of the North Dakota Department of
9 Mineral Resources.

10 My bosses, the members of the North Dakota
11 Industrial Commission, asked me to share with you
12 some comments, and I have those in writing, I'll
13 hand them to you in just a second, but also to talk
14 with you a little bit about where they are and
15 encourage you in some direction.

16 I think, first of all, I should say thanks
17 very much for coming to North Dakota to listen to
18 these people, these stakeholders talk about their
19 experience and their perception and what they see
20 as a problem.

21 The North Dakota Industrial Commission,
22 likewise, sees it as a problem, and as one of my
23 bosses stated just last week to me, in his
24 observation the patience and tolerance of North
25 Dakotans for flaring has come to an end. And so I

1 think they're hearing that and we've been hearing
2 that.

3 That is what led to the governor of North
4 Dakota approaching industry last fall and saying
5 that you need to fix this problem or we will fix
6 it. You need to fix it and we will help you fix
7 it. And so you're going to get comments talking
8 about gas capture plans, and it's a wonderful
9 concept. It's a whole new paradigm in terms of how
10 the oil and gas industry works with the midstream
11 industry in resolving really something where the
12 Bakken is cutting edge in this whole business.

13 But gas capture plans are going to require
14 that you set some firm goals in terms of
15 percentages and volumes of flaring. They're going
16 to require that you become a partner in this whole
17 business. The Industrial Commission wants to be
18 your partner. The North Dakota Health Department
19 wants to be your partner, and I know the citizens
20 of Fort Berthold want to be your partner, but it's
21 going to have to be a working partnership.

22 We will never achieve the flaring
23 reduction goals that the Industrial Commission has
24 set and that the industry has set unless the
25 federal lands, particularly on Fort Berthold, come

1 along and meet or exceed those goals. So we really
2 want to encourage you to work with us and with the
3 Health Department, with industry, with the citizens
4 of North Dakota.

5 We are going to begin the 1st of June
6 requiring that all drilling permits have a gas
7 capture plan with them when they come in the door.
8 They will not get approved unless there's a plan
9 for capturing the gas. And we're going to follow
10 that up towards the end of the month with new
11 regulations about how the enforcement of those gas
12 capture plans is going to take place. And you and
13 I both know that those gas capture plans will only
14 happen if the economics or the regulations make
15 them happen. And so we're going to have to be
16 partners in this thing and make sure that there is
17 some muscle behind the gas capture plans.

18 Thank you again for coming to North Dakota
19 and listening to our people. Thank you very much.

20 MR. SPISAK: Thank you.

21 MR. NELSON: Hi. Thank you for coming and
22 having this public forum. My name is Don Nelson.
23 First and foremost, I farm and ranch about 80, 85
24 miles northwest of here, in Keene, North Dakota,
25 right in the heart of the Bakken, a mile and a half

1 away from the Fort Berthold Reservation, about a
2 mile and a half from federal land. I'm a member of
3 WORC, DRC, and I'm also a member of the BLM
4 Advisory Council.

5 I think the whole thing about flaring is
6 two problems. One is the rapid production -- rapid
7 rate of production and the other is infrastructure.
8 And I'm very happy to hear what Mr. Helms said, and
9 he's right, everybody has got to work together.
10 That includes the operators.

11 I guess, you know, I hope that when this
12 goes on, it doesn't get put on the backs of private
13 landowners. Now, I know you're BLM, but most of
14 the BLM is interspersed with private, and that does
15 not mean that we need to have more eminent domain
16 pushed on us for pipelines so that we can reduce
17 the flaring. We don't need to lose any more
18 private property rights. We lost some last
19 session.

20 I think they're going to say that a lot of
21 this is surface owners, is what's holding this up,
22 and surface owners means BLM too. We're all
23 surface owners. But I think you will run into an
24 occasional surface owner that's going to be hard to
25 deal with. We all know them. And as the story

1 goes, if you don't know them, you probably should
2 look in the mirror.

3 And the problem is -- I think the biggest
4 problem with infrastructure has been industry
5 himself. And you need to remember that when you're
6 dealing with them because of the midstream
7 operators, the contracts with certain pipeline
8 companies, and they won't give a contract to
9 someone else, and so on. So some of that is they
10 need to look in the mirror themselves.

11 I think even though you're BLM, you've got
12 to remember the big picture. Everything you do
13 affects everything else in this state, private
14 landowners too.

15 I guess, you know, there's a lot of other
16 things that were said here today, I could talk
17 about a lot of them. Being an ag producer, I think
18 you'll be getting some testimony, written stuff
19 that -- you know, this flaring decreases 6 to 15
20 percent of our ag production on crops. That's
21 significant for an ag state.

22 I guess the thing is whatever you do, you
23 are in a unique position to lead the way, so that
24 on private land also you don't have to -- you don't
25 have to be part of the problem that's out there

1 now. You can be part of the solution.

2 Wildlife was mentioned. That's a very
3 good point. I think you do have to take that into
4 account. First time in my entire life -- five
5 years ago we had 400 head of deer coming into our
6 hay. We had to put up a deer-proof fence. First
7 time in my entire life I left the gates open, I
8 piled corn and oats on the ground, not one single
9 deer has been in there, still not till yesterday.

