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Methane waste can be curtailed

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ALBUQUERQUE, N.M. — The San Juan Basin in northwest New Mexico is one of the nation’s premier producers of natural gas and a prime source of revenue to the state budget. Unfortunately, until recently it also had a dirty secret. Far too much of that natural gas is being wasted due to leaks, intentional venting and flaring at well sites.

This issue came to light last year when NASA discovered a Delaware-sized “hot spot” of methane hovering over the area – the highest concentration of this pollution anywhere in the United States.

Methane is the primary component of the natural gas produced in the basin and teams of scientists from NASA and NOAA are studying this problem further in an attempt to pinpoint the cause, but the tens of thousands of oil and gas wells across the basin seem like a likely source.

All this wasted gas equals a tremendous amount of wasted revenue for both state and tribal governments. A recent report from the business consulting firm ICF International found that venting, flaring and leaks from oil and gas sites on federal and tribal land in New Mexico wasted \$100 million worth of gas in 2013 – marking New Mexico as the worst in the nation for natural gas waste.

And this lost methane also represents lost royalties to taxpayers as well, totaling more than \$42.7 million in forgone royalty revenue since 2009.

The good news is it doesn’t have to be this way. More modern practices and technologies already in use today in neighboring states can help dramatically reduce this waste.

Colorado has led the way, becoming the first state in the nation to directly regulate methane emissions and waste. And now new rules from the Bureau of Land Management can help solve this waste problem and keep more natural gas in the pipelines and out of New Mexico’s air as well.

Some local officials in San Juan County and the New Mexico Oil and Gas Association recently raised concerns in these pages that these federal rules would stifle local economic development. They needn't worry. These same concerns were raised by some in Colorado and have proved to be unfounded.

Since Colorado put their methane rules in place over a year ago their natural gas production and number of active wells have increased as the state's economy as a whole has grown and actually outpaced national economic indicators.

Despite the officials' concerns about the cost of controlling methane waste, cutting these emissions are among the best deals in the oil and gas industry. Economic analysis has shown that compliance costs in New Mexico will amount to approximately two pennies on the dollar of annual oil and gas revenues in the state.

What the Colorado example is also showing is that efforts to reduce this waste actually help foster a new and growing economic sector – the businesses that develop, manufacture and implement the technologies that increase efficiency in the oil and gas industry and reduce waste.

Thanks to businesses like Farmington's Fracmaster and Albuquerque's Quantigy that help the oil and gas industry limit methane emissions, New Mexico is already among the national leaders in the methane mitigation industry.

Leaders from across the political spectrum are rolling up their sleeves to help solve New Mexico's methane waste problem.

Gov. Susana Martinez's recently released energy strategy recognized methane waste as a "leading emissions concern" and committed that state regulators would "be collaborating with several other state agencies to assess the economics and benefits to both the state and industry of better capturing methane emissions."

Meanwhile the state Oil Conservation Division recently announced they would be developing new gas capture planning requirements by the end of the year with the ultimate goal of reducing natural gas emissions.

The level of bipartisan agreement on the importance of limiting methane emissions is encouraging. It is time for some of the last holdouts like the Oil and Gas Association to open their eyes to this problem and join in the work toward solutions that cut methane waste.

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<http://www.abqjournal.com/672789/opinion/methane-waste-can-be-curtailed.html>