



BLM Releases Proposal on New Venting and Flaring Regulations

By: [Michael Cross](#)

Last week, the Bureau of Land Management (BLM) released its long anticipated proposal for new natural gas venting and flaring regulations. Despite admitting that states, other federal agencies, and industry have already taken steps to reduce methane emissions and reduce venting and flaring, BLM asserts that its proposal is necessary to modernize its existing rules and further minimize wasted natural gas.

The main thrust of BLM's proposed rule is to limit gas flaring at most wells to 1,800 Mcf of gas per month and prohibit venting except under limited circumstances. The rule would require operators to submit a plan to minimize waste in each Application for Permit to Drill, utilize leak detection programs, and disclose gas flared at wells.

Notably, BLM used this opportunity to propose revisions to onshore royalty rates. The proposed rule suggests that the only likely change to royalty payments would be a clarification as to what onsite use of gas production would qualify as royalty-free. However, BLM's proposal emphasizes its belief that current royalty rates are too low, and signals BLM's intent to raise future rates on new competitive leases.

BLM's proposed imposition of additional regulations on operators creates further uncertainty that will discourage future development on federal land. BLM's proposed rule will also result in a further delay of approval of project permits, will impose new costs on operators and will decrease already small profit margins.

For more information on BLM's proposed rule, please contact [Michael Cross](#), [Bret Sumner](#), or [Jim Martin](#).