

More inspections to be required on low-emitting New Mexico oil wells

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The New Mexico Environment Department is returning to an original, tougher provision for a proposed air pollution rule that calls for the fossil fuel industry to inspect the lowest-emitting wells yearly.

The agency had agreed with the industry's request to allow once-in-a-lifetime inspection of wells that emit less than 2 tons of pollutants per year, spurring an outcry from environmentalists who argued such infrequent checks would overlook wells increasing their toxic emissions over time.

The code is now reverting to a tougher version calling for crews to inspect these wells yearly with equipment that gauges the pollution.

It's part of the proposed ozone precursor rule that will be presented Monday to the state's Environmental Improvement Board for its first public hearing.

The aim is to reduce volatile organic compounds and nitrogen oxides that form ground-level ozone, a toxic gas that can impair breathing and, in higher doses, damage the lungs.

State Environment Secretary James Kenney said he agreed with conservationists' concerns about requiring only one-time inspections on marginal wells.

Kenney has signaled his openness to alter parts of the proposed rule as it moves through the review process.

“If we got it wrong, we’ll fix it, and if it’s the right thing to do, we’ll keep it,” Kenney said in an interview.

Environmentalists applauded the agency’s decision on inspections.

“I’m very happy that the department is going back to its initial proposal in July, which was a very strong proposal,” said Jon Goldstein, state policy director for the Environmental Defense Fund. “So I think that is very good news for air quality in New Mexico.”

An industry group that had pressed for a more relaxed inspection rule on marginal wells expressed its displeasure in an email.

“Smaller operators continue to be disproportionately targeted by this ever-increasing, regulatory-intensive methane rule,” wrote Jim Winchester, executive director of the Independent Petroleum Association of New Mexico. The group is “disappointed both with the lack of notice of this and many other changes going on behind closed doors in the 11th hour leading up to this hearing, as well as the position reversal itself.”

A one-time inspection with leak-detecting instruments coupled with the monthly look-and-smell checks would provide staunch environmental protection while offering administrative relief to smaller operators who tend hundreds of these wells, Winchester wrote.

“Annual instrument leak detection will not achieve any further reductions of emissions,” he argued.

The New Mexico Oil and Gas Association said it also supported the one-time instrument inspection combined with monthly listen, look and smell checks, believing that’s enough for marginal wells with lower potential to emit.

“New Mexico oil and natural gas producers are committed to reducing methane emissions,” wrote Robert McEntyre, the group’s spokesman. “We will continue to work to support regulators in crafting rules that will achieve ambitious environmental goals while preserving the foundation of New Mexico’s economy.”

The proposed rule now calls for more inspections as a well’s yearly emissions increase.

That’s once a year for less than 2 tons; semiannual for 2 to 5 tons; and quarterly for more than 5 tons.

The ozone rule’s goal is to reduce the precursors by an estimated 260 million pounds a year. It also would cut methane pollution by an estimated 851 million pounds yearly.

Eliminating that amount of ozone is the equivalent of taking 8 million cars off the road each year, state officials estimate.

For a time, the Environment Department agreed with the industry that inspecting low-polluting wells once with equipment sufficed.

But the agency reinstated the original inspection rule after reviewing some rebuttal testimony.

It will continue examining the testimony and hundreds of pages of documents and exhibits, and then draft a final rule Thursday, agency spokeswoman Kaitlyn O’Brien wrote in an email.

Goldstein said regular inspections are needed because the computer modeling used to gauge wells’ potential pollution is flawed, often underestimating the amounts that end up being released.

“These modeling assumptions are way off as far as what’s going on in the real world,” Goldstein said. “Leaks from these sites are much higher than is expected and accounted for in these metrics.”

Also, many lower-producing wells aren't lower-emitting ones, he said, adding these low-producing sites make up about two-thirds of the wells in New Mexico.

Camilla Feibelman, director of the Sierra Club's Rio Grande Chapter, said she is glad regulators resisted the industry's push to reduce inspections and soften standards on low-emitting wells.

"We're encouraged by what we see as the loopholes they closed at the beginning of this," Feibelman said.