



# State of New Mexico

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Oil and Gas Development: Impacts on Air Pollution and Sacred Site

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Gov. Michelle Lujan Grisham  
Of New Mexico

**Gov. Michelle Lujan Grisham:** Chairman Grijalva, Vice Chair Haaland and members of the committee, I'm very grateful for the opportunity to address you this morning. And I want to thank you, Mr. Chairman, for scheduling this hearing in Santa Fe. New Mexicans are an engaged people, as you know. We want to take part in our government; we want to work with our representatives. That's why this visit and the topic of this field hearing is so meaningful, not only to me but to so many of my constituents, and I thank you.

Our environment in New Mexico — as in your home state, Mr. Chairman — is both our greatest resource and our legacy. We find ourselves at a crossroads, one where we must, as a state and as a nation, choose not the path of least resistance. We must work diligently to ensure future generations of New Mexicans and Americans are able to enjoy the great intangible wealth of our natural resources. I'd like to talk to you today about the pressing and consistent need to address the impacts of emissions, in particular over the course of the most recent decade of expansion here in New Mexico, and I'd like to share some of the actions my administration has taken in our few first months.

During my first month in office, my third executive order, Executive Order 2019-003, acknowledged the overwhelming body of climate science; New Mexico became the 18th state to join the U.S. Climate Alliance. Through this action, New Mexico fully embraced the benchmarks set within the 2015 Paris Agreement, aligning my state with others across the U.S. that have committed to a climate-conscious future -- irrespective of the federal mindset.

Indeed, under my administration, we are moving rapidly to protect people, natural resources and our cultural heritage.

New Mexico has leapt to the front of the nationwide pack in mitigating climate impacts. In addition to the executive order, which establishes aggressive statewide benchmarks for greenhouse gas emissions, I signed transformational energy legislation into law last month, landmark policy that will provide for 100 percent carbon-free energy use by our utility companies in the coming decades.

But to achieve statewide benchmarks, science directs our focus to methane emissions. And New Mexico has an important role to play on this front.

Methane is a potent greenhouse gas with a 20-year global warming potential more than 84 times that of carbon dioxide, according to the Intergovernmental Panel on Climate Change. Nearly one-third of the methane emissions in the U.S. come from oil production and the production, transmission and distribution of natural gas.

In 2014, scientists from NASA and the University of Michigan discovered the most concentrated plume of methane pollution anywhere in the country over the San Juan Basin in northwest New Mexico. Further research from NASA's Jet Propulsion Laboratory and the National Oceanic and Atmospheric Administration has shown that the vast majority of this methane pollution is attributable to oil and gas development.

The combination of technological advances in horizontal drilling and hydraulic fracturing has contributed to increases in crude oil and natural gas production in the United States. Today, New Mexico ranks as the country's third-largest oil-producing state and the seventh-largest gas producing state.

The oil and natural gas regions of the state include the San Juan Basin in the northwest corner and the Permian Basin in the southeast corner. All throughout New Mexico, miles upon miles of gathering pipeline carry methane-rich products from the San Juan Basin in the northwest and Permian Basin in the southeast to compressor stations and gas plants.

Methane emissions occur through venting and unintentional equipment leaks. Equipment design, operational practices and well completions all contribute to venting — and small leaks or significant releases can occur in all parts of the infrastructure. Methane emissions are not visible to the naked eye so small leaks or significant releases can remain uncorrected for days, weeks, months and beyond.

The methane emissions from the state's oil and natural gas wells, compressor stations and gas plants not only contribute to climate change but impact regional air quality. In the oil- and natural gas-centric regions of New Mexico, ambient air concentrations of ozone are approaching unhealthy levels. High levels of ozone can cause breathing difficulties, especially in children, the elderly and those who regularly work and recreate outdoors. Long-term exposure to ozone is also likely to cause the development of asthma and permanent lung damage in children. Ozone is photochemically created in the presence of sunlight from the emission of volatile organic compounds, commonly referred to as VOCs, that are emitted along with methane during oil and natural gas exploration and production activities. Reducing methane and VOC emissions will collaterally reduce the emissions of these compounds. The totality of these reductions will lessen New Mexico's contribution to climate change while improving air quality for residents most directly impacted by oil and natural gas operations.

Beyond the climate and ozone implications, methane emissions represent lost revenues to the state. Methane is the main component of natural gas — a commodity export of the state. Although our state agencies are still working to determine how much is recoverable, the natural gas industry loses millions upon millions each year due to venting, flaring and leaks, according to the best scientific estimates and industry's self-reported data.

There are proven, cost-effective and innovative technologies that, when supplemented with better work practices, can remediate as much as half of these methane losses. Under my executive order, I directed the co-chairs of the new Climate Change Task Force to develop a statewide, enforceable regulatory

framework to secure reductions in oil-and-gas sector methane emissions and to prevent waste from new and existing sources. They will make their first recommendations to me this fall.

Further, the state Environment Department has begun regular inspections of the oil and natural gas industry to identify methane leaks. These air quality and waste inspections, spread across the state, will assist both the environment and our state Energy, Minerals and Natural Resources Department as they establish base-line compliance data with existing regulations and help them focus on developing new incentives and adopting technologies to further reduce emissions while providing revenues to the state.

Collaboration is another key step in developing New Mexico's methane strategy. The co-chairs of the Climate Change Task Force will convene key stakeholders; the solutions they find together will dramatically cut emissions, curb waste and benefit New Mexico schools.

As we launch this work of reducing and recovering emissions, New Mexico is benchmarking its existing oil and natural gas regulations related to air emissions and waste using a cross-sectional stakeholder group convened by the State Review of Oil and Natural Gas Environmental Regulations, or STRONGER. This review group, other government entities, environment NGOs, and the industry itself will evaluate the state's oil and natural gas regulations. The STRONGER review team will write a report and identify both strengths that merit special recognition and potential regulatory gaps. The review team will then develop recommendations to address the gaps and identify pathways to program improvement. The final report of New Mexico's oil and natural gas regulations is due to the Climate Change Task Force co-chairs in August of 2019.

And while these efforts are ongoing, the co-chairs of the Climate Change Task Force will be convening public stakeholder meetings around New Mexico this summer to collaborate in the development of a regulatory framework for methane reductions. These public meetings will provide a venue for critical stakeholder ideas and feedback on the essential aspects of air emission and waste regulations, inclusion of regulatory standards, technology, work practices, monitoring, record keeping, reporting and more. The legal authorities for regulating methane within the New Mexico Environment Department and the Energy, Minerals and Natural Resources Department will also be discussed.

In addition, the New Mexico Environment Department last month launched an interactive oil and natural gas methane map. This GIS tool is updated monthly and shares data related to methane emissions with the stakeholder community and the public. The map identifies every oil and natural gas well in the state, begins to provide emission estimates of methane based on VOC emissions, and shares ambient methane data. As New Mexico and the broader community of stakeholders develop data layers for GIS mapping tools, the state will add them to ensure transparency in our progress. This includes identifying oil and natural gas companies that exceed regulatory requirements while identifying those with compliance issues.

Aside from the long- and short-term public health concerns caused by oil and gas emissions, there is a cultural impact to New Mexicans and tribal communities that live here. Since the year 800, ancestral Puebloan peoples have lived on the Greater Chaco landscape. Today this region is home to sites of sacred cultural practice that fortify our modern pueblo cultures. This is why the chairman of the All Pueblo Council of Governors described Chaco Canyon and landscape as the "heart of Pueblo culture." We must protect this region, a UNESCO World Heritage Site, with the same vigor as we protect the air we breathe; it is as important to who we are as New Mexicans as our most basic natural resources.

For scientific and cultural reasons, for the protection of public health and our environment, I intend to lead a New Mexico where we take our environmental destiny into our own hands. Indeed, in many ways,

we already have. There's much more work to do. And we are laboring under a federal government that has failed us -- in a regulatory sense and in the omission of vital leadership. New Mexico, meanwhile, has seized and will continue to seize the opportunity to reduce pollution that threatens human health and looms as an unprecedented humanitarian crisis within this lifetime.