

Union Calendar No. 491

117TH CONGRESS
2^D SESSION

H. R. 1492

[Report No. 117-672, Part I]

To prevent methane waste and pollution from oil and gas operations, and
for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MARCH 2, 2021

Ms. DEGETTE (for herself, Mr. GRIJALVA, Mr. LOWENTHAL, Mr. HUFFMAN, Ms. LEE of California, Mr. BLUMENAUER, and Mr. ESPAILLAT) introduced the following bill; which was referred to the Committee on Natural Resources, and in addition to the Committee on Energy and Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

DECEMBER 30, 2022

Additional sponsors: Mr. WELCH, Mr. DEFazio, Mrs. HAYES, Mr. CLEAVER, Ms. MCCOLLUM, Mr. LEVIN of California, Mr. HASTINGS, Mr. GALLEG0, Ms. PORTER, Mr. CASTEN, Ms. LEGER FERNANDEZ, Mr. PERLMUTTER, Mr. CARTWRIGHT, Ms. TLAIB, and Ms. ESCOBAR

DECEMBER 30, 2022

Reported from the Committee on Natural Resources

DECEMBER 30, 2022

Committee on Energy and Commerce discharged; committed to the Committee of the Whole House on the State of the Union and ordered to be printed

A BILL

To prevent methane waste and pollution from oil and gas operations, 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,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Methane Waste Pre-
5 vention Act of 2021”.

6 **SEC. 2. CONTROLLING METHANE EMISSIONS FROM THE**
7 **OIL AND NATURAL GAS SECTOR.**

8 (a) NATIONAL GOALS.—The goals of this section are
9 to steadily reduce the quantity of United States methane
10 emissions from the oil and natural gas sector such that—

11 (1) in calendar year 2025, the quantity of
12 United States methane emissions from the oil and
13 natural gas sector is at least 65 percent below cal-
14 endar year 2012 emissions; and

15 (2) in calendar year 2030, the quantity of
16 United States methane emissions from the oil and
17 natural gas sector is at least 90 percent below cal-
18 endar year 2012 emissions.

19 (b) REGULATIONS TO MEET THE NATIONAL
20 GOALS.—

21 (1) IN GENERAL.—The Administrator shall
22 issue regulations pursuant to the existing authority
23 of the Administrator under section 111 of the Clean
24 Air Act (42 U.S.C. 7411) to control methane emis-

1 sions from the oil and natural gas sector to achieve
2 the national goals described in subsection (a).

3 (2) COVERED SOURCES.—The regulations pro-
4 mulgated pursuant to this subsection shall apply to
5 sources of methane from every segment of oil and
6 natural gas systems, including oil and natural gas
7 production, processing, transmission, distribution,
8 and storage.

9 (3) MEETING THE GOAL FOR 2025.—

10 (A) DEADLINE FOR ISSUANCE.—Not later
11 than December 31, 2022, the Administrator
12 shall finalize regulations pursuant to the exist-
13 ing authority of the Administrator under sec-
14 tions 111(b) and 111(d) of the Clean Air Act
15 (42 U.S.C. 7411(b), (d)) to achieve the national
16 goal described in subsection (a)(1).

17 (B) CONTENTS.—The regulations required
18 by subparagraph (A) shall include the following:

19 (i) The regulations shall prescribe
20 procedures for the establishment, imple-
21 mentation, and enforcement of standards
22 of performance or design, equipment, work
23 practice, or operational standards, or com-
24 bination thereof, for existing sources and
25 guidelines for States.

1 (ii) The regulations shall require
2 States to submit plans in accordance with
3 section 111(d) of the Clean Air Act (42
4 U.S.C. 7411(d)) no later than 30 months
5 after the date of enactment of this Act.

