



New Mexico's New Venting, Flaring, and Gas Capture Rules

By: [Nicole Blevins](#)

On March 25, 2021, the New Mexico Oil Conservation Commission approved [new rules](#) that: (1) impose significant limits on venting and flaring from oil and gas exploration and production and natural gas gathering; and (2) require operators to reduce methane emissions by 98 percent by December 31, 2026. The rules will take effect when they are published in the New Mexico Register. This article provides an overview of key aspects of the new rules.

Flaring is allowed during drilling, completion, and recompletion activities. During production operations, flaring will only be allowed during emergencies or malfunctions; certain operations, downhole maintenance, and testing; the first 12 months of production from an exploratory well; commissioning of pipelines; equipment; or facilities; or when natural gas does not meet pipeline specifications. Venting is generally not allowed unless flaring is technically infeasible or would pose a risk to safe operations or personnel safety and venting is a safer alternative than flaring.

During natural gas gathering, flaring will only be allowed during emergencies or malfunctions or during certain operations, unless otherwise prohibited by state or federal law. Venting is generally not allowed unless flaring is technically infeasible or would pose a risk to safe operations or personnel safety and venting is a safer alternative than flaring.

Key Requirements for Production Activities

- Performance Standards: Operators must design completion and production separation equipment and storage tanks for maximum anticipated throughput and pressure, install automatic tank gauges on new storage tanks, equip new flare stacks with auto-ignitor or continuous pilot.
- Weekly or Monthly Inspections: Operators must conduct audio, visual, and olfactory (AVO) inspections weekly, if onsite, or monthly. Operators must keep records of these inspections for at least five years.
- Measurement or Estimation of Vented, Flared, and Beneficially Used Gas: Operators must measure or estimate the amount of gas vented, flared, or beneficially used during drilling, completion, and production activities. Operators may estimate if metering is not practicable due to low flow rate or low pressure venting and flaring.

- Reporting Vented or Flared Gas: Operators must report venting or flaring that exceeds 50 MCF in volume, caused by an emergency or malfunction, or flaring that lasts eight hours or more cumulatively in any 24-hour period from a single event. In addition, operators must report all gas vented or flared each month. Operators must keep records of measurements and estimates for at least five years.
- Gas Capture Requirements: Beginning April 1, 2022, operators must reduce the annual volume of vented and flared natural gas to capture no less than 98 percent of the natural gas produced from its wells in each of two reporting areas by December 31, 2026. Operators must report annually certifying compliance with the gas capture requirements.
- Natural Gas Management Plan: After the effective date of the rules, operators must file a natural gas management plan for each application for permit to drill (APD) for new or recompleted wells, including anticipated dates of drilling, completion, and first production, operational best practices to minimize venting and flaring, anticipated liquids volumes and gas production for the first year of production, and how separation equipment will be sized to optimize gas capture, among other information.

Key Requirement for Gas Gathering Activities

- Operations Plan: Operators must create a plan to minimize waste from natural gas, including procedures to reduce leaks, routine maintenance, cathodic protection, corrosion control, liquids, and integrity management. The plan must be provided to the Division.
- Weekly and Annual Inspections: Operators must conduct weekly AVO inspections of compressors, dehydrators, and treatment facilities associated with a natural gas gathering system to confirm proper operation and that there are no leaks or releases and keep records of these inspections for at least five years. In addition, operators must perform annual inspections of the entire length of a gathering pipeline. For annual monitoring, operators may use AVO, aerial visual inspections, or other valid method to detect leaks.
- Measurement or Estimation of Vented, Flared, or Beneficially Used Gas: Operators must estimate or measure flared, vented, or beneficially used gas. Operators may estimate if metering is not practicable due to low flow rate or low pressure venting and flaring.
- Reporting of Vented or Flared Gas: Operators must report venting or flaring that exceeds 50 MCF in volume, caused by an emergency or malfunction, or flaring that lasts eight hours or more cumulatively in any 24-hour period from a single event. In addition, operators must report all gas vented or flared each month.
- Mapping: Operators must provide GIS as-built maps for new and existing gathering pipelines or natural gas gathering systems, within 90 days of the rules' effective date.

- Gas Capture Requirements: Beginning April 1, 2022, operators must reduce the annual volume of vented or flared gas to capture no less than 98 percent of the natural gas gathered in each of two reporting areas by December 31, 2026. Operators must report annually certifying compliance with the gas capture requirements.

We expect that the Biden Administration will look to New Mexico's and Colorado's rules on venting and flaring to inform new federal rules to curb methane emissions from the oil and gas industry. In addition, the New Mexico Environment Department will soon release new companion proposed regulations to reduce emissions of ozone precursors in areas at risk of being designated nonattainment under the Clean Air Act. Those regulations would apply in both southeastern and northwestern New Mexico. We will post an alert as soon as those proposed rules are published.

For additional information about venting and flaring in New Mexico, please contact, [Nicole Blevins](#) or [Jim Martin](#).