To amend the Federal Oil and Gas Royalty Management Act of 1982 (30 U.S.C. 1701 et seq.) to require the Secretary of the Interior to issue regulations to reduce and prevent gas waste and to enhance gas measuring and reporting, to codify a final rule of the Environmental Protection Agency regarding certain emission standards for the oil and natural gas sector, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

Ms. DeGette introduced the following bill; which was referred to the Committee on ______

A BILL

To amend the Federal Oil and Gas Royalty Management Act of 1982 (30 U.S.C. 1701 et seq.) to require the Secretary of the Interior to issue regulations to reduce and prevent gas waste and to enhance gas measuring and reporting, to codify a final rule of the Environmental Protection Agency regarding certain emission standards for the oil and natural gas sector, and for other purposes.

1 Be it enacted by the Senate and House of Representa-
2 tives of the United States of America in Congress assembled,
SECTION 1. SHORT TITLE.

This Act may be cited as the “The Methane Waste Prevention Act of 2019”.

SEC. 2. CODIFICATION OF FINAL RULE.

The amendments to the Code of Federal Regulations made pursuant to the final rule of the Environmental Protection Agency, titled “Oil and Natural Gas Sector: Emission Standards for New, Reconstructed, and Modified Sources” and published in the Federal Register on June 3, 2016 (81 Fed. Reg. 35824), shall have the same force and effect of law as if such amendments had been enacted by an Act of Congress, except that the Administrator of the Environmental Protection Agency may revise such regulations, as provided for under the Clean Air Act, if such revision would result in a reduction in gas release.

SEC. 3. 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 the Methane Waste Prevention Act of 2019, 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 the Methane Waste Prevention Act of 2019, 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 the Methane Waste Prevention Act of 2019, 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 the Methane Waste Prevention Act of 2019, 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 re-
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 operation 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 the Methane Waste Prevention Act of 2019, issue regulations requiring each operator to measure and report, with respect to all gas subject to the minimal leasing laws, all such gas produced, 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.

“(c) 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 proce-
dures, 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 pen-
alties, be proportional to market condi-
tions.

“(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 atmosphere.

“(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 capture 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.”.
(c) 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 subsection (a), or promulgated under another applicable authority, that replaces or repeals such provision.

(e) Assessment of Venting, Flaring, and Fugitive 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 requirements 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 required by paragraph (1)(B) not later than 1 year after the date of the submission of the report.