

**STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION**

**IN THE MATTER OF PROPOSED
AMENDMENTS TO THE COMMISSION’S
RULES ON RELEASES,
19.15.29.6, 19.15.29.8, and 19.15.29.15 NMAC**

CASE NO. 21834

WILDEARTH GUARDIANS’ PRE-HEARING STATEMENT

WildEarth Guardians (“Guardians”) submits this Pre-Hearing Statement in accordance with 19.15.3.11(B) NMAC.

I. STATEMENT OF THE CASE

On March 11, 2021, Guardians and the New Mexico Energy, Minerals and Natural Resources Department, Oil Conservation Division (“OCD”) filed a joint rulemaking application proposing to prohibit major and minor releases of oil, gases, produced water, oil field waste, and other contaminants during oil and gas development and production by revising three sections of 19.15.29 NMAC – *Releases* as follows:

Section 6: Revising the objective to include the prohibition of releases.

Section 8(A): Adding a new section to prohibit major and minor releases.

Section 15: Conforming the enforcement provision for consistency with the recently adopted changes to 19.15.5 NMAC.

Industry trade groups New Mexico Oil & Gas Association (“NMOGA”) and Independent Petroleum Association of New Mexico (“IPANM”) subsequently entered appearances in this proceeding. As articulated in their respective pre-hearing statements, neither NMOGA nor IPANM oppose the rule changes proposed by Guardians and OCD.

As explained in the joint rulemaking application, the Commission’s current rules do not clearly prohibit unauthorized releases of oil, gases, produced water, oil field waste, and other

contaminants that occur during oil and gas development and production. The proposed rule would fill that regulatory gap by prohibiting major and minor releases and clarifying OCD's authority to enforce this prohibition.

As the Division's records and pre-filed written testimony show, more than 12,000 releases were reported from 2010 to 2020, including about 7,000 releases of produced water and 4,000 releases of crude oil. During 2020 alone, operators reported more than 700 releases involving produced water, of which 330 were major (defined as 25 barrels or 7 more), and nearly 400 releases involving crude oil, of which 90 were major. With many of these releases preventable by the operator, after-the-fact reporting and remediation are plainly insufficient to protect public health and the environment. Instead, operators should take actions to prevent releases from occurring in the first place.

The proposed rule would provide an additional tool for OCD to address releases that pose a threat to public health and the environment.

II. PROPOSED MODIFICATIONS

Guardians concurs with the proposed modifications provided as Exhibit 6 to OCD's Pre-Hearing Statement dated May 21, 2021, intended to avoid a potential conflict with the Commission's recently-adopted venting and flaring rules in Parts 27 and 28.

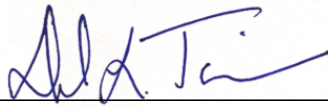
III. TESTIMONY AND EXHIBITS

Guardians concurs with the pre-filed written testimony of OCD's witness, Jim Griswold, and with the admission of Exhibits 1-6 attached to OCD's prehearing statement. Guardians does not anticipate the need to offer additional technical testimony or exhibits at the hearing, but reserves the right to cross-examine any witnesses presented, and to offer rebuttal witnesses and exhibits as needed.

IV. PROCEDURAL MATTERS

As of the time of this filing, Guardians is not aware of any procedural matters to be resolved prior to the hearing.

Respectfully submitted,



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CERTIFICATE OF SERVICE

I hereby certify that a copy of this pleading was mailed electronically on May 26, 2021 to:

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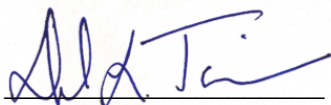
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