DEPARTMENT OF THE INTERIOR

Bureau of Ocean Energy Management, Regulation and Enforcement

30 CFR Part 250

[Docket ID: BOEM–2010–0042]

Flaring Versus Venting To Reduce Greenhouse Gas Emissions in the Outer Continental Shelf; Public Workshop

AGENCY: Bureau of Ocean Energy Management, Regulation and Enforcement (BOEMRE), Interior.

ACTION: Public workshop.

SUMMARY: Bureau of Ocean Energy Management, Regulation and Enforcement is announcing a workshop to discuss possible new requirements on flaring versus venting of natural gas in the Outer Continental Shelf (OCS), when such atmospheric release of natural gas is necessary and in compliance with regulations. The main focus of this workshop will be aimed at the potential reduction of Greenhouse Gas (GHG) emissions.

DATES: The workshop will be held on Wednesday, March 30, 2011, from 9 a.m. to 12 p.m.

ADDRESSES: The workshop will be held at 1201 Elmwood Park Blvd., New Orleans, Louisiana.

FOR FURTHER INFORMATION CONTACT: Ms. Robin Vaughn at (504) 736–2675 or robin.vaughn@boemre.gov.

SUPPLEMENTARY INFORMATION:

Subpart K Rulemaking

On March 6, 2007, the U.S. Department of the Interior (Department) published a Notice of Proposed Rulemaking (NPR) in the Federal Register (72 FR 9884). This NPR requested comments on proposed revisions to 30 CFR part 250, subpart K, Oil and Gas Production Requirements. The Department conducted analyses to assess the costs and benefits of requiring flare/vent meters and of requiring flaring instead of venting.

• The first analysis supported the recommendation to require meters, provided that the facilities process more than 2,000 barrels of oil per day (BOPD). This requirement was included in the final rule, published on April 19, 2010, in the Federal Register (75 FR 20271). Oil and Gas Production Requirements, at 30 CFR part 250, subpart K.

• The second analysis indicated that a regulatory change to require flaring instead of venting may be appropriate. However, the cost of implementing this requirement could be significant, and input from potentially affected parties is necessary. We requested comments on this issue in the proposed rule.

• Commenters pointed out that converting existing facilities that are equipped to vent natural gas to be able to flare natural gas may require significant redesign for safety.

• They also pointed out that there are many factors in determining whether to flare natural gas or vent natural gas when designing a facility. These factors include the operating philosophy, nature and type of reservoir, facility design limitations or capabilities, operating practices, safety, and economics.

• Industry comments also recommended that, in addition to considering requiring flaring instead of venting, BOEMRE should work with them to find ways to reduce overall natural gas emissions.

• Industry representatives also stated that a requirement for flaring instead of venting should be only for new facilities.

Request for a Workshop

Commenters requested that BOEMRE hold a workshop to discuss the issue. BOEMRE plans to work directly with interested parties to study the costs and benefits (especially GHG benefits) of requiring that companies flare the natural gas, whenever possible, when flaring or venting is necessary.

Therefore, we are holding a workshop to discuss the issue of flaring instead of venting. This workshop and additional cost-benefit analysis will consider GHG issues associated with flaring and venting. The workshop will assist BOEMRE to determine how to best implement a General Accounting Office (GAO) recommendation (see GAO Report below).

Proposed Rulemaking

BOEMRE will decide how to move forward with rulemaking on flaring natural gas after we hold the workshop. Our next step would likely be a proposed rule.

GAO Report

In July 2004, the GAO issued a report on world-wide emissions from vented and flared natural gas titled, Natural Gas Flaring and Venting—Opportunities to Improve Data and Reduce Emissions (GAO–04–809). This report is available on the GAO Web site at: http://www.gao.gov/new.items/d04809.pdf. This report reviewed the flaring and venting practices available, the extent of flaring and venting, their contributions to GHG emissions, and opportunities for the Federal Government to reduce flaring and venting.

The report concluded that more accurate records were needed on flaring and venting to determine the amount of the resource that is lost and the volume of GHG emissions these practices contribute to the atmosphere each year. The report also stated that the impact of methane (a naturally occurring gas released during venting) on the earth’s atmosphere is about 23 times greater than that of carbon dioxide (a byproduct of flaring). The GAO made two recommendations to the Secretary of the Interior: (1) consider the cost and benefit of requiring that companies flare the natural gas, whenever possible, when flaring or venting is necessary; and (2) consider the cost and benefit of requiring that companies use flaring and venting meters to improve oversight. In addition, there was a recommendation to the Secretary of Energy to consider consulting with the Environmental Protection Agency (EPA), BOEMRE, and Bureau of Land Management, on how to best collect separate statistics on flaring and venting. In 2005, BOEMRE performed a cost-benefit analysis on the possible requirement to flare instead of vent. The agency determined that it was not appropriate to mandate flaring at that time, but noted that this topic would be pursued further. In light of developments since 2005, BOEMRE has determined that a workshop to hear public concerns is appropriate and a new cost-benefit analysis is needed. Note also that the other two GAO recommendations (to consider a requirement to install flare/vent meters and to consider a requirement to report flare volumes separately from vent volumes) were implemented via the April 19, 2010, publication of regulations at 30 CFR Part 250, subpart K (75 FR 20271).

