For Immediate Release

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OOGA Urges Senate to Repeal BLM's Venting and Flaring Rule

COLUMBUS, Ohio, March 22, 2016 — The Ohio Oil and Gas Association strongly urges Senator Rob Portman to support the repeal of the Bureau of Land Management's (BLM) venting and flaring rule that was approved during the waning days of the Obama Administration.

It is clear this rule, if it should stand, would have a disastrous impact on conventional oil and natural gas operators in southeast Ohio who produce wells in and near federal owned minerals. These longstanding Ohio businesses would be forced to comply with unnecessary rules that could cost up to $50,000 per well by requiring they be retrofitted with emissions control equipment. In addition, the rule would also create significant ongoing costs for the life of the well.

There are currently over 2,000 wells in Ohio that could be targeted by this rule. Many of these existing conventional wells are lower producing wells, owned and operated by local conventional producers who cannot afford to make those capital investments or would be forced to plug the well because these rules would make them uneconomical to continue to produce.

These rules are unnecessary and duplicative because Congress has already granted US EPA the authority to regulate air emissions under the Clean Air Act and in Ohio, Ohio EPA implements regulations under the Clean Air Act on behalf of the federal government.

While there have been arguments by environmental groups that this rule would somehow increase royalties for the federal government, the opposite would actually happen in Ohio. This is really about creating over burdensome regulations that would cause many of these 2,000 wells to be prematurely plugged.

That means no more royalties for landowners who may share minerals with the Bureau of Land Management. If not rescinded, these rules could also cost the government millions in lost royalties from existing wells on federal lands.

"Leaving this venting and flaring rule in place would be detrimental to conventional operators like myself who have been responsibly developing these federal minerals for decades." Said Brian Chavez, Vice-President of, Washington County based, Condevco Inc.

According to an analysis from economist John Dunham, the rule is estimated to shut down the production of about 112.4 million barrels of oil, which has a projected value of $6.1 billion. That means, even in the best-case scenario, taxpayers would miss out on about $114 million in combined federal and state taxes.

Leaving this unwarranted rule in place is just bad policy and detrimental to not only Ohio oil and natural gas producers but to landowners across southeastern Ohio who may fall under the wide reach of this rule.

About the Ohio Oil and Gas Association

The Ohio Oil and Gas Association is a trade association with more than 2,200 members involved in the exploration, production and development of crude oil and natural gas resources within the state of Ohio. For more information, visit www.ooga.org.