GAO releases report on oil and gas monitoring and venting

May 6, 2015

The Government Accountability Office (GAO) released a report on the Department of the Interior's (DOI) regulations regarding royalty payments and measurement standards for onshore oil and gas production. The report, which was requested by Representatives Raúl Grijalva (D-AZ) and Peter DeFazio (D-OR) and Senator Ron Wyden (D-OR), follows a 2010 GAO report.
In the report released May 6, the GAO found that the DOI uses 25-year-old monitoring technology to measure how much oil and natural gas is being extracted from onshore sites. The old technology leads to inaccurate measurements of the oil and gas extracted. Newer measurement methods exist and are used in industry; however, the Bureau of Land Management (BLM) does not require their use. As a result, the government loses royalties on oil and gas extracted from leased lands.
The 2010 report found that companies working on federally leased lands vent $23 million worth of natural gas that could be captured using existing technology; the vented gas represents 16.5 million metric tons of CO_2.
BLM provided a notice of potential rule making on venting and flaring in April 2015, and final action will occur in April 2016.
Sources: E& E News, Government Accountability Office, Office of Information and Regulatory Affairs
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