

January 30, 2023

U.S. Department of the Interior Director (630) Bureau of Land Management 1849 C St. NW, Room 5646 Washington, DC 20240 Attention: 1004-AE79

Submitted Electronically to <u>BLM_HQ_PRA_Comments@blm.gov</u> & through Federal eRulemaking Portal: <u>https://www.regulations.gov</u> RIN 1004-AE79 Cc: <u>lbagley@blm.gov</u>, <u>fbremner@blm.gov</u>

Re: OMB Control Number 1004–0211 and RIN 1004–AE79

Comments by the **Independent Petroleum Association of New Mexico (IPANM)** regarding BLM (DOI) Proposed Rule for 43 CFR Parts 3160 and 3170, entitled <u>Waste Prevention</u>, <u>Production Subject to Royalties, and Resource Conservation</u>

Federal Register Number 2022-25345

Dear Director & associated BLM staff,

On behalf of the 350+ members comprised of independent oil & gas producers and associated industry members who work in New Mexico, I'd like to respectfully submit these comments by the **Independent Petroleum Association of New Mexico (IPANM)** regarding **BLM (DOI) Proposed Rule for 43 CFR Parts 3160 and 3170, entitled** <u>*Waste Prevention, Production Subject to Royalties, and Resource Conservation.* These comments also are submitted in response to the November 30, 2022 Proposed Rule as published in the Federal Register, Vol. 87, No. 229 under Federal Register Number 2022-25345.</u>

The Independent Petroleum Association of New Mexico (IPANM) is a non-profit 501c(6) that serves as the voice of independent oil and gas producers in New Mexico. Our mission is to preserve and advance the interests of independent oil and gas producers, while educating the public to the importance of oil and gas to the state and all our lives. We support efforts that lead to responsible, balanced and robust federal Waste Prevention Rule, while also ensuring the safe extraction of the abundant natural resources on federal lands in New Mexico.

Per your published proposed rule, "The Bureau of Land Management (BLM) is proposing new regulations to reduce the waste of natural gas from venting, flaring, and leaks during oil and gas production activities on Federal and Indian leases. The proposed regulations would be codified in the Code of Federal Regulations and would replace the BLM's current requirements governing venting and flaring..."

IPANM has a number of concerns regarding the proposed rule. For the sake of brevity and to avoid lengthy repetition, IPANM would like to fully endorse all comments submitted for this proposed rule through the Western Energy Alliance and Independent Petroleum Association of America. IPANM's own membership participated in the formation of many of the comments, thus our full endorsement should be considered in your evaluation of the final rule scope and parameters.

Furthermore, IPANM would like to offer three points for special consideration:

Duplicative Regulation

The BLM is proposing regulations addressing oil storage controls in Section 3179.203, pneumatic controllers in Section 3179.201 and Section 3179.303 Leak Detection and Repair. These aspects are already addressed by either the EPA or the state air quality agencies. BLM's regulation of air quality aspects, particularly those which are under the jurisdiction of the EPA or state agencies is duplicative and should not be included in the final rule.

Provisions for Unavoidably Lost

Section 3179.4(b) provides a list of "unavoidably lost" gas. IPANM is concerned that the BLM has thoroughly evaluated the different types of hydraulic fracturing techniques being used by operators. In some cases, during flowback after hydraulic fracturing, depending upon the technique used, some gas may have impurities that make it not salable to the gas gatherer. Such an example would be when nitrogen foam fracs are performed. In these cases the flowback gas will have more nitrogen making it not possible for the gas gatherer to accept it. In these cases, the gas must be flared until it can meet pipeline specifications. For this reason, IPANM suggests an additional category in this subsection (b) which allows "Flaring of gas due to impurities in the gas that make it non-saleable to a pipeline".

Well Completion and Related Operations

In Section 3179.102 the BLM is proposing that only 10,000 Mcf of gas that reaches the surface may be flared royalty free for new completions. This is far too low a volume. IPANM recommends this volume be doubled to 20,000 Mcf which was in the BLM proposal in which was proposed by BLM in the 2016 rule. This volume threshold is much more equitable and provides the necessary flexibility for higher volume wells.

Using science, innovation, and collaboration, IPANM's operators work to prevent waste, reduce emissions, and improve air quality, all while growing production, creating jobs for New Mexicans, and revenues for both the United States and our own State of New Mexico. It is for these reasons we ask for special consideration for our comments and for the endorsement of the WEA & IPAA comments submitted on this proposed rule.

Thank you for your time and consideration.

Highest Regards,

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Jim Winchester Executive Director Independent Petroleum Association of New Mexico