

New Mexico finalizes rules on gas flaring, venting

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A flare burns natural gas at an oil well site east of Carlsbad in Lea County. The state Oil Conservation Commission has adopted rules banning the routine venting and flaring of natural gas, except for emergencies and equipment malfunctions. (Eddie Moore/Albuquerque Journal)

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The skies above New Mexico's oil and gas fields are often lit up by hundreds of flares burning off natural gas.

But not for long.

Routine venting and flaring of natural gas in New Mexico's oil fields is now restricted, under new methane regulations adopted unanimously by the state Oil Conservation Commission on Thursday.

Gov. Michelle Lujan Grisham first tasked state agencies with reducing industry emissions in a 2019 executive order on climate change.

Oil and natural gas production and fuel combustion contributed 53% of New Mexico's greenhouse gas emissions in 2018, according to the state's most recent climate report.

"I'm proud that New Mexico is again leading by example when it comes to addressing climate change and fostering innovation," Lujan Grisham said in a statement. "It shows we can meet our ambitious climate goals while being home to a robust oil and gas industry."

The final rules drew support from the New Mexico Oil and Gas Association and a coalition of environmental groups, all of which participated in the monthslong rule-making process.

Methane, a main ingredient in natural gas, has a much greater warming potential than carbon dioxide.

Flaring or venting excess gas at well sites has long been industry practice to relieve pressure. Operators in oil-producing basins may not have equipment to capture or transport the natural resource.

The new rules target gas waste and methane emissions by prohibiting "venting or flaring of natural gas during drilling, completion, or production operations."

"I think this is a huge day for New Mexico," said Adrienne Sandoval, OCC chair and director of the state's Oil Conservation Division.

New Mexico's new rules regulate gas waste in pipelines and gathering facilities, as well as at production sites.

No other oil-producing state covers both midstream and upstream sectors in their regulations.

Operators may still vent or flare during emergencies or equipment malfunctions. Preference is given to flaring rather than venting the gas.

Flaring burns off excess gas by igniting it atop a long metal pipe. Venting releases uncombusted natural gas into the air.

Any flaring or venting must be reported to the state, regardless of the reason.

Older storage tanks and flaring equipment will need to be retrofitted with new controllers and monitoring systems under the regulations. New facilities must be built "in a manner that reduces waste."

“That sounds like a very simple thing, but it means that they may need to consider things like low-bleed or no-bleed pneumatic (controllers) to minimize waste going forward,” Sandoval said.

Operators must meet a 98% gas capture rate by the end of 2026.

Emissions data collected from October of this year to April 2022 will inform each company’s gas capture plan, with yearly targets approved by the Oil Conservation Division.

Sarah Cottrell Propst, Cabinet secretary for the Energy, Minerals and Natural Resources Department, said the rule is flexible on how operators meet emissions targets.

“We were advised not to prescribe technologies that might be the best today, but obsolete tomorrow,” she said. “A ton of companies have created and marketed these technologies for industry and show a lot of interest in New Mexico, and we didn’t want to pick a winner. We want to give operators options.”

The Thursday vote followed weeks of public testimony and OCC deliberation on the rules.

Before that, more than a year of public meetings and a state-convened Methane Advisory Panel helped craft the regulations.

New Mexico Oil and Gas Association spokesperson Robert McEntyre said the group shares and supports the “ambitious” 98% gas capture goal.

“This will enable our state to continue to lead in the safe, responsible production of oil and natural gas,” McEntyre said. “As always, we will strive for full compliance with the final rule, and we commend this commission for undertaking a collaborative approach throughout this two-year process.”

The Environment Department is also creating new rules to target air pollution in the oil and gas industry.

Jon Goldstein, state policy director for the Environmental Defense Fund, said NMED’s regulations should mirror the OCD rules.

“By enacting strong rules to end routine venting and flaring, the Lujan Grisham administration deserves praise for taking a critical step toward comprehensive methane and air pollution rules that will protect New Mexico communities from needless waste and pollution,” Goldstein said.