6 (iii) The regulations shall provide for
7 the Administrator to prescribe, not later
8 than 42 months after the date of enact-
9 ment of this Act, a plan in accordance with
10 such section 111(d)—

11 (I) for a State that fails to sub-
12 mit a plan by the deadline specified in
13 clause (ii); or

14 (II) for a State for which the Ad-
15 ministrator disapproves the State
16 plan.

17 (4) MEETING THE GOAL FOR 2030.—

18 (A) IN GENERAL.—Not later than Decem-
19 ber 31, 2023, the Administrator shall finalize
20 regulations pursuant to the existing authority
21 of the Administrator under sections 111(b) and
22 111(d) to achieve the national goal described in
23 subsection (a)(2).

24 (B) CONTENTS.—The regulations required
25 by subparagraph (A) shall provide for the es-

1 tablishment, implementation, and enforcement
2 of standards of performance or design, equip-
3 ment, work practice, or operational standards,
4 or combination thereof, for new sources and ex-
5 isting sources, and guidelines for States, that
6 include requirements for—

7 (i) new and existing natural gas
8 transmission, gathering, and distribution
9 pipelines to reduce methane emissions by
10 application of the best system of emissions
11 reduction pertaining to venting, flaring,
12 and leakage reduction;

13 (ii) new sources, and existing sources,
14 with equipment that handles liquefied nat-
15 ural gas to reduce methane emissions from
16 that equipment by application of the best
17 system of emission reduction;

18 (iii) new and existing offshore petro-
19 leum and natural gas production facilities
20 to reduce methane emissions by application
21 of the best system of emission reduction;
22 and

23 (iv) any source addressed under the
24 regulations promulgated under paragraph
25 (3) for which the Administrator determines

1 that a more stringent standard is nec-
2 essary to achieve the national goal under
3 subsection (a)(2).

4 (C) DISTRIBUTION OF HYDROGEN.—In im-
5 plementing this section, the Administrator shall
6 ensure that any new distribution infrastructure
7 is compatible with the distribution of hydrogen.

8 (c) DEFINITIONS.—In this section:

9 (1) The term “Administrator” means the Ad-
10 ministrator of the Environmental Protection Agency.

11 (2) The phrase “design, equipment, work prac-
12 tice, or operational standard, or combination there-
13 of” has the meaning given to such phrase for pur-
14 poses of section 111(h) of the Clean Air Act (42
15 U.S.C. 7411(h)).

16 (3) The terms “existing source”, “new source”,
17 and “standard of performance” have the meanings
18 given such terms in section 111(a) of the Clean Air
19 Act (42 U.S.C. 7411(a)).

20 **SEC. 3. GAS WASTE REDUCTION AND ENHANCEMENT OF**
21 **GAS MEASURING AND REPORTING.**

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

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

3 “(a) REGULATIONS FOR PREVENTING AND REDUC-
4 ING WASTE OF GAS VIA VENTING, FLARING, AND FUGI-
5 TIVE RELEASES.—

6 “(1) REQUIREMENT TO ISSUE REGULATIONS.—

7 Not later than 2 years after the date of enactment
8 of the Methane Waste Prevention Act of 2021, the
9 Secretary shall issue regulations pursuant to the
10 Secretary’s authority under the Mineral Leasing
11 Act, the Federal Land Policy and Management Act
12 of 1976, the Indian Mineral Leasing Act of 1938,
13 and other statutes authorizing the Secretary to regu-
14 late oil and gas activities on Federal land and In-
15 dian lands, that establish requirements for reducing
16 and preventing the waste of gas, including by vent-
17 ing, flaring, and fugitive releases, from covered oper-
18 ations.

