

Valentine, Velvet, EMNRD

From: Davidson, Florene, EMNRD
Sent: Friday, January 8, 2021 10:49 AM
To: Valentine, Velvet, EMNRD
Subject: FW: [EXT] We want nation-leading methane rules that will help fight climate change and protect community health

Case 21528

-----Original Message-----

From: skslinky@everyactioncustom.com <skslinky@everyactioncustom.com>
Sent: Friday, January 8, 2021 10:28 AM
To: Davidson, Florene, EMNRD <florene.davidson@state.nm.us>
Subject: [EXT] We want nation-leading methane rules that will help fight climate change and protect community health

Dear Commission Clerk Florene Davidson,

To the Members of the Oil Conservation Commission:

I am writing to support Governor Michelle Lujan Grisham's call for nation-leading methane rules. Methane is a powerful greenhouse gas and the rules regulating it must be as stringent as possible.

The 2020 New Mexico Climate Strategy: Progress and Recommendations report revealed that "the oil and gas sector generated 60 million metric tons of greenhouse gas emissions in 2018, nearly four times more than previously estimated based on national data" and that more than half the state's greenhouse gas emissions come from the oil and gas sector with the rest spread among six other sectors.

Critically, the Climate Strategy report released in October states that "Our current and proposed climate strategies will make a significant dent in our greenhouse gas emissions profile by 2030--but reaching our targets will require renewed ambition and additional action."

On Nov. 10, NM Treasurer Tim Eichenberg and a group of 40 investors, managing some \$102 billion worth of assets in the state, sent a letter to the Governor calling for exemptions and loopholes to be removed from the proposed regulations.

The current version of the proposed OCD rule is only a modest improvement over the draft rule it circulated for public comment in July. The rule does not prohibit routine flaring from new oil and gas wells and does not include a 90% base level gas capture requirement that companies must meet by the end of 2021 to receive approval for new oil and gas well permits. It also relies too heavily on OCD's admittedly limited enforcement resources to ensure meaningful consequences for oil and gas companies that do not comply with the rules.

I support the following improvements to the OCD draft rule:

While there is improved natural gas management planning for proposed new oil and gas wells, the proposed rule allows a company that is not in compliance with the 98% gas capture requirement to receive approval for new oil and gas drilling. Operators should be required to clean up their existing wells before they get permits for new wells.

Third-party verification, which is at the discretion of the OCD in the draft rule, should be required of all operators.

The proposed rule does not prohibit routine flaring. Routine flaring of associated gas should not be tolerated in New Mexico as an acceptable business practice and the proposed rule, by not banning it, has missed an opportunity.

The proposed rule does not require operators to achieve a base 90% gas capture requirement by the end of 2021 in order to get new drilling permits. Seven of the top 25 oil producers in New Mexico flared more than 20% of their produced gas in 2019. The vast majority of operators are already achieving a capture percentage of 90% or greater, so there is no excuse for OCD to allow an operator to capture less than 90%.

The draft rule does not require oil and gas companies to prepare natural gas management plans to show how they will minimize venting and flaring at the point well spacing decisions are made.

The draft rule has a weak incentive structure for Advanced Leak And Repair Monitoring (ALARM) but otherwise does not specifically cover methane leaks, only methane that is vented and flared. This is insufficient to mitigate serious flaws with the New Mexico Environment Department's counterpart ozone pollution rule, specifically unacceptable exemptions for low-producing stripper wells and for sites below a 15-ton-per-year pollution threshold.

Strong methane rules will help improve air quality in communities near oil fields. This is also an environmental justice issue because a significant portion of the state's oil and gas infrastructure is located near communities of color and/or low-income families. In many of these communities, the negative health impacts of poor air quality are also compounded by the effects of poverty. Capturing almost all the methane currently vented and flared will in

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