



BLM Hydraulic Fracturing Regulation

Frequently Asked Questions

Q: What does the Bureau of Land Management (BLM) final rule on hydraulic fracturing do?

The BLM final rule is an attempt by the federal government to regulate the hydraulic fracturing process on federal and Indian lands. New federal regulations on hydraulic fracturing set a precedent, as this is the first time standards for hydraulic fracturing have been set at the federal level. This rule does not account for state-specific geology or hydrology but rather, it mandates a one-size-fits-all standard that is not tailored for state-specific and basin-specific concerns and unique characteristics.

Q: What does the BLM final rule target?

BLM claims this rule is designed to ensure that the hydraulic fracturing process does not contaminate groundwater. However, the final rule focuses on regulating the integrity of all wells, how to manage and store water produced during oil and gas operations, and requires public disclosure of hydraulic fracturing operations.

Q: Is hydraulic fracturing currently regulated on public lands?

Yes. States have been regulating hydraulic fracturing – including on federal lands – safely and responsibly for more than 65 years in over 1 million wells, with no incident that necessitates redundant federal regulation. Each energy-providing area in the United States has different needs and conditions. It is a misdirection to impose these top-down, one-size-fits-all mandates from Washington, D.C, when the states have a proven record of experience and best understand their local areas. The federal government is attempting to create a solution in search of a problem. If anything, BLM should be delegating more to the states, in recognition of their exemplary environmental and safety records. The BLM final rule will impose administrative burdens that will complicate and frustrate producers and does not provide any benefits that the already-existing regulations currently provide.

Q: What are the economic impacts of this new federal regulation?

While BLM's economic analysis estimates this new mandate costing about \$10,000 per well, it omits several significant categories of cost to the industry. An independent analysis more accurately estimates the BLM final rule could cost small and mid-sized operators an additional \$96,913 per well, or \$345 million annually.

Q: What does this mean for American energy consumers?

These new federal mandates on hydraulic fracturing will add burdensome new costs and duplicative red tape on U.S. small and mid-sized operators, taking investments away from developing American-made energy on federal lands, much-needed job creation, and economic growth. This federal overreach is duplicative of states' efforts to effectively regulate the oil and natural gas industry and arbitrarily imposes new costs without providing any corresponding benefit – ultimately reducing the savings being passed on to hardworking American families.

Q: What should BLM be doing instead?

BLM struggles to meet its current workload of leasing, environmental analysis, permitting, monitoring, inspecting, and otherwise administering the federal onshore oil and natural gas program. Yet it is undertaking an entirely new regulatory scheme that it has neither the resources nor the expertise to implement. IPAA urged BLM to produce a gap analysis identifying inadequacies in existing requirements pertaining to hydraulic fracturing that BLM's rule would remediate. BLM has not honored this commonsense request. The agency needs to further engage stakeholders, adequately assess the costs, and compare the proposal to existing safeguards under state law.