

# Roth: Lack of Infrastructure Wastes Natural Gas

In Jay McInerney's 1984 novel *Bright Lights, Big City*, the main character (ironically from Oklahoma) gets caught up in the hedonistic, fast-paced life in New York City. The life of parties, drugs and eventual humiliation and loss eventually forces him to escape from the dangers of these bright lights.

If you were to look upon Google Earth at a night view across America, you might be surprised to see bright lights in rural North Dakota, even brighter than Minneapolis, Oklahoma City and many other metropolitan areas. What are these bright lights? Is there danger like that depicted in the novel?

The light visible from space is the effect of massive flaring of natural gas, being discarded in the production of American oil. Is the danger worth it? You decide.

North Dakota's oil and gas industry has experienced incredible, exponential growth recently. This pace inevitably comes with some growing pains. One serious problem facing North Dakota, and perhaps America, is the issue of natural gas flaring. Nearly 30 percent of the state's natural gas is flared each year. Last December, North Dakota flared a staggering 36 percent of its gas.

Why is there so much flaring in North Dakota? Growth of North Dakota's oil and gas industry has been so rapid that infrastructure has been unable to keep pace with production. The state lacks the adequate pipelines and infrastructure to get much of its gas to market. Also, oil prices are relatively high while natural gas prices are historically low, so most oil and gas producers are more concerned with oil infrastructure. Finally, North Dakota has pretty lax standards for flaring. Oil and gas producers in North Dakota can flare

natural gas for one year without having to pay royalties or taxes on the gas. After a year, companies can ask for an extension if it would be difficult to connect to a gas pipeline.

Such widespread flaring has serious environmental and economic consequences. North Dakota's flared gas releases about 6 million tons of carbon dioxide into the atmosphere each year, about the equivalent of three mid-sized coal plants. Flaring also has a serious economic impact. North Dakota energy analysts estimate that the state is flaring about \$1 million worth of natural gas per day.

The amount of gas North Dakota flares is unprecedented in the U.S. Texas flares less than 1 percent of its gas. Statistics on flaring in Oklahoma are not as readily available, but the state has much better gas infrastructure. This enables companies to get gas to the market rather than flare it, thus improving their bottom line and all of our skies. Further, the Oklahoma Corporation Commission has recently taken proactive steps to modernize its rules to address flaring.

North Dakota is finally taking some steps to slow down flaring. Oil companies have set up a task force to find ways to lower the amount of flaring. The North Dakota Industrial Commission, which is responsible for regulating the oil and gas industry, recently adopted several changes aimed at reducing flaring to 5 percent by 2020. Importantly, the commission will now require all companies receiving drilling permits to have gas capture plans. The commission also made clear that it would carefully review each gas capture plan and reject those that were not viable.

It is in everyone's best interest for us to develop our abundant natural gas resources prudently. Wasting this precious resource is no longer an option – not for landowners, oil companies, or Mother Earth.