



January 30, 2023

VIA ELECTRONIC FILING

Director Tracy Stone-Manning
U.S. Department of Interior
Bureau of Land Management
1849 C St. NW
Room 5646
Washington, DC 20240
Attention: 1004-AE79

Re: Proposed Rule on Onshore Oil and Gas Operation; Federal and Indian Oil and Gas Leases; Waste Prevention, Production Subject to Royalties, and Resource Conservation, 87 Fed. Reg. 73,588 (Nov. 30, 2022).

Dear Director Stone-Manning:

GPA Midstream Association ("GPA") appreciates the opportunity to submit comments on the Bureau of Land Management ("BLM") proposed rulemaking "Waste Prevention, Production Subject to Royalties, and Resource Conservation," Onshore Oil and Gas Operations; Federal and Indian Oil and Gas Leases; Site Security," 87 Fed. Reg. 73,588; RIN 1004-AE79.

GPA Midstream has served the U.S. energy industry since 1921 and has over 60 corporate members that directly employ more than 56,000 employees that are engaged in a wide variety of services that move vital energy products such as natural gas, natural gas liquids ("NGLs"), refined products, and crude oil from production areas to markets across the United States, commonly referred to as "midstream activities." The work of our members indirectly creates or impacts an additional 396,000 jobs across the U.S. economy. GPA Midstream members gather over 77% of the natural gas and recover more than 80% of the NGLs such as ethane, propane, butane, and natural gasoline produced in the United States from more than 380 natural gas processing facilities. In the 2019-2021 period, GPA Midstream members spent over \$100 billion in capital improvements to serve the country's needs for reliable and affordable energy.

The proposed rule is intended to reduce the waste of natural gas from oil and gas leases administered by the BLM, with the waste a result of venting, flaring, and leaks. GPA has strong concerns with this proposed rule and a suggested definition to clarify responsibilities. Specifically, we are concerned with 43 CFR § 3179.201 – Pneumatic controllers and pneumatic diaphragm pumps. The proposed rule unnecessarily duplicates rules by other agencies and has an implementation period that is not practical given current labor and supply chain issue.

First, the rule is duplicative and unnecessary. Both the U.S. Environmental Protection Agency (U.S. EPA) and certain state governments (e.g., New Mexico) have issued regulations or proposed regulations addressing venting from pneumatic controllers and pneumatic diaphragm pumps. These rules adequately address venting, flaring, and leaks from oil and gas operations.

On November 15, 2021, the U.S. EPA issued proposed regulations for methane and volatile organic compound emissions to be included in 40 CFR Part 60 Subparts 0000a, 0000b, and 0000c (collectively, “Quad O Rules”). On November 11, 2022, the U.S. EPA issued supplemental proposed regulations reflecting comments from various individuals and entities. The proposed regulations would require controllers to be zero-emission controllers (with some exceptions for emergency and safety related applications). These regulations would apply to all affected sources including those on Federal and Indian leases.

On May 25, 2021, the New Mexico Energy, Minerals, and Natural Resources Department issued Title 19 Chapter 15 Part 27 “to regulate the venting and flaring of natural gas from wells and production equipment and facilities to prevent waste and protect correlative rights, public health, and the environment.” This rule does not specify the equipment performance of pneumatic controllers; rather, the rule establishes an overall capture requirement of 98% be achieved by December 31, 2026.

On August 5, 2022 the New Mexico Environmental Department issued Title 20 Chapter 50 to regulate ozone precursor pollutants from the oil and gas sector. These rules apply to well sites and address pneumatic controllers (§20.2.50.122) and equipment leaks (§20.2.50.116).

Consequently, we recommend the deletion of §3179.201 – Pneumatic controllers and pneumatic diaphragm pumps and §§3179.301-303 Leak Detection and Repair.

Second, the proposed rule contains a compliance schedule that is not reflective of today’s labor market and supply chain restrictions. On January 6, 2023, the U.S. Bureau of Labor Statistics issued a report stating the U.S. unemployment rate is now 3.5%. In October 2022, New Mexico governor Michelle Lujan Grisham and the New Mexico State Department of Workforce Solutions “announced New Mexico’s unemployment rate continued to decrease and at 4.2% is now the lowest it has been since July 2008.”¹ Given this historically low unemployment rate, compliance within 1 year is neither practical nor economically feasible.

In the BLM summary of the proposed rules, BLM estimates some 54,213 pneumatic devices will need to be replaced. The U.S. EPA recognized the significance of the labor and supply chain issues by proposing to extend compliance with the Quad 0 Rules from 1 year to 4 years. Accordingly, should BLM proceed with including pneumatic devices in the final rule, we recommend the compliance period be extended to match the EPA’s proposed Quad 0 Rules compliance timeline of 4 years.

Lastly, the rule contains the ambiguous term “operator” GPA Midstream recommends the Rule include definitions to clarify that the Proposed Rule’s obligations are limited to the lessee, which is the entity with which BLM has a contractual relationship. Specifically, we recommend the following additions to §3179.3 – Definitions and acronyms: “‘Operator’ means any person or entity, including, but not limited to, the lessee or operating rights owner, who is responsible for the performance of the oil and gas exploration and production activities authorized by under Federal or Indian lease agreements.” This is similar to a definition of “operator” already used under BLM’s oil and gas leasing regulations. *See* 43 C.F.R. § 3100.0-5(a).

¹ <https://www.governor.state.nm.us/2022/10/21/state-unemployment-reaches-lowest-rate-since-july-2008-under-gov-lujan-grisham/>

GPA appreciates the opportunity to submit comments on the proposed rule. We look forward to working with the BLM as the process moves forward. Please contact me at (202) 279-1664 or mhite@gpaglobal.org if GPA can be of assistance.

Sincerely

A handwritten signature in black ink that reads "Matthew Hite". The signature is written in a cursive style with a large, stylized "M" and "H".

Matthew Hite
Vice-President of Government Affairs
GPA Midstream