

116TH CONGRESS  
2D SESSION

**S.** \_\_\_\_\_

To regulate large-scale emissions of methane and natural gas, and for other purposes.

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IN THE SENATE OF THE UNITED STATES

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Mr. MARKEY introduced the following bill; which was read twice and referred to the Committee on \_\_\_\_\_

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**A BILL**

To regulate large-scale emissions of methane and natural gas, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Natural Gas Blowout  
5 Prevention, Oversight, and Liability Act of 2020”.

6 **SEC. 2. FINDINGS.**

7 Congress finds that—

- 8 (1) past oil and gas well blowouts, as well as  
9 leaks that have released natural gas, have had dam-  
10 aging consequences, including—

1 (A) the California Aliso Canyon gas leak in  
2 2015, which—

3 (i) released 97,000 tons of methane  
4 (the primary component of natural gas);  
5 and

6 (ii) was the largest leak of  
7 uncombusted natural gas in the history of  
8 the United States, with a carbon footprint  
9 larger than the Deepwater Horizon spill in  
10 the Gulf of Mexico;

11 (B) the Ohio Schnegg C-7H gas blowout in  
12 2018, which released 60,000 tons of methane;  
13 and

14 (C) the Oklahoma Pryor Trust gas blowout  
15 in 2018, which killed 5 workers;

16 (2) an estimated 40 well blowouts occur each  
17 year in the United States, causing—

18 (A) environmental pollution;

19 (B) damaging releases of methane, an ex-  
20 tremely potent greenhouse gas that contributes  
21 to the warming climate; and

22 (C) occasional worker deaths and injuries;

23 (3) permitting and safety rules exist to prevent  
24 blowouts and most blowouts are preventable, yet

1       there are still major incidents of natural gas well  
2       blowouts;

3             (4) taxpayer money goes to paying for emer-  
4       gency responses to natural gas well blowouts;

5             (5) there is no Federal record of oil and gas  
6       well blowouts or of the causes of those blowouts,  
7       which inhibits measures to prevent future blowouts;  
8       and

9             (6) there is no mechanism at the Federal level  
10       to deter well blowouts or to ensure that companies  
11       are held responsible for those blowouts.

12 **SEC. 3. DEFINITIONS.**

13       In this Act:

14             (1) ADMINISTRATOR.—The term “Adminis-  
15       trator” means the Administrator of the Environ-  
16       mental Protection Agency.

17             (2) BLOWOUT.—The term “blowout” means the  
18       loss of control of any well that leads to the release  
19       of combusted or uncombusted natural gas into the  
20       atmosphere.

21             (3) NATURAL GAS.—

22                (A) IN GENERAL.—The term “natural  
23       gas” means a naturally occurring mixture of  
24       hydrocarbon and nonhydrocarbon gases found  
25       in geologic formations beneath the surface of

1 the Earth, of which the principal constituent is  
2 methane.

3 (B) INCLUSIONS.—The term “natural gas”  
4 includes—

5 (i) field natural gas and pipeline qual-  
6 ity natural gas; and

7 (ii) similarly constituted fuels, such as  
8 field gas, refinery gas, and syngas.

9 (4) OPERATOR.—

10 (A) IN GENERAL.—The term “operator”  
11 means—

12 (i) if a permit is issued for the well or  
13 the well is registered for the purpose of the  
14 extraction of oil or gas, the person or enti-  
15 ty designated as the well owner or oper-  
16 ator, as applicable, on the application for  
17 the permit or the registration, as applica-  
18 ble; and

19 (ii) if no permit is issued for the well  
20 or the well is not registered, the person or  
21 entity that—

22 (I) locates, drills, operates, alters,  
23 or plugs the well; or

1 (II) reconditions a well with the  
2 purpose of production of oil or gas  
3 from that well.

4 (B) INCLUSION.—The term “operator” in-  
5 cludes a storage operator for a well, if the well  
6 is used in connection with the underground  
7 storage of gas.

8 (5) WELL.—The term “well” means any pro-  
9 duction well, storage well, or injection well that is  
10 used in the oil and gas industry.

11 **SEC. 4. BLOWOUT REPORTING AND FINES.**

12 (a) REPORTING.—

13 (1) IN GENERAL.—Subject to paragraph (2),  
14 not later than 72 hours after a blowout occurs, the  
15 operator of the well that undergoes the blowout shall  
16 submit to the Administrator a report describing the  
17 blowout, including the source of the blowout.

18 (2) ADDITIONAL REPORTING.—

19 (A) IN GENERAL.—The Administrator may  
20 require a follow-up report after the conclusion  
21 of a blowout for which a report is required to  
22 be submitted under paragraph (1).

23 (B) INCLUSIONS.—In requiring a follow-up  
24 report under subparagraph (A), the Adminis-

1           trator may require the inclusion of information  
2           in that report, including—

- 3                   (i) the cause of the blowout; and  
4                   (ii) methods by which the blowout  
5           may have been prevented.

6           (3) DATABASE.—

7                   (A) IN GENERAL.—The Administrator  
8           shall establish and maintain a publicly acces-  
9           sible database of—

- 10                   (i) each blowout reported under para-  
11           graph (1); and  
12                   (ii) any follow-up reports submitted to  
13           the Administrator under paragraph (2).

14                   (B) UPDATES.—The Administrator shall  
15           update the database under subparagraph (A)  
16           not less frequently than once every 180 days.

17           (b) FINES.—

18                   (1) BLOWOUT.—

19                           (A) BASE FINE AMOUNTS.—

20                                   (i) UNCOMBUSTED NATURAL GAS.—  
21           Subject to subparagraphs (B)(i), (C), and  
22           (D), in the case of a blowout consisting of  
23           uncombusted natural gas, the Adminis-  
24           trator shall fine the operator of the well  
25           that undergoes the blowout \$5,900 for

1 each 100,000 standard cubic feet of  
2 uncombusted natural gas that was released  
3 as a result of the blowout.

4 (ii) COMBUSTED NATURAL GAS.—Sub-  
5 ject to subparagraphs (B)(ii), (C), and  
6 (D), in the case of a blowout of combusted  
7 natural gas during which the natural gas  
8 was flared, the Administrator shall fine the  
9 operator of the well that undergoes the  
10 blowout \$450 for each 100,000 standard  
11 cubic feet of natural gas that was flared as  
12 a result of the blowout.

13 (B) ADJUSTMENT.—

14 (i) UNCOMBUSTED NATURAL GAS.—  
15 The Administrator may increase the  
16 amount described in subparagraph (A)(i)  
17 to not more than \$59,000 for each  
18 100,000 standard cubic feet of  
19 uncombusted natural gas that was released  
20 as a result of the blowout.

21 (ii) COMBUSTED NATURAL GAS.—The  
22 Administrator may increase the amount  
23 described in subparagraph (A)(ii) to not  
24 more than \$4,500 for each 100,000 stand-

1           ard cubic feet of natural gas that was  
2           flared as a result of the blowout.

3           (C) GROSS NEGLIGENCE AND WILLFUL  
4 MISCONDUCT.—If the Administrator determines  
5 that a blowout of a well was a result of gross  
6 negligence or willful misconduct on the part of  
7 the operator of the well, the Administrator  
8 shall, as applicable—

9           (i) increase the amount described in  
10           subparagraph (A)(i) to not less than  
11           \$59,000 for each 100,000 standard cubic  
12           feet of uncombusted natural gas that was  
13           released as a result of the blowout; and

14           (ii) increase the amount described in  
15           subparagraph (A)(ii) to not less than  
16           \$4,500 for each 100,000 standard cubic  
17           feet of natural gas that was flared as a re-  
18           sult of the blowout.

19           (D) DETERMINATION OF VOLUME.—

20           (i) IN GENERAL.—For purposes of as-  
21           sessing a fine under subparagraph (A), the  
22           Administrator shall obtain an estimate of  
23           the volume of uncombusted natural gas  
24           that was released or the volume of com-



1                   busted natural gas that was flared, as ap-  
2                   plicable, as a result of a blowout.

3                   (ii) SOURCE OF ESTIMATES.—The Ad-  
4                   ministrator may obtain an estimate de-  
5                   scribed in clause (i) from a relevant State  
6                   regulatory agency or the operator of the  
7                   well for which the fine is being assessed  
8                   under subparagraph (A).

9                   (2) FAILURE TO FILE REPORT.—If an operator  
10                  fails to submit a report required under subsection  
11                  (a), in addition to the fine required under paragraph  
12                  (1), the Administrator shall fine the operator  
13                  \$100,000.

14 **SEC. 5. BLOWOUT PREVENTION AND RESPONSE PREPARA-**  
15 **TION GRANT PROGRAM.**

16                  (a) IN GENERAL.—The Administrator shall establish  
17                  a grant program for the purpose of providing grants to  
18                  eligible entities (which may include States, Indian Tribes,  
19                  and units of local government) for—

20                         (1) reducing the scale and regularity of blow-  
21                         outs; and

22                         (2) reducing the burden to States and units of  
23                         local government with respect to emergency re-  
24                         sponses to blowouts.

1 (b) USE OF FUNDS.—A grant received under sub-  
2 section (a) may be used for—

3 (1) emergency response planning with respect  
4 to blowouts;

5 (2) enforcement of well permitting require-  
6 ments, requirements for well licenses, and other well  
7 regulations;

8 (3) inspection of wells; and

9 (4) carrying out other activities to reduce the  
10 regularity of blowouts.

11 (c) FUNDING.—

12 (1) IN GENERAL.—On October 1, 2021, and on  
13 each October 1 thereafter, out of any funds in the  
14 Treasury not otherwise appropriated, the Secretary  
15 of the Treasury shall transfer to the Administrator  
16 to carry out this section an amount equal to the sum  
17 of all fines collected under section 4(b) during the  
18 prior fiscal year.

19 (2) RECEIPT AND ACCEPTANCE.—The Adminis-  
20 trator shall be entitled to receive, shall accept, and  
21 shall use to carry out this section the funds trans-  
22 ferred under paragraph (1), without further appro-  
23 priation.

1 **SEC. 6. REPORT.**

2 Not later than 2 years after the date of enactment  
3 of this Act, the Chemical Safety and Hazard Investigation  
4 Board shall submit to the Committee on Environment and  
5 Public Works of the Senate and the Committee on Energy  
6 and Commerce of the House of Representatives a report—

7 (1) describing each blowout during the 10-year  
8 period ending on the date of enactment of this Act;  
9 and

10 (2) that includes recommendations for the re-  
11 duction in the number of blowouts, including rec-  
12 ommendations for protective well control practices.