10 You know, the economics, I think you have
11 a very good example with the fellow that talked to
12 you before, the Alaska example. You can't look at
13 this on a well-by-well basis. You've got to look
14 at the big picture. I've been told in this state
15 alone it's about 70 million a month we're flaring.
16 That's real economics. Thank you.

17 MR. SPISAK: Thank you.

18 MR. WOLFF: My name is Lynn Wolff. I'm
19 from Fargo, North Dakota, as far east as you can
20 get before you get to Concordia College like
21 Mr. Taylor said.

22 My concern over there is, you know,
23 there's a lot of money coming to the state from
24 this, but we don't understand over there how bad it
25 really is. And when they talk about gas and

1 flaring gas and then last winter when we had people
2 in that part of the state that couldn't get
3 propane, it was a hardship for a lot of people and
4 a lot of -- for poor people as well. So that's
5 very important.

6 So as I talk about this -- and I used to
7 be a fellow that organized people to come up here
8 and talk, so I feel a little nervous today talking
9 on my own behalf as well as the members of the
10 Dakota Resource Council I worked for for 12 years.

11 But, again, I have a lot of friends that
12 farm and ranch on public land, the grasslands,
13 which I worked for those kind of folks for about 12
14 years as well. And so I feel for what they're
15 going through because it is basically hell. Donnie
16 didn't say that, but I know some of those ranchers
17 out there that feel this is pure hell, and you guys
18 have, because you take care of all the minerals on
19 federal land, you are also dealing with them as
20 well. So I appreciate what you can do to make it a
21 better place for them to farm and ranch.

22 MR. SPISAK: Thank you.

23 MR. SAEGER: My name is Ron Saeger. I
24 live in Fargo, North Dakota, and I'm a member of
25 the South Agassiz Resource Council and the Dakota

1 Resource Council.

2 You may not know that you were preceded
3 here in 1889 by John Wesley Powell, who I believe
4 at the time was the Secretary of the Interior, and
5 he addressed our first constitutional convention
6 before we became a state.

7 And something that happened 40 years ago
8 is the Department of Energy came here and decided
9 that we should exploit our coal resource by making
10 a coal gasification plant. That continues to
11 produce oil today ironically in this land of irony
12 and as a by-product has CO₂, which is going through
13 a pipeline to Canada. Both resources could be used
14 to solve some of your problems in reducing the
15 waste that we're currently experiencing with
16 flaring methane. So it's something to consider,
17 something for our state to consider, something for
18 our Industrial Commission, our Health Department,
19 our Public Service commissioners, but also you
20 folks.

21 Federal money came here to do that, they
22 got it going, and it continues to this date. Thank
23 you.

24 MR. SPISAK: Thank you. Anybody else?

25 MS. MOGEN: In 2012 I told you a little

1 bit about the health problems of kids. I didn't
2 get into that. We have another couple years of
3 this to happen because of categorical exclusions.

4 Last year our Casper office gave 111.
5 We've already got 46 this year, which would be
6 about -- we're on track for 200 more categorical
7 exclusions. I have 17 well pads in front of me and
8 each one of these well pads has at least four wells
9 on them now, one has up to 20. It's just been
10 approved that each one of these pads will get four
11 to eight more wells within the next year. My
12 family is going to live through 2012 again. I
13 don't want to watch my kids live through that. I
14 don't want to see my cow with a tumor again.

15 I ask that you, one, step up the
16 enforcement of the rules you have in place right
17 now and that you use all the tools in your power to
18 limit the flaring right now. I know there's got to
19 be something you can do to limit it at this point
20 and before those other wells go in and make us live
21 through that again. Thank you.

22 MR. SPISAK: Thank you. Anybody else?

23 MS. LANCE: Anybody else? One last chance
24 for comments?

25 I just want to say thank you to you all

1 for the time you've devoted to this and the caring
2 that you brought to this issue. It's been
3 enormously helpful for us to be here and hear your
4 range of views. And, as we said at the beginning,
5 we just started looking at this issue. We have a
6 lot of work to do. I hope we can ask you to be
7 with us as we go through it and we're continuing to
8 learn from you. I think things are moving at the
9 state level, with some of the other federal
10 agencies as well, and so we're going to mine all of
11 that information.

12 I just want to let you know that we'll be
13 available to hear comments that you have all the
14 way through the process. This is a real high
15 priority issue for us at the national level for
16 BLM, and we just appreciate you taking the time to
17 give us your perspective. It's invaluable to us.
18 So thanks again and I hope we can keep talking
19 about this as we go.

20 (Concluded at 3:25 p.m., the same day.)

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CERTIFICATE OF COURT REPORTER

I, Denise M. Andahl, a Registered
Professional Reporter,

DO HEREBY CERTIFY that I recorded in
shorthand the foregoing proceedings had and made of
record at the time and place hereinbefore
indicated.

I DO HEREBY FURTHER CERTIFY that the
foregoing typewritten pages contain an accurate
transcript of my shorthand notes then and there
taken.

Bismarck, North Dakota, this 4th day of
June, 2014.

Denise M. Andahl
Registered Professional Reporter