

EIB 21-27

Day 9 Hearing Summary

In the Matter of Proposed New Regulation, 20.2.50 NMAC - Oil and Gas Sector – Ozone Precursor Pollutants

Thursday, September 30 was Day 9 of the New Mexico Environmental Improvement Board (EIB) hearing on the New Mexico Environment Department's (NMED's) proposed ozone precursor rule.

Day 9 Highlights

Motions. In a pre-hearing meeting, the Hearing Officer heard argument and ruled on a motion regarding evidentiary issues related to mention of methane in various exhibits.

Section 116/ fugitive emissions monitoring/leak detection and repair (LDAR). The CAA presented its witness regarding public health effects of VOCs and CAA's proximity proposal.

Section 123/Storage vessels. NMED presented its witnesses who went over the provisions of the storage vessels section of the proposed rule and walked through the changes to the rule reflected in the September 16th version. NMED's witnesses indicated that NMED accepts Oxy's extended compliance deadline, CAA's storage vessel measurement system and CDG's proposed changes to the definition of storage vessel. Oxy presented its witness who testified in support of Oxy's request for an extended compliance deadline and in support of EDF's storage vessel measurement system. NMOGA presented one of its two witnesses who offered testimony regarding cost estimates for compliance with rule provisions and proposed changes to rule applicability. CDG presented its witness who testified regarding CDG's minor changes to the proposed definition of storage vessel and to the applicability of the rule. CAA presented testimony regarding applicability requirements and CAA's proposal for alternative storage vessel measurement system.

Section 113/ Engines and Turbines. Kinder Morgan, NMOGA, NMED, IPANM and GCA objected to admission of CAA Exhibit 28, which CAA withdrew. CAA presented its witness who testified regarding changes to the section of the rule as presented in NMED Exhibit 23. He discussed concerns with removal of "installed" from tables 1 and 2 and the standards for rich burn engine standards, specifically requesting Colorado standards for rich burn engines. GCA conducted a stealthy cross-examination of the witness and made clear that existing engines are regulated under the current draft of the rule. NMOGA presented sur-rebuttal testimony regarding NPS testimony and CAA testimony, specifically regarding achievability of lower NOx limits for rich burn engines.

Section 121/ Pig Launching and Receiving. NMED presented its witnesses who went