



Office of the Governor

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New Mexico's nationally leading oil and gas emissions rule becomes law

Rule will eliminate hundreds of millions of pounds of emissions annually

SANTA FE — A nationally leading rule over the oil and gas industry that will cut harmful air emissions by 260 million pounds is now state law – a fulfillment of one of Gov. Michelle Lujan Grisham's first commitments made in office. The rule, which was developed with input from over 520 stakeholders representing industry, environmental groups and the public, was published in the state register this week. The rule will go into effect on Aug. 5, 2022.

The new rule embraces innovation and is more protective of public health and the environment than current federal requirements, enabling New Mexico to lead the nation and serve as a model in smart regulation. The new rule allows industry to develop and use cutting-edge technology, including hydrogen fuel cells which convert air emissions to electricity, instead of the wasteful practice of flaring. By embracing innovation, the state is spurring service companies to expand business opportunities in New Mexico, including those that use satellites, air ships, drones, and fence-line monitoring to find equipment leaks.

The Environment Department rule complements the Energy, Minerals and Natural Resources Department rules that went into effect last year which limit venting and flaring, significantly curbing methane emissions from the industry.

“One of my first acts in office was to direct the state to come up with the best rules in the country, reducing wasted resources, cutting methane emissions that warm our climate, and making the air safer for all of us to breathe,” said **Gov. Lujan Grisham**. “Today, we are checking that commitment off the list, and a healthier environment and more responsible industry will follow.”

The new rule will reduce emissions of ozone precursor pollutants – volatile organic compounds and oxides of nitrogen – by approximately 260 million pounds annually and will have the co-benefit of reducing methane emissions by over 851 million pounds annually. Starting Aug. 5, 2022, compliance requirements for new and existing oil and gas operations in New Mexico counties with high ozone levels will take effect. These areas are Chaves, Doña Ana, Eddy, Lea, Rio Arriba, Sandoval, San Juan, and Valencia counties.

“As of August 5th, the oil and gas industry must comply with various requirements of this rule,” said **Environment Department Secretary James Kenney**. “The Environment Department will begin its compliance assurance activities with this rule shortly thereafter. Now is the time for oil and gas companies to audit their operations, ensure compliance and disclose any potential violations.”

For the first time and through the new rule, all oil and gas operators must check emission rates and have those calculations certified by a qualified engineer, perform monthly checks for leaks and fix them within 15 days, and maintain records to demonstrate continuous compliance.

“These standards represent historic progress for the health and safety of communities across New Mexico. Gov. Lujan Grisham’s administration is showing the ambition needed to reduce oil and gas pollution, increase energy security, protect public health and tackle the climate crisis,” said **Jon Goldstein**, senior director of Regulatory and Legislative Affairs with the Environmental Defense Fund. “The Environment Department’s rules, which address outsized emissions from smaller, leak-prone wells and protect those living closest to development with more frequent inspections to find and fix leaks, offer a powerful example for the EPA to build on as it advances nationwide methane protections.”

“Gov. Lujan Grisham’s administration encourages both economic development and environmental stewardship,” said **Lloyd W. “Billy” Helms, Jr.**, President and Chief operating Officer of EOG Resources. “Her administration’s balanced approach allows leading edge technical innovation to play a key role by providing an adaptive regulatory environment.”

The new rule also allows the Environment Department to use credible evidence or information provided to the department by a third party when establishing whether an oil and gas operator is violating the law.

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