19 “(2) CONTENT OF REGULATIONS.—The regula-
20 tions shall, with respect to covered operations—

21 “(A) require that, beginning not later than
22 1 year after the date of enactment of the Meth-
23 ane Waste Prevention Act of 2021, each oper-
24 ator captures at least 85 percent of all gas pro-
25 duced in each year from each onshore well that
26 is subject to a mineral leasing law;

1 “(B) require that, beginning not later than
2 5 years after the date of enactment of the
3 Methane Waste Prevention Act of 2021, each
4 operator captures at least 99 percent of all gas
5 produced in each year from each onshore well
6 that is subject to a mineral leasing law;

7 “(C) require flaring of gas, rather than
8 venting, in all instances in which gas is not cap-
9 tured;

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

12 “(i) demonstrate sufficient infrastruc-
13 ture and capacity is in place to capture the
14 expected quantity of produced gas from the
15 well; and

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

19 “(E) beginning not later than 2 years after
20 the date of enactment of the Methane Waste
21 Prevention Act of 2021, prohibit all new and
22 refractured production wells from venting or
23 flaring;

24 “(F) require the operator of any covered
25 operation that routinely flares gas before the ef-

1 fective date of a regulation prohibiting flaring
2 issued pursuant to subparagraph (E) to submit
3 a gas capture plan to the Secretary not later
4 than 180 days before such effective date that
5 ensures that such operator will meet the re-
6 quirements described in subparagraphs (A) and
7 (B);

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

11 “(i) storage tanks;

12 “(ii) dehydrators;

13 “(iii) compressors;

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

15 “(v) such other equipment as the Sec-
16 retary determines appropriate to reduce
17 and prevent gas release;

18 “(H) require that operators replace exist-
19 ing equipment within one year of the publica-
20 tion date of performance standards established
21 under subsection (G);

22 “(I) require the replacement of all gas-ac-
23 tuated pneumatic controllers and pumps with
24 nonemitting equipment not later than 180 days

1 after the date of issuance of the regulation en-
2 acted under subparagraph (A);

3 “(J) set performance standards based on
4 modern procedures and equipment that mini-
5 mize gas loss from—

6 “(i) downhole maintenance;

7 “(ii) liquids unloading;

8 “(iii) well completion; and

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

12 “(K) require all operators to have leak de-
13 tection programs with monthly inspections that
14 assess the entire covered operation using an in-
15 frared camera or other equipment with methods
16 that provide overall at least equivalent sensi-
17 tivity and effectiveness in detecting leaks on a
18 timely basis;

19 “(L) require any leaks found to be re-
20 paired promptly, and in any case not later than
21 4 weeks after the discovery of the leak, except
22 where exceptional circumstances warrant an ex-
23 tension of not more than 8 additional weeks;
24 and

25 “(M) require recordkeeping for—

1 “(i) equipment maintenance;
2 “(ii) leak detection and repair;
3 “(iii) venting events;
4 “(iv) flaring events; and
5 “(v) such other operations as the Sec-
6 retary determines appropriate to reduce
7 and prevent gas release.

8 “(b) GAS MEASURING, REPORTING, AND TRANS-
9 PARENCY REQUIREMENTS.—

10 “(1) IN GENERAL.—The Secretary shall, not
11 later than one year after the date of enactment of
12 the Methane Waste Prevention Act of 2021, issue
13 regulations requiring each operator to measure and
14 report, with respect to all gas subject to the mineral
15 leasing laws, all such gas produced, consumed on
16 site, or lost through venting, flaring, or fugitive re-
17 leases.

18 “(2) MEASURING AND REPORTING REQUIRE-
19 MENTS.—To account for all gas referred to in para-
20 graph (1), the Secretary shall issue regulations re-
21 quiring each operator to—

22 “(A) install metering devices to measure
23 all flared gas; and

1 “(B) report to the Secretary the volumes
2 of gas measured pursuant to the requirements
3 of this subsection, including—

4 “(i) all new measured values for pro-
5 duction and disposition, including vented
6 and flared volumes; and

7 “(ii) values for fugitive releases based
8 on guidelines for their calculation estab-
9 lished by the Secretary in such regulations.

