



EPA'S NEXT ROUND OF METHANE REGULATIONS

By [Jim Martin](#)

When Prime Minister Trudeau visited the White House in March, he and President Obama released a [statement](#) on climate, energy and the Arctic that included a joint commitment to regulate methane emissions from existing oil and gas sources. In turn, using its authority under Section 114 of the Clean Air Act, EPA proposed an extensive data-collection process referred to as an Information Collection Request (ICR).

On May 12, 2016 EPA released its ICR proposal and submitted it for publication in the Federal Register. Once published, the proposal will be open for public comment for 60 days, after which EPA may revise the draft proposal. EPA must then forward the proposed ICR to the Office of Management and Budget (OMB). OMB will then publish a second draft for a 30-day public comment proposal before signing off on the ICR. The Administration currently hopes to issue the ICR to companies in the domestic onshore oil and gas sector by autumn 2016. EPA estimates the cost of complying with the ICR at just over \$40 million, though that may understate the costs of compliance.

As proposed by EPA, the two-part ICR would embrace the entire value chain within the oil and gas sector, including well sites, gathering and boosting facilities, processing facilities, underground storage facilities, and even LNG import/export terminals. Part 1 would be addressed to every operator to collect facility-level information (name of the well, location, number of wells, tanks and compressors, *et cetera*). The form also would require owners and operators to calculate distance to the nearest natural gas gathering line, whether the well conducts well unloadings, and the number of wells that have been fractured or refractured, as well as other information. Owners and operators would have only 30 days to respond to that request for information.

A random subset of operators (EPA has not determined how it will select recipients of Part 2) also would receive a Part 2 request, which would require significantly more information and a commensurately larger investment of time and resources to comply. For example, the agency wants to know how frequently every well site is visited, whether it is staffed, the well drilling type, well depth and well bore length, well casing diameter, production rates, produced gas composition, numerous items about every dehydrator and separator, a count of pneumatic devices as well as extensive additional information, a count of components contacting a process fluid, the number of components found to be leaking, and extensive information about any blowdowns that occurred in 2015.

We are closely following this proposal and working to understand it better. There may be pitfalls lurking in the information request and we will highlight those in future postings. So far, we want to call operators' attention to the agency's proposed definition of "facility" and its potential implications for use in other contexts.

The draft notice is available [here](#).

For further information, please contact [Jim Martin](#) at 303.407.4471.