Oil and Gas Industry Contributions to GHG Emissions in the Federal OCS

Most natural gas production involves extracting natural gas from wells drilled into underground gas reservoirs; however, some natural gas is generated as a by-product of oil production. During oil and natural gas production, it may become necessary to burn or release natural gas for a number of operational reasons, including safety. These operations may be associated with unloading or cleaning of a well, production testing, or relieving system pressure during equipment failure. The controlled burning of natural gas is called flaring, while the controlled release of unburns (gas released directly into the atmosphere) is called venting. Most flaring and venting occurs at the end of
However, the global warming potential of OCS flaring and venting could be reduced if BOEMRE were to require operators to flare instead of vent (when the release of natural gas is necessary). Such a requirement would reduce the global warming potential of GHG emissions by converting most methane to carbon dioxide as it is released. The workshop will address this topic.

It is difficult to estimate the impact that flaring instead of venting would have on GHG emissions until BOEMRE gathers the more accurate data required by new regulations (which require the installation of flare/vent meters and the separate reporting of flare and vent volumes). Furthermore, it is impractical, if not impossible, to eliminate all venting. Even if 100 percent of the released OCS gas could be flared instead of vented, the impact on total U.S. GHG emissions would be very small. In 2008, U.S. GHG emissions totaled 7,668 × 10⁹ tons of carbon dioxide equivalent (CO₂e). Of that total, only 30.9 × 10⁹ tons of CO₂e, or 0.40 percent, were related to OCS oil and gas production (including platform and non-platform sources), and flaring and venting activities represent only a fraction of that amount.

Based on several assumptions, estimates, and existing analyses, BOEMRE roughly approximated the impact that might occur if it were to mandate flaring over venting. These estimates indicate that such a requirement would reduce total U.S. GHG emissions by less than 0.05 percent. However, the accuracy of these estimates will improve over the next few years now that regulations at 30 CFR part 250, subpart K have been implemented. Reported OCS flares and vent volumes could increase or decrease based solely on improved reporting accuracy. In any event, further analysis may shed light on whether flaring rather than venting natural gas is cost effective from a GHG perspective, even if the total amount of GHGs is small.

Workshop Presentations
In order to assist BOEMRE, assess the need for regulations on this topic, and ascertain the framework for any such regulations, interested parties are encouraged to register for the workshop and present their recommendations on the following topics:

- The impact of flaring versus venting on GHG emissions;
- If BOEMRE requires flaring instead of venting, whether this mandate should apply to all (new and existing) facilities, apply only to facilities emitting above a certain threshold, and what acceptable threshold levels should be;
- Technical and/or economical feasibility of retrofitting some or all existing facilities with flare tips;
- Flare tip technology and/or combustion efficiency;
- Emissions reduction;
- Existing worldwide best practices that could reduce GHG emissions from flaring and venting;
- Safety issues associated with requiring flaring instead of venting on OCS facilities;
- Variables and/or methods that should be used to evaluate the cost versus benefit of flaring instead of venting; and
- Equipment (specific components) that have to emit natural gas locally instead of the gas being routed to a flare tip due to safety, practical, or other reasons, as well as acceptable/or recommended volumes of natural gas emissions that would be associated with this equipment.

Note that the primary focus of this workshop will be to receive feedback from all interested and potentially affected parties in advance of any rulemaking. BOEMRE anticipates that the agenda of the workshop will be predominantly presentations by those interested parties in order for BOEMRE to receive their input. In order to present at and/or attend this workshop, you must register in advance.

Registration: There is no registration fee for this workshop. However, to assess the number of participants, BOEMRE requests participants to register with Ms. Robin Vaughn by phone at (504) 736–2675, or by e-mail at robin.vaughn@boemre.gov, prior to the meeting. The deadline to register is February 28, 2011. Seating is limited and the number of attendees from each organization may have to be restricted.

BOEMRE encourages you to submit your presentations and/or attend the workshop.

We will also consider any questions submitted in advance so that the workshop can focus on key topics.

Please submit the above to Ms. Robin Vaughn (robin.vaughn@boemre.gov) by February 28, 2011. You may also submit written comments for BOEMRE’s consideration up to 30 days after the conclusion of this workshop. Written comments should be submitted to http://www.regulations.gov. In the entry entitled “Enter Keyword or ID,” enter Docket ID BOEM–2010–0042 then click search. Follow the instructions to submit public comments and view supporting and related materials available for this notice. BOEMRE will post all comments.
Supplementary Information: On November 26, 2010, the Copyright Office published a notice of proposed rulemaking and request for comments relating to recordation of notices of termination of transfers of copyright under Section 203 of the Copyright Act in circumstances where a grant was agreed to prior to January 1, 1978, but the work in question was created on or after January 1, 1978. The notice stated that comments would be due on December 27, 2010.

The Office has been contacted by representatives of interested parties who have stated that in light of the complexity of the issues raised in the notice and in light of the holidays, they request an extension of time to submit comments in order to more thoroughly analyze the issues.

Although the Register of Copyrights had hoped to issue a final rule by the end of this year, the Office wants to ensure that interested parties are given sufficient time to formulate and submit their views. Accordingly, the deadline for submission of comments is being extended to Monday, January 24, 2011.


David O. Carson,
General Counsel.