

**United States House of Representatives  
Select Committee on the Climate Crisis**

**Hearing on June 14, 2022  
“State Perspectives on Cutting Methane Pollution”**

**Questions for the Record**

**The Honorable Michelle Lujan Grisham  
Governor  
State of New Mexico**

**The Honorable Kathy Castor**

- 1. Why it is important to cut methane pollution from existing wells and facilities, not just new or modified ones?**

New Mexico has more than 60,000 existing wells and more than 10,000 existing facilities. Over the course of 2021 those existing wells and facilities had more than 16,371,180,000 cubic feet of methane waste. If rules are only written to address new or substantially modified facilities, the majority of those sites would go unaddressed.

- 2. Recent analysis found that leaked, vented, or flared methane wastes at least \$271 million worth of natural gas annually in New Mexico. Capturing this wasted methane could add around \$43 million in revenue from taxes and royalties to the state. Additional economic analysis found that strong methane rules like the ones you have implemented could deliver hundreds of millions more in human health benefits and avoided air quality nonattainment costs. Could you expand on how cutting down on methane waste will benefit your state economically?**

Fundamentally, our methane rules are a cost-saver. They require the use of methane control technology, which is already cost-effective as it allows producers to capture more gas that they can then bring to market for sale. This is even more profitable now due to higher natural gas prices.

The rules also create a stable regulatory environment where businesses know what to expect, and in turn spur innovation. There are already more than twelve firms in New Mexico specializing in methane emission mitigation services or equipment manufacturing.

Finally, our rules ensure that New Mexicans are less likely to suffer the health consequences of poor air quality, preventing health expenses that otherwise would have been borne by consumers and the larger health care system. The US EPA and the World Health Organization have recognized that hazardous air pollutants like benzene, that are

known to be emitted from oil and gas production wells, cause cancer and other major non-cancerous health impacts, and the World Health Organization states that there is no safe level of exposure to these pollutants.

In New Mexico 35,000 residents are living within 1,000 feet of a wellsite. Of those, over 2,700 are children under the age of 5, more than 4,500 are adults 65 years or older, more than 5,700 are living in poverty, and 19,000 are people of color, including more than 5,800 Native Americans. Preventing exposure to these pollutants may result in long term cost savings due to reduced negative health impacts.

**3. The Bipartisan Infrastructure Law invests \$4.7 billion in helping states and tribes and federal agencies plug abandoned wells across the country. How do you expect that funding to impact your state in terms of jobs and impact on rural and tribal communities?**

The Bipartisan Infrastructure Law (BIL) provides a total appropriation to states of \$4.7 billion to fund programs for the proper closure and cleanup of abandoned oil and gas wells and facilities on federal, state, tribal, and private lands. Over the next ten years New Mexico expects to receive approximately \$100 million of those funds, for use on state and private land, which will be directly injected back into local New Mexico economies. The management of orphan oil and gas infrastructure falls to the Energy, Minerals, and Natural Resources Department (EMNRD) which has a long-standing orphan well plugging program. This program is managed through contracts with local New Mexico companies. The BIL funding will allow EMNRD to substantially increase the level of work that is done and provide long-term funding commitments to these local contractors. Long-term commitments allow them to hire and retain additional staff, providing high paying jobs in rural communities.

The BIL will not only have positive impacts on rural communities by providing high paying jobs, but will also clean up historic pollution sites within these communities, many of which have borne the brunt of decades of environmental neglect. The majority of the oil and gas production in New Mexico occurs in two unique basins, the San Juan Basin, consisting primarily of San Juan, Rio Arriba, McKinley and Sandoval counties, and the Permian Basin, consisting primarily of Lea, Eddy and Chaves counties. Based on the definitions provided in the guidance for the BIL orphan well programs, these areas qualify as “disadvantaged communities” (e.g., poverty rates range from 10% to 32% across these areas). Further, the area around the San Juan Basin is home to a large portion of New Mexico’s tribes and pueblos. As a result many, if not all, of the wells and associated facilities that EMNRD plugs and reclaims will benefit historically disadvantaged communities.

## **References Page**

Preventing Disease Through Healthy Environments, WHO (2010).

[Clean Energy Jobs Are Booming, Making Up For Rising Fossil Fuel Unemployment \(forbes.com\)](#)