Consumer Energy Alliance
Colorado Oil & Gas Association
Colorado Petroleum Council
La Plata Energy Council
New Mexico Association of Commerce and Industry
New Mexico Oil & Gas Association
Western Energy Alliance

August 24, 2016

Dear oil and gas industry representatives:

We are writing to you as people of faith, business owners, and shareholders to voice our concern about the impact methane waste has on communities, local economies, air quality, and climate throughout the West.

Recently, our leaders in Washington announced the goal of cutting methane waste from oil and gas development by 40 to 45 percent over the next decade that occurs from flaring, venting, and leaks at well sites. The Bureau of Land Management (BLM) has recently issued a draft rule on methane waste— an important step forward to protecting western communities.

Cutting methane waste aligns with our values of faith and our Western way of life, as we value wise stewardship of the environment, implementing sound economic practices, ensuring affordable energy for all, protecting the health of our neighbors, and curbing climate change.

We urge you to drop your opposition to common sense rules that would benefit everyone. We also encourage you and your members to engage constructively in ongoing national methane rulemaking by filing public comments that:

- 1) Share your data and experience with methane monitoring and management and;
- 2) Provide a specific and solutions-oriented perspective on how methane rules can be designed to drive emission reductions in a cost-effective manner.

Our moral and professional stance on methane emissions

It is our moral responsibility and duty to cultivate and conserve our natural resources in a sustainable way, ensuring future generations benefit from God's abundant gifts. Many faith teachings, including Pope Francis's recent encyclical *Laudato Si'*, highlight our shared moral responsibility to prevent harm to communities by re-evaluating and changing unsustainable practices. As people of faith in the West, we see methane waste and pollution on our public lands are as a prime example of an unsustainable practice we must change.

Fortunately, good resource stewardship and good business practice go hand-in-hand with methane waste reduction. According to the business consulting firm ICF International, more than \$330 million worth of methane is vented, flared, or leaked from oil and gas operations on federal and tribal lands — primarily in western states. This wasted methane results in less revenue for communities affected by oil and gas

development; furthermore, that lost energy could have heated homes for struggling, low-income families and the elderly, who are disproportionately affected by unfair business practices and irresponsible development. Moreover, we could also be putting additional westerners to work in the methane extraction and mitigation industry.

The fiscal benefits of methane waste reduction will directly affect oil and gas companies too. The Natural Resources Defense Council has estimated the oil and gas industry, its shareholders, and workers could benefit \$2 billion annually by reducing methane waste. Also, new job markets are emerging in states such as Colorado in methane mitigation putting people to work. Datu Research found that there are more than 75 companies with 500 locations across 46 states now operating in methane mitigation.

Methane waste also contributes to climate change, which imperils our way of life and western values. Methane's impact as a greenhouse gas is far greater than carbon dioxide; over a 20-year period, methane will impact global temperatures 80 times greater than carbon dioxide. Furthermore, volatile organic compounds and hazardous air pollutants are co-emitted during methane development. These compounds contribute to smog and can endanger our health and communities, and some rural communities have <u>faced</u> <u>air quality challenges</u> on par with major cities due in part to air pollution from oil and gas operations.

Cost-effective solutions for reducing methane waste are already available

While the substantial economic, health, and environmental impacts of methane waste are apparent, the cost of implementing methane-reduction measures is also limited. There are many cost-effective technologies and services available to reduce methane emissions. ICF International also found that currently available controls could cut emissions by 40 percent for pennies on the dollar.

The <u>International Energy Agency</u> has identified methane emission reduction in oil and gas production as a policy that can "stop the growth in global energy-related emissions by the end of this decade at no net economic cost."

Nationwide methane-reduction standards are needed

Voluntary measures are simply <u>not enough</u>. Over the last 20 years, less than one percent of the oil and gas industry participated in the EPA's Natural Gas STAR Program. In the EPA's newly launched Methane Challenge Program, no oil and gas production company participated as a "Founding Partner."

Therefore, we believe that BLM rules are necessary for reducing methane emissions from oil and gas leases on public and tribal lands. We hope these rules are viewed as an opportunity by oil and gas developers to safeguard communities against health-impacting air pollution, provide long-term economic benefits to industry, ensure a fair return to taxpayers that helpfund critical programs, and help reduce the destructive effects of global climate change.

In 2014, Colorado <u>approved</u> regulations to identify and repair methane leaks, working alongside industry partners Noble Energy, Encana, and Anadarko. Noble's vice-president called the rules "smart" and "cost-effective", saying, "It ensures that oil and gas is developed in the safest possible way for communities and the environment." As Colorado and industry leaders are taking the lead in reducing methane emissions, the

rest of the nation must catch up. As western industry leaders, we urge you to drop your opposition and publically support strong, sensible federal rules aimed at reducing methane waste—for the sake of your consumers, our communities, our future generations, and your bottom line.

Thank you for your consideration and attention.

Sincerely,

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Anna Falkenberg, PhD, Executive Director Socially Responsible Investment Coalition

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