

NM Lawmakers Call on Administration to Curb Natural Gas Waste Causing Methane Hot Spot Over San Juan Basin

July 20, 2015

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WASHINGTON - In a letter this week to Office of Management and Budget (OPM) Director Shaun Donovan, U.S. Sens. Tom Udall and Martin Heinrich and U.S. Reps. Ben Ray Luján and Michelle Lujan Grisham called for prompt action on upcoming federal standards to curb natural gas waste. New Mexico is the nation's leading producer of oil from onshore federal land, and second for natural gas production. Yet too much of the state's natural gas goes to waste through venting, flaring and leaks - causing dangerous methane pollution over the San Juan Basin and more than \$100 million in lost revenue for taxpayers and producers. A NASA study has identified a methane hot spot the size of Delaware over the San Juan Basin - the highest concentration in the nation.

The Bureau of Land Management (BLM) and the Environmental Protection Agency (EPA) are in the process of developing new rules to reduce methane waste in oil and gas production. In the letter, the Democratic members of the New Mexico congressional delegation emphasized the importance of federal action to protect public health and ensure taxpayers receive fair compensation for mineral production on federal lands. States receive 50 percent of the revenues from the leasing of mineral resources on federal lands within their borders. When natural gas is vented or flared, New Mexico, other states, and the federal Treasury lose potential revenue.

"Too much of New Mexico's natural gas is being lost due to venting, flaring and leaks," the lawmakers wrote in the letter. "This wasted natural gas is also a significant public health issue. Though methane is the largest constituent of natural gas, other toxic pollutants like benzene are often released at the same time. Methane waste also contributes to smog, increasing the potential for ozone non-attainment in areas with heavy oil and natural gas development. Lastly, curbing methane pollution is critical as a part of our nation's efforts to combat climate change."

"Natural gas losses cost New Mexico and oil and gas producers - but they also pose a growing threat to public health, our climate and our clean air," Udall commented. "Many oil and gas producers are taking steps to curb natural gas waste, and federal action will help ensure consistency and encourage swift action. Common-sense standards to decrease waste are a win for taxpayers and help ensure our New Mexicans will have clean air and water generations into the future."

"Cutting wasteful methane pollution is cost-effective and good for our environment and public health," Heinrich said. "Methane emissions from oil and gas production hinders our nation's our ability to combat climate change. We're seeing the effects of climate change manifest in more extreme drought conditions, larger wildfires, shrinking forests, and increased flooding when we do receive precipitation. New Mexico is rich in natural gas, and we must work to ensure this valuable resource is used in a way that benefits our health and economy."

"New Mexico's natural gas production on federal and tribal lands is an important part of our state's economy, both creating jobs in our communities and contributing funds through royalty payments," Luján said. "It is important that our natural gas resources are being used efficiently and effectively. With more than \$100 million worth of natural gas in New Mexico being lost, addressing this issue with cost-effective methods for reducing waste will have a positive impact on our economy as well as our environment."

"It is critical that we take steps to reduce methane emissions in order protect public health and address climate change," Lujan Grisham said. "Curbing methane emissions in a state like New Mexico, which is a leader in oil and gas production, will not only benefit the environment but will also ensure that New Mexico is not wasting natural resources or losing out on valuable royalty payments."

The delegation's action is supported by a number of environmental and stakeholder groups:

"Senator Udall and New Mexico's congressional leaders deserve praise for their strong stand on an issue that is so important to taxpayers and the health of their constituents back home," said Jon Goldstein, Senior Energy Policy Manager at the Environmental Defense Fund. "Strong federal rules will help drive sensible, cost-effective solutions to a problem that is currently costing New Mexico more than \$100 million per year in wasted gas from federal and tribal lands, not to mention contributing to increasing levels of unhealthy smog pollution."

"Putting an end to natural gas waste is cost effective and makes good business sense. No wonder there's broad support in New Mexico among Democrats, Republicans, and independents for real solutions," said Erin Sanborn of the Partnership for Responsible Business. "We applaud Sen. Udall and the New Mexico delegation that joined him for calling on swift action to stop wasting natural gas through flaring, venting, and leaks."

"HECHO applauds Sens. Tom Udall and Martin Heinrich and Reps. Ben Ray Luján and Michelle Lujan Grisham for calling for quick and timely action to cut natural gas waste," said Rod Torrez, Director of Hispanics Enjoying Camping, Hunting and Outdoors (HECHO). "The New Mexico delegates rightly point out that natural gas venting and flaring as well as leaks cost New Mexico revenue and pose a significant impact to the health of our air, land and the people. There's simply no justification for wasting this important resource. We look forward to strong action that will curb pollution and end natural gas waste."

The full text of the letter is available [HERE \(https://www.scribd.com/doc/272078892/NM-Lawmakers-Call-on-Administration-to-Curb-Natural-Gas-Waste-Causing-Methane-Hot-Spot-Over-San-Juan-Basin\)](https://www.scribd.com/doc/272078892/NM-Lawmakers-Call-on-Administration-to-Curb-Natural-Gas-Waste-Causing-Methane-Hot-Spot-Over-San-Juan-Basin) and below:

July 14, 2015

Mr. Shaun Donovan
Director
Office of Management and Budget
725 17th St. NW
Washington, DC 20503

Dear Director Donovan:

We write to respectfully request prompt consideration and review of significant new rules being developed by the Bureau of Land Management (BLM) and Environmental Protection Agency (EPA) to reduce the waste of methane in oil and gas production. In terms of federal lands, New Mexico is the nation's leading producer of oil and number two for gas.

Too much of New Mexico's natural gas is being lost due to venting, flaring and leaks. A NASA study has identified a methane hot spot

the size of Delaware over the San Juan Basin-the highest concentration in the nation-in an area of high oil and gas production. This methane pollution represents a significant economic loss to the state of New Mexico and the nation. When natural gas is vented or flared, it is not included in calculations used to determine royalty payments. As a result, both the state of New Mexico and all American taxpayers lose out on royalties owed on the production of these federally owned minerals.

This wasted natural gas is also a significant public health issue. Though methane is the largest constituent of natural gas, other toxic pollutants like benzene are often released at the same time. Methane waste also contributes to smog, increasing the potential for ozone non-attainment in areas with heavy oil and natural gas development.

Lastly, curbing methane pollution is critical as a part of our nation's efforts to combat climate change. Pound for pound, methane is more than 80 times more potent than carbon dioxide in the first 20 years after its release and is already responsible for a quarter of man-made warming we are experiencing today, according to the Intergovernmental Panel on Climate Change.

We recognize that oil and gas producers have an economic incentive to minimize methane losses and the industry is improving its practices. However, federal action is necessary to ensure that steps to limit methane releases are applied consistently across the industry. Rules to reduce the impact of methane releases on public health, while ensuring that Americans receive fair compensation for the production of federal minerals, are critical to reducing methane waste and pollution. Thank you for your work to review these proposed rules in a timely manner.

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