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Obama-Era Methane Rule Struck Down

On Thursday, October 8, 2020, Wyoming Federal District Court Judge Skavdahl struck down an Obama-Era rule promulgated by the Bureau of Land Management (“BLM”) restricting methane emissions on public and tribal lands. Thursday’s ruling is the latest in nearly four years of litigation over the Waste Prevention Rule (“Rule”).

In *Wyoming et al. v. U.S. Department of the Interior et al.*, 1:16-cv-00285, in the U.S. District Court for the District of Wyoming, environmental groups, joined by California and New Mexico, argued that the Rule reduces air pollution and waste, increases royalties paid to local and state governments, and is “common sense.” Under the Trump administration, the BLM, along with Wyoming, Montana, North Dakota, and Texas, as well as industry groups Western Energy Alliance and the Independent Petroleum Association of America, have argued that the Obama-Era BLM exceeded its congressional authority by promulgating the Rule, which is focused on air pollution rather than mineral leasing.

Judge Skavdahl found the latter argument persuasive, holding that the BLM’s promulgation of the Rule exceeded its authority under the Mineral Leasing Act. Skavdahl noted that, while the Mineral Leasing Act does provide the BLM with authority to address the wasting of natural gas on federal and tribal lands, “significant aspects of the rule evidence its primary purpose being driven by an effort to regulate air emissions, particularly greenhouse gases.” Additionally, the court found that the BLM acted arbitrarily and capriciously in failing to sufficiently explain the Rule’s capture requirements and fully assess its impacts, as well as failing to consider the domestic costs and benefits of the Rule.

Judge Skavdahl’s decision is a significant victory for oil and gas producers, however it is unlikely to be the final word in the controversy enveloping the Rule as the ruling will likely be appealed.

For any legal inquiries regarding how the Rule will affect your operations, please feel free to call Crowley Fleck PLLP for a consultation.

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