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

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

17 “(B) in a searchable, sortable, and down-
18 loadable manner, to the extent technically pos-
19 sible; and

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

22 “(c) APPLICATION.—Except as otherwise specified in
23 this section, the requirements established by the Secretary
24 under this section shall apply to—

1 “(1) the construction and operation of any cov-
2 ered operation initiated, including the refracturing of
3 existing wells, on or after the date of the issuance
4 of regulations under this section; and

5 “(2) after the end of the 1-year period begin-
6 ning on the date of the issuance of such regulations,
7 any covered operation initiated before the date of the
8 issuance of such regulations.

9 “(d) ENFORCEMENT MECHANISMS.—

10 “(1) IN GENERAL.—The Secretary shall include
11 in the regulations issued under this section con-
12 sistent enforcement mechanisms for covered oper-
13 ations that are not in compliance with the require-
14 ments established by the regulations.

15 “(2) REQUIREMENTS.—The Secretary shall in-
16 clude in the enforcement mechanisms described in
17 paragraph (1)—

18 “(A) civil penalties for unauthorized vent-
19 ing and flaring, which shall—

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

22 “(ii) include production restrictions
23 and civil monetary penalties equivalent to
24 15 times the market value of the vented

1 gas and 3 times the value of the flared
2 gas; and

3 “(B) civil penalties that apply to non-
4 compliance with other new or existing proce-
5 dures, which shall—

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

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

11 “(iii) in the case of monetary pen-
12 alties, be proportional to market condi-
13 tions.

14 “(e) DEFINITIONS.—In this section:

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

20 “(2) COVERED OPERATIONS.—The term ‘cov-
21 ered operations’ means all oil and gas operations
22 that are subject to mineral leasing law or title V of
23 the Federal Land Policy and Management Act of
24 1976 (30 U.S.C. 1761 et seq.), regardless of size, in-

1 including production, storage, gathering, processing,
2 and handling operations.

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

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

12 “(5) GAS CAPTURE PLAN.—The term ‘gas cap-
13 ture plan’ means a plan that includes specific goals,
14 including equipment and timelines, for capturing,
15 gathering, and processing gas produced under an oil
16 or gas lease.

17 “(6) GAS RELEASE.—The term ‘gas release’ in-
18 cludes all gas that is discharged to the atmosphere
19 via venting or fugitive release.

20 “(7) VENT AND VENTING.—The terms ‘vent’
21 and ‘venting’ mean the intentional and controlled re-
22 lease of gas into the atmosphere in the course of oil
23 and gas operations.”.

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

“Sec. 118. Gas waste reduction and enhancement of gas measuring and report-
ing.”.

4 (c) UPDATES.—The Secretary of the Interior shall
5 update the regulations required by the amendments made
6 by this section when the Secretary determines appropriate,
7 but no less frequently than once every five years, to reflect
8 new information regarding gas waste, the impacts of that
9 waste, and the availability of technologies and perform-
10 ance measures to reduce gas waste.

11 (d) APPLICATION OF PRIOR RULE.—The final rule
12 entitled “Waste Prevention, Production Subject to Royal-
13 ties, and Resource Conservation”, as published in the Fed-
14 eral Register November 18, 2016 (81 Fed. Reg. 83008),
15 is hereby reinstated, and each of its provisions shall apply
16 unless and until the effective date of a subsequent final
17 rule promulgated under the amendment made by sub-
18 section (a), or promulgated under another applicable au-
19 thority, that replaces or repeals such provision.

20 (e) ASSESSMENT OF VENTING, FLARING, AND FUGI-
21 TIVE RELEASES.—Not later than 180 days after the end
22 of the 1-year period beginning on the date the Secretary
23 of the Interior first receives data submitted under the re-
24 quirements established under subsection (b) of section 118

1 of the Federal Oil and Gas Royalty Management Act of
2 1982, as amended by this section, the Secretary shall—

3 (1) submit a report to Congress describing—

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

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

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

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[Report No. 117-672, Part I]

A BILL

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