

**Testimony of the Honorable Rickie Nez, Delegate and Chair of the
24th Navajo Nation Council Resources and Development Committee before the
House Committee on Natural Resources Subcommittee on Energy
and Mineral Resources' Hearing Titled
“Oil and Gas Development: Impacts on Air Pollution and Sacred Sites”
*The RoundHouse, Santa Fe, NM***

April 15, 2019

Thank you Chair Grijalva, Assistant Speaker Luján, Vice Chair Haaland, and subcommittee Chair Lowenthal. My name is Rickie Nez and I am a council delegate on the Navajo Nation Council. I chair the Council's Resources and Development Committee, which possesses oversight authority over the Nation's water, land, environmental protection, cultural resources, minerals, and economic development, among many other areas.

I am Hooghanláńí, born for Ozeii Táchii'nii, my cheiis, or maternal grandfathers are Tsenabahíńii, and my nalis, or paternal grandfathers are Kinyaa'áanii.

Historically, the Navajo Nation has received substantial royalties from energy extraction on our lands in addition to royalties paid to Navajo allottees. There are approximately 25,000 Navajo allottees.

The generous contributions of the oil, gas, and helium industries to the Nation's revenues has supported a sophisticated tribal government that provides substantial government resources for the benefit of its citizens.

Though, the Nation has always recognized that due to the inherent environmental and safety risks involved with energy extraction, it is critical to balance drilling, fracking, and other forms of extraction with sensible regulations that prevent harm to our people and their traditional lifestyles.

The Navajo Nation is in the process of renewing a cooperative agreement with the Department of the Interior to continue the 100% funding of six oil and gas inspectors. The Navajo Nation stresses that it is important to keep the funding structure as a cooperative agreement and not a “638 contract.”

Oil and gas inspectors are responsible for checking inactive wells. When wells are no longer capable of producing commercial quantities, they are permanently plugged by the operator. Inspectors will inform the operator if plugs are not plugged, and they may be fined if delays in the plugs occur or the operator fails to plug a well. Inactive wells that are not permanently plugged are still isolated from the atmosphere by casing, tubing, closed valves, and need to also be routinely inspected.

Additionally, regulations can have the effect of increasing government revenue.

Last year, the Navajo Nation received \$32.4 million in oil, gas, and helium royalties. However, according to a study conducted by the Environmental Defense Fund, the volume of natural gas lost due to flaring or venting is worth \$3.4 million and up to \$895,000 in royalties. They also concluded that the amount of natural gas lost during the extraction process is 65% higher than the national average.

With limited economic opportunity on the Nation and the closing of two large economic engines on the Nation in Navajo Generating Station and the Kayenta Mine, it is critical that this lost revenue be captured for the benefit of the Nation's general revenues and its allottees, the majority of which reside in the greater Chaco area.

Given the changes to BLM's methane rule, which would have increased the captured gases and the Navajo Nation's royalties, it is now incumbent upon the Nation to determine whether it will develop regulations that account for when the flaring of associated gas from oil wells will be royalty-free.

In evaluating their new SAFE vehicle rule, the EPA and DOT estimate that upstream carbon dioxide emissions from oil production, transportation, refining, and distribution will increase by 159 million metric tons through model year 2029. The agencies did not examine the likely increase in methane emissions as a result of their rule.

If the government is enacting policies that will increase oil and gas production on federal lands, whether they are tribal or adjacent to tribal lands, it is imperative that the Nation be able to capture lost revenue from any increased flaring or venting that may occur.

As the chairman of the Council's Resources and Development Committee, I am neither committing, nor desisting from pursuing regulations on natural gas flaring and venting on Navajo lands. Though, I am committing to investigating this issue over the course of my chairmanship.

Any increase in emissions near Chaco may create regional haze and smog, both of which may impact the health and the traditional lifestyles of many of our people.

With respect to the air and atmosphere of the Chaco area specifically, the region holds sacred significance for our people and many traditional practitioners continue to use the area to this day.

Many of our traditional stories and oral tradition rest in this region.

Without divulging too much detail, the entire Chaco region aligns with astronomical phenomena that are important to contemporary Navajo ceremonies and practices.

Being able to see the solstices and equinoxes within certain areas or buildings unobstructed by haze or smog from gas or other emissions is critical to many of our people.

Moreover, the ability to assess astronomical phenomena in the night sky without obfuscation from light pollution is another concern. The same concerns apply to sunrises and sunsets.

The inverse is also true. Many believe it is critical that certain deities or entities within the sky or heavens need to be able to observe the buildings in Chaco as well the activities of our people.

I thank you for listening to my testimony regarding the careful balance the Navajo Nation and federal government must strike in the protection of greater Chaco and the economic sustenance of our government and its people.