

1 **DIRECT TESTIMONY OF JIM GRISWOLD**

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3 My name is Jim Griswold, and I am the Special Projects Manager for the Oil Conservation
4 Division (“OCD”). I previously served for several years as Chief of OCD’s Environmental Bureau
5 and prior to that as a Senior Hydrologist. During my time at OCD, I have been involved in all
6 aspects of OCD’s oversight of releases from oil and gas facilities, including reporting, site
7 characterizations, corrective actions, and the development and implementation of rules and
8 guidance. My curriculum vitae is attached as Exhibit 1.

9 OCD and WildEarth Guardians filed a joint petition to amend Part 29, the rule that governs
10 the reporting and remediation of releases from oil and gas facilities. The petition proposes to
11 prohibit major and minor releases of oil, gases, produced water, oil field waste, and other
12 contaminants during oil and gas development and production, and to conform the enforcement
13 provision with recent amendments to 19.15.5.10 NMAC regarding enforcement and compliance.
14 I will explain each proposed modification to the rule later in my testimony.

15 OCD has regulated the release of oil, gases, produced water, oil field waste, and other
16 contaminants from oil and gas facilities for many years. Rule 116, which was in place in 1991,
17 required notification of releases. Exhibit 2. In 1993, OCD adopted guidance to guide operators
18 conducting corrective action for these releases. Exhibit 3. In 1997, the Oil Conservation
19 Commission (“Commission”) revised and recodified Rule 116, and adopted a provision requiring
20 corrective action for releases that endangered public health or the environment. Exhibit 4. In 2008,
21 the Commission converted Rule 116 into the format of the New Mexico Administrative Code.
22 Exhibit 5. In 2018, the Commission adopted the current version of 19.15.29 NMAC, requiring
23 operators to take immediate action to respond to releases regardless of volume, and to conduct site
24 assessments, remediate soil and ground water contamination in accordance with the specified

1 standards, and added Section 15 to explain how OCD would enforce these requirements.

2 OCD believes the proposed modifications to Part 29 are needed because releases of
3 contaminants during oil and gas development and production can pose a threat to public health and
4 the environment. OCD reviewed its database of releases reported between 2010 and 2020,
5 identifying more than 12,000 releases reported during this period, including about 7,000 releases
6 of produced water and 4,000 releases of crude oil. During 2020 alone, operators reported more
7 than 700 releases involving produced water, of which 330 were major (defined as 25 barrels or
8 more), and 398 releases involving crude oil, of which 90 were major. An operator reporting a
9 release must identify one of eleven specific causes or “other”. Some of those causes may be
10 reasonably preventable by an operator, others may not be reasonably preventable, and some can
11 be difficult to determine.

12 OCD is aware of instances in which some operators did not report releases as required by
13 Part 29. Those releases, as well as releases involving volumes less than the reporting limits, can
14 cause soil and ground water contamination that must be remediated.

15 OCD and WildEarth Guardians propose to strengthen the rule by revising three sections of
16 Part 29. Exhibit 6. First, Section 6 – *Objectives*, would be revised to affirmatively state Part 29’s
17 objective to prohibit releases. Second, Section 8 – *Releases*, then would be revised to prohibit
18 major and minor releases. The petitioners also propose to add the introductory phrase “except as
19 provided in Parts 27 or 28” to avoid a potential conflict between the Commission’s rules. As the
20 Commission is aware, Parts 27 and 28 were adopted in January 2021 to address the venting and
21 flaring of natural gas from wells and production equipment and facilities. Those rules prohibit
22 venting and flaring of natural gas with modest exceptions. Some venting and flaring events subject
23 to those exceptions could be reasonably expected to exceed the thresholds for the reporting of

1 major and minor releases in Part 29. As a result, without the introductory phrase, an operator who
2 vents or flares pursuant to an exception in Parts 27 or 28 could be held in violation of Part 29.
3 Finally, Section 15 – Enforcement would be revised to conform with the Commission’s recently
4 adopted changes to 19.15.5.10 NMAC, which established new procedures for OCD’s enforcement
5 of violations of the Commission’s rules.

6 Given the number of reported releases since 2010, after-the-fact reporting and remediation
7 may not be adequate to protect public health and the environment. Prudent operators should take
8 reasonable actions to prevent releases from occurring in the first instance. Prohibiting major and
9 minor releases provides an additional tool for OCD to address releases that pose a threat to public
10 health and the environment.