

New Mexico environmentalists, industry debate impact of EPA oil and gas methane rule

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New federal controls on methane emissions from oil and gas operations were championed by environmental groups in New Mexico as needed, aggressive action to mitigate manmade pollution and induced climate change.

The U.S. Environmental Protection Agency announced Tuesday it was proposing stricter regulations on methane emissions both from new and existing sources, seeking comments from the public on its proposed action.

Methane was identified by the EPA as a “potent” greenhouse gas responsible for a third of global warming from human activity. It traps 30 times as much heat as carbon dioxide over 100 years, per the EPA, and agency hoped cutting emissions of the gas will prove beneficial to the environment and advance U.S. goals of addressing climate change.

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In the U.S., the EPA reported the oil and gas industry was the largest industrial source of methane emissions, and the agency’s rule would call for a national methane monitoring program, along with standards to eliminate venting and require the use of zero-emission pneumatic controllers – valves at oil and gas sites the presently account for 30 percent of emissions from oil and gas operations.

The EPA estimated its proposal would reduce methane emissions by 41 million tons from 2023 to 2035, while reducing the release of volatile organic compounds by 12 million tons and hazardous air pollution by 480,000 tons.

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In New Mexico, industry leaders contended federal oil and gas policy could impact the state more than any other as more than half of its oil and gas operations are on federal land – an industry that makes up about a third of New Mexico's budget.

Oil and gas pollution a threat to 'front-line' communities

But the reduction in air pollution from fossil fuel production was especially needed in “front-line” communities where people live among oil and gas operations, said Kayley Shoup, organizer with Carlsbad-based environmental group Citizens Caring for the Future.

A native of Carlsbad in southeast New Mexico amid the Permian Basin oilfield, Shoup said increased federal regulations were needed to hold energy companies accountable for pollution.

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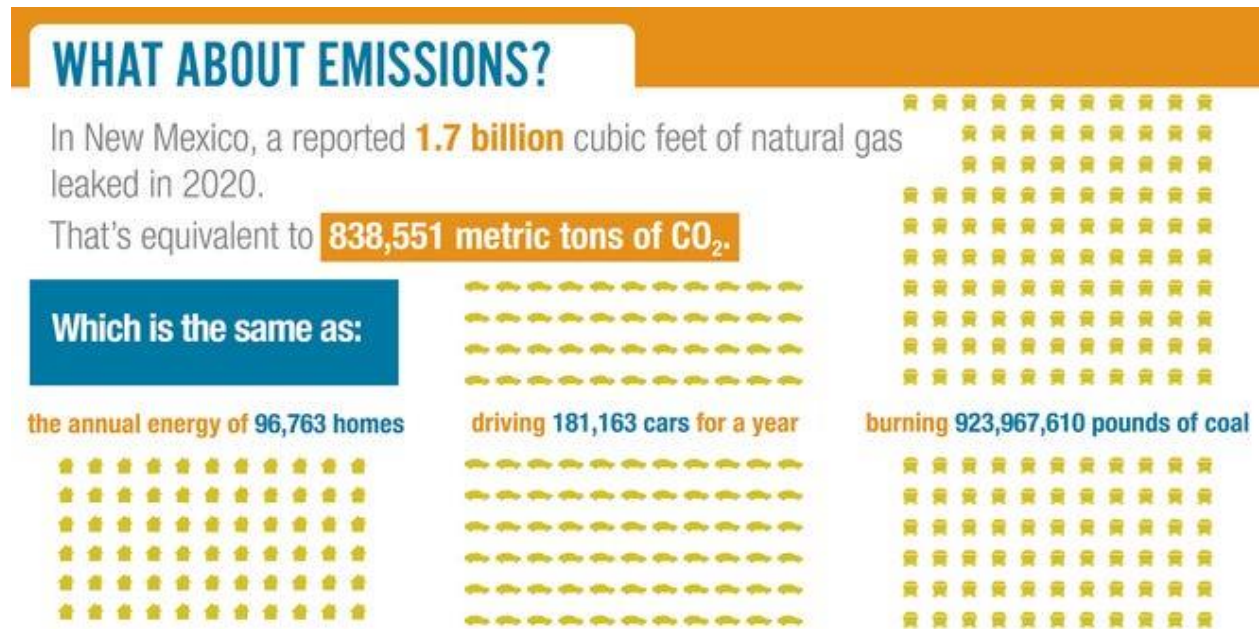
“As people living on the frontlines, we know that if the industry can find a loophole in regulation then they will utilize the loophole, and we also know that the odds of finding and holding polluters accountable are slim,” she said.

“That is why strong rules that require regular inspections of well sites are absolutely crucial. Not only to protect our planet, but to protect frontline communities like ours.”

Sierra Club Rio Grande Director Camilla Feibelman said the EPA’s proposal could repair damage she said was done during the administration of former-President Donald Trump, who pursued an “energy dominance” agenda during

his term by reducing regulations on oil and gas and seeking to open more public lands for production.

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Feiblenman said it was “exciting” to see President Joe Biden and New Mexico Gov. Michelle Lujan Grisham speak at United Nations’ recent Climate Change Summit (COP26) about the need for action on climate change ahead of the EPA’s announcement, but contended work was still needed to address air pollution from the oil and gas industry.

“So, it’s exciting to see Gov. Lujan Grisham and President Biden in Glasgow for the UN Climate Summit centering oil and gas methane pollution,” Feibelman said. “These EPA rules are a strong start but they’re going to need to end up even stronger if we’re going to truly protect our kids, our communities and our climate.”

Oil and gas industry leaders were critical of the EPA’s proposal as a measure that could raise costs on operators already struggling to recover in the wake of

the COVID-19 pandemic which brought on an historic slump in energy prices and widespread decline in production.

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Prices rebounded in recent months, but energy costs continued to climb as demand outpaced supply.

Western Energy Alliance President Kathleen Sgamma said burdensome regulations could stymie American energy production and force the nation to rely on foreign sources such as from Russia or the Organization of Petroleum Exporting Countries (OPEC).

“The oil and natural gas industry supports balanced efforts to reduce methane emissions, but this rule tips that balance and will suppress American production at the same time the president is asking Russia and OPEC to increase theirs,” she said.

“Besides targeting one industry with false information and disadvantaging small marginal-well producers, EPA’s proposed rule would be extremely costly and therefore would shut in American production prematurely.”

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Sgamma said the financial impacts of the proposed rule on oil and gas could actually lead to more environmental damage as the U.S. could rely more on coal power generation when the cost of natural gas production increases.

“Besides targeting one industry with false information disadvantaging small marginal-well producers, EPA’s proposed rule would be extremely costly and therefore would shut in American production prematurely,” she said.

“It also threatens to increase the cost of natural gas for consumers. As we’ve seen this year, when natural gas prices increase, coal electricity generation

increases and with it, greenhouse gas emissions, which could easily overwhelm the supposed savings that EPA claims from this rule.”

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Other industry leaders hoped to negotiate with the EPA to ensure the final rule takes operating costs into account and provide regulation based on market-drive solution.

“We support the direct regulation of methane from new and existing sources and are committed to building on the progress we have achieved in reducing methane emissions,” said Frank Macchiarola, senior vice president for policy, economics and regulatory affairs at the American Petroleum Institute.

“EPA has released a sweeping proposal, and we look forward to reviewing it in its entirety. We will continue working with the agency to help shape a final rule that is effective, feasible and designed to encourage further innovation.”