AMENDMENT RULES COMMITTEE PRINT 116-63
OFFERED BY MS. DEGETTE OF COLORADO

At the end of subtitle F of title XII, add the following:

SEC. 118. GAS WASTE REDUCTION AND ENHANCEMENT OF GAS MEASURING AND REPORTING.

(a) In General.—Title I of the Federal Oil and Gas Royalty Management Act of 1982 (30 U.S.C. 1711 et seq.) is amended by adding at the end the following:

“SEC. 118. GAS WASTE REDUCTION AND ENHANCEMENT OF GAS MEASURING AND REPORTING.

“(a) Regulations for Preventing and Reducing Waste of Gas Via Venting, Flaring, and Fugitive Releases.—

“(1) Requirement to issue regulations.—Not later than 2 years after the date of enactment of this section, the Secretary shall issue regulations pursuant to the Secretary’s authority under the Mineral Leasing Act, the Federal Land Policy and Management Act of 1976, the Indian Mineral Leasing Act of 1938, and other statutes authorizing the Secretary to regulate oil and gas activities on Federal land and Indian lands, that establish requirements
for reducing and preventing the waste of gas, including by venting, flaring, and fugitive releases, from covered operations.

“(2) CONTENT OF REGULATIONS.—The regulations shall, with respect to covered operations—

“(A) require that, beginning not later than 3 years after the date of enactment of this section, each operator captures at least 85 percent of all gas produced in each year from each onshore well that is subject to a mineral leasing law;

“(B) require that, beginning not later than 5 years after the date of enactment of this section, each operator captures at least 99 percent of all gas produced in each year from each onshore well that is subject to a mineral leasing law;

“(C) require flaring of gas, rather than venting, in all instances in which gas is not captured;

“(D) require that every application for a permit to drill a production well—

“(i) demonstrate sufficient infrastructure and capacity is in place to capture the
expected quantity of produced gas from the well; and

“(ii) be published with an opportunity for a public comment period of at least 30 days;

“(E) beginning not later than 2 years after the date of enactment of this section, prohibit all new and refractured production wells from flaring;

“(F) require the operator of any covered operation that routinely flares gas before the effective date of a regulation prohibiting flaring issued pursuant to subparagraph (E) to submit a gas capture plan to the Secretary not later than 180 days before such effective date that ensures that such operator will meet the requirements described in subparagraphs (A) and (B);

“(G) set performance standards for newly installed equipment based on modern equipment that minimize gas loss from—

“(i) storage tanks;

“(ii) dehydrators;

“(iii) compressors;

“(iv) open-ended valves or lines;
“(v) pumps; and

“(vi) such other equipment as the Secretary determines appropriate to reduce and prevent gas release;

“(H) require that operators replace existing equipment within one year of the publication date of performance standards established under subsection (G);

“(I) require the replacement of all high-bleed gas-actuated pneumatic devices with low-bleed or no-bleed devices not later than 180 days after the date of issuance of the regulation enacted under subparagraph (A);

“(J) set performance standards based on modern procedures and equipment that minimize gas loss from—

“(i) downhole maintenance;

“(ii) liquids unloading;

“(iii) well completion; and

“(iv) such other procedures as the Secretary determines appropriate to reduce and prevent gas release;

“(K) require all operators to have leak detection programs with regularly scheduled inspections that assess the entire covered oper-
ation using an infrared camera or other equipment with methods that provide overall at least equivalent sensitivity and effectiveness in detecting leaks on a timely basis;

“(L) require any leaks found to be repaired promptly, and in any case not later than 4 weeks after the discovery of the leak, except where exceptional circumstances warrant an extension of not more than 8 additional weeks; and

“(M) require recordkeeping for—

“(i) equipment maintenance;
“(ii) leak detection and repair;
“(iii) venting events;
“(iv) flaring events; and
“(v) such other operations as the Secretary determines appropriate to reduce and prevent gas release.

“(b) GAS MEASURING, REPORTING, AND TRANSPARENCY REQUIREMENTS.—

“(1) IN GENERAL.—The Secretary shall, not later than one year after the date of enactment of this section, issue regulations requiring each operator to measure and report, with respect to all gas subject to the mineral leasing laws, all such gas pro-
duced, consumed on site, or lost through venting, flaring, or fugitive releases.

“(2) MEASURING AND REPORTING REQUIREMENTS.—To account for all gas referred to in paragraph (1), the Secretary shall issue regulations requiring each operator to—

“(A) measure all production and disposition of gas with such accuracy that fugitive gas releases can be calculated;

“(B) install metering devices to measure all flared gas; and

“(C) report to the Secretary the volumes of gas measured under the requirements described in subparagraph (A), including—

“(i) all new measured values for production and disposition, including vented and flared volumes; and

“(ii) values for fugitive releases based on guidelines for their calculation established by the Secretary in such regulations.

“(3) TRANSPARENCY.—The Secretary shall make all new data produced under the requirements established by the Secretary under this subsection, including calculated fugitive releases and volumes of
gas lost to venting and flaring, publicly available through the internet—

“(A) without a fee or other access charge;

“(B) in a searchable, sortable, and downloadable manner, to the extent technically possible; and

“(C) as soon as technically practicable after the report by the operator is filed.

“(e) Application.—Except as otherwise specified in this section, the requirements established by the Secretary under this section shall apply to—

“(1) the construction and operation of any covered operation initiated, including the refracturing of existing wells, on or after the date of the issuance of regulations under this section; and

“(2) after the end of the 1-year period beginning on the date of the issuance of such regulations, any covered operation initiated before the date of the issuance of such regulations.

“(d) Enforcement Mechanisms.—

“(1) In general.—The Secretary shall include in the regulations issued under this section consistent enforcement mechanisms for covered operations that are not in compliance with the requirements established by the regulations.
“(2) REQUIREMENTS.—The Secretary shall include in the enforcement mechanisms described in paragraph (1)—

(A) civil penalties for unauthorized venting and flaring, which shall—

(i) apply in lieu of the penalties and related provisions under section 109; and

(ii) include production restrictions and civil monetary penalties equivalent to 3 times the market value of the vented or flared gas; and

(B) civil penalties that apply to non-compliance with other new or existing procedures, which shall—

(i) apply in addition to or in lieu of the penalties and related provisions under section 109;

(ii) include production restrictions or monetary penalties, or both; and

(iii) in the case of monetary penalties, be proportional to market conditions.

“(e) DEFINITIONS.—In this section:

(1) CAPTURE.—The term ‘capture’ means the physical containment of natural gas for transpor-
tation to market or productive use of natural gas,
and includes reinjection and royalty-free on-site
uses.

“(2) COVERED OPERATIONS.—The term ‘cov-
ered operations’ means all oil and gas operations
that are subject to mineral leasing law or title V of
the Federal Land Policy and Management Act of
1976 (30 U.S.C. 1761 et seq.), regardless of size, in-
cluding production, storage, gathering, processing,
and handling operations.

“(3) FLARE AND FLARING.—The terms ‘flare’
and ‘flaring’ mean the intentional and controlled
burning of gas that occurs in the course of oil and
gas operations to limit release of gas to the atmos-
phere.

“(4) FUGITIVE RELEASE.—The term ‘fugitive
release’ means the unintentional and uncontrolled
release of gas into the atmosphere in the course of
oil and gas operations.

“(5) GAS CAPTURE PLAN.—The term ‘gas cap-
ture plan’ means a plan that includes specific goals,
including equipment and timelines, for capturing,
gathering, and processing gas produced under an oil
or gas lease.
“(6) GAS RELEASE.—The term ‘gas release’ includes all gas that is discharged to the atmosphere via venting or fugitive release.

“(7) VENT AND VENTING.—The terms ‘vent’ and ‘venting’ mean the intentional and controlled release of gas into the atmosphere in the course of oil and gas operations.”.

(b) CLERICAL AMENDMENT.—The table of contents in section 1 of such Act is amended by inserting after the item relating to section 117 the following:

“Sec. 118. Gas waste reduction and enhancement of gas measuring and reporting.”.

(e) UPDATES.—The Secretary of the Interior shall update the regulations required by the amendments made by this section when the Secretary determines appropriate, but no less frequently than once every ten years, to reflect new information regarding gas waste, the impacts of that waste, and the availability of technologies and performance measures to reduce gas waste.

(d) APPLICATION OF PRIOR RULE.—The final rule entitled “Waste Prevention, Production Subject to Royalties, and Resource Conservation”, as published in the Federal Register November 18, 2016 (81 Fed. Reg. 83008), is hereby reinstated, and each of its provisions shall apply unless and until the effective date of a subsequent final rule promulgated under the amendment made by sub-
section (a), or promulgated under another applicable au-

thority, that replaces or repeals such provision.

(e) ASSESSMENT OF VENTING, FLARING, AND FUGI-
tIVE RELEASES.—Not later than 180 days after the end
of the 1-year period beginning on the date the Secretary
of the Interior first receives data submitted under the re-
quirements established under subsection (b) of section 118
of the Federal Oil and Gas Royalty Management Act of
1982, as amended by this section, the Secretary shall—

(1) submit a report to Congress describing—

(A) the volume of fugitive releases, and gas
consumed or lost by venting and flaring, from
covered operations (as those terms are used in
such section); and

(B) additional regulations the Secretary
considers would help further curtail venting,
flaring, and fugitive releases, or the rational
basis for not issuing such additional regulations
if the Secretary considers additional regulations
would not be appropriate to further curtail
venting, flaring, and fugitive releases; and

(2) issue regulations described in the report re-
quired by paragraph (1)(B) not later than 1 year
after the date of the submission of the report.