

19.15.28 NMAC AMENDMENTS

JAMES BOLANDER

INSIGHT ENERGY LAW

DECEMBER 17, 2021

Calculating Volume of Lost Natural Gas

19.15.28.8.(F)(3)

(CURRENT)

(3) Upon submittal of the C-115B report, the division will compile and publish on the division's website an operator's vented and flared natural gas information for each month on a volumetric and gas capture percentage basis.

(a) To calculate the lost natural gas on a volumetric basis, the operator shall deduct the volume of natural gas used for beneficial use and vented or flared during an emergency or vented as a result of normal operation of pneumatic controllers and pumps from the volume of natural gas gathered reported on its form C-115B.

(b) To calculate the natural gas captured on a percentage basis, the operator shall deduct the volume of lost gas calculated in Subparagraph (a) of Paragraph (3) of Subsection F of 19.15.28.8 NMAC from the total volume of natural gas gathered and divide by the total volume of natural gas gathered.

Objective: Calculate volume of lost natural gas and natural gas captured on percentage basis

Problem:

- Required to calculate “natural gas captured” percentage in 19.15.28.8(F)(3)(b) NMAC:
 $(\text{Gathered Natural Gas} - \text{Lost Natural Gas}) / \text{Gathered Natural Gas}$
- 19.15.28.8(F)(3)(a) NMAC incorrectly uses the wrong data for lost natural gas

Calculating Volume of Lost Natural Gas (*continued*)

19.15.28.8.(F)(3)

(CURRENT)

(3) Upon submittal of the C-115B report, the division will compile and publish on the division's website an operator's vented and flared natural gas information for each month on a volumetric and gas capture percentage basis.

(a) To calculate the lost natural gas on a volumetric basis, the operator shall deduct the volume of natural gas used for beneficial use and vented or flared during an emergency or vented as a result of normal operation of pneumatic controllers and pumps from the volume of natural gas gathered reported on its form C-115B.

Problem (continued):

- Should calculate the volume of vented and flared natural gas *counted against the operator's natural gas capture percentage* for the purpose of Part 28
- Instead generates the volume of vented and flare natural gas *not counted against the operator's natural gas capture percentage* for the purpose of Part 28
- The volume of lost natural gas should be deducted from "gathered natural gas" in 19.15.28.8(F)(3)(b) NMAC, but incorrectly deducts that volume
- Prevents operators from demonstrating compliance with capture requirements

Calculating Volume of Lost Natural Gas

19.15.28.8.F(3)(a)

(REVISED)

(3) Upon submittal of the C-115B report, the division will compile and publish on the division's website an operator's vented and flared natural gas information for each month on a volumetric and gas capture percentage basis.

(a) To calculate the lost natural gas on a volumetric basis, the operator shall [~~deduct~~] sum the volume of natural gas [~~used for beneficial use and vented or flared during an emergency, or vented as a result of normal operation of pneumatic controllers and pumps from the volume of natural gas gathered reported on its form C-115B~~] reported under Subparagraphs (b), (c), (e), (f), (g), (i) and (j) of Paragraph (2) of Subsection F of 19.15.28.8 NMAC.

Objective: Fix formula so operators can determine compliance with capture requirements

Correction:

- Sums the volume of vented or flared natural gas listed in 19.15.28.8(F)(2) NMAC that are *counted against the operator's natural gas capture percentage* for the purpose of Part 28
- Excludes the volume of vented and flared natural gas that *not counted against the operator's natural gas capture percentage* for the purpose of Part 28

Accounting Method for Vented or Flared Natural Gas

19.15.28.10.B

(CURRENT)

No later than February 28 of each year beginning in 2023, the operator shall submit a report certifying compliance with its statewide gas capture requirements. The operator shall determine compliance with its statewide gas capture requirements by deducting any ALARM credits approved pursuant to this subsection from the aggregated volume of lost gas calculated for each month during the preceding year pursuant to Subparagraph (a) of Paragraph (3) of Subsection F of 19.15.27.8 NMAC, deducting that aggregated volume of lost gas from the aggregated volume of natural gas produced for each month during the preceding year, and dividing that volume by the aggregated volume of natural gas produced for each month during the preceding year.

Objective: Determine operator's compliance with statewide gas capture requirement

Problem:

- Cites 19.15.27.8 NMAC, which applies to upstream operators only
- Refers to “natural gas produced”, which applies to upstream operators only

Accounting Method for Vented or Flared Natural Gas

19.15.28.10.B

(REVISED)

No later than February 28 of each year beginning in 2023, the operator shall submit a report certifying compliance with its statewide gas capture requirements. The operator shall determine compliance with its statewide gas capture requirements by deducting any ALARM credits approved pursuant to this [~~subsection~~] Subsection B of 19.15.28.10 NMAC from the aggregated volume of lost gas calculated for each month during the preceding year pursuant to Subparagraph (a) of Paragraph (3) of Subsection F of [~~19.15.27.8~~] 19.15.28.8 NMAC, deducting that aggregated volume of lost gas from the aggregated volume of natural gas [~~produced~~] gathered for each month during the preceding year, and dividing that volume by the aggregated volume of natural gas [~~produced~~] gathered for each month during the preceding year.

Objective: Change references to reflect intent of Part 28

Corrections:

- Change citation to correct section of Part 28
- Change “natural gas produced” to “natural gas gathered”