



Colorado
Petroleum Council
A Division of API



February 1, 2017

The Honorable Cory Gardner
United States Senate
354 Russell Senate Office Building
Washington, D.C. 20510

The Honorable Michael Bennet
United States Senate
261 Russell Senate Office Building
Washington, D.C. 20510

Dear Senators:

Western Energy Alliance, the Colorado Oil & Gas Association, and the Colorado Petroleum Council strongly support the use of the Congressional Review Act to overturn the Bureau of Land Management's (BLM) Waste Prevention, Production Subject to Royalties, and Resource Conservation Rule, otherwise known as BLM's methane rule.

Western Energy Alliance represents over 300 companies engaged in all aspects of environmentally responsible exploration and production of oil and natural gas in the West. Alliance members are independents, the majority of which are small businesses with an average of fifteen employees.

Founded in 1984, the Colorado Oil & Gas Association's (COGA) mission is to foster and promote the beneficial, efficient, responsible and environmentally sound development, production and use of Colorado oil and natural gas. COGA is a nationally recognized trade association that aggressively promotes the expansion of Rocky Mountain natural gas markets, supply, and transportation infrastructure through its growing and diverse membership.

The Colorado Petroleum Council is a division of API, which represents all segments of America's oil and natural gas industry. Its more than 625 members produce, process, and distribute most of the nation's energy. The industry also supports 9.8 million U.S. jobs and 8 percent of the U.S. economy.

The oil and natural gas industry adopted an environmental ethic decades ago, and protecting the environment is a primary consideration for all activities that potentially may have an impact. This ethic is embodied by industry's efforts to reduce methane emissions through voluntary means. Methane emissions from oil and natural gas production have declined by 15% since 1990 without federal regulation, even as natural gas production has increased by 47%.¹² The industry is no longer the largest source of anthropogenic methane emissions, as National Oceanic and Atmospheric Administration

¹ [U.S. Greenhouse Gas Inventory Report: 1990-2014](#), EPA, April 2016

² [U.S. Natural Gas Marketed Production](#), Energy Information Administration, December 2016

(NOAA) and other studies have shown.³⁴ Industry has been continuously innovating to reduce emissions, and its success along with the market incentive to capture and sell as much natural gas as possible will continue without new rules from BLM.

The BLM methane rule will have damaging consequences not only for our industry, but for rural communities across the West. BLM claims its new rule will increase federal royalties on otherwise “wasted” natural gas production, which it values at \$17 million annually.⁵ However, an economic analysis by John Dunham & Associates estimates the BLM rule would capture less than \$4 million in new royalties but at a staggering cost of \$1.26 billion.⁶ The analysis concludes that impacts will be felt across the West through \$997,199,000 of dollars in lost output, wages, royalties, and \$114,112,000 in lost tax receipts by local, state, and federal government.

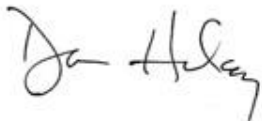
Furthermore, the BLM methane rule is a usurpation of air quality regulatory authority by BLM. Congress gave EPA and states authority to regulate air quality under the Clean Air Act (CAA), not BLM. BLM’s rule largely contains CAA-like provisions, and much of its purported value are in the form of monetized air quality benefits. As a land management agency, BLM lacks not only the statutory authority but the resources and expertise to regulate air quality.

Western Energy Alliance, Colorado Oil & Gas Association, and the Colorado Petroleum Council strongly supports use of the Congressional Review Act to roll back this clear overreach of federal authority in the form of a rule that will provide very little environmental benefit, but at great cost. We urge Congress to act swiftly to overturn the BLM methane rule. We very much appreciate your leadership on this issue.

Sincerely,



Kathleen Sgamma
President
Western Energy Alliance



Dan Haley
President & CEO
Colorado Oil & Gas Association



Tracee Bentley
Executive Director
Colorado Petroleum Council



David Ludlam
Executive Director
West Slope Colorado Oil & Gas Association

³ [Upward Revision of Global Fossil Fuel Methane Emissions Based on Isotope Database](#), Schwietzke et. al., October 2016

⁴ [A 21st Century Shift from Fossil-Fuel to Biogenic Methane Emissions Indicated by ¹³CH₄](#), Schaefer et. al. March 2016

⁵ [Venting and Flaring Rule Regulatory Impact Analysis](#), Bureau of Land Management, January 2016

⁶ [Venting and Flaring Rule Comments, Appendix A](#), Western Energy Alliance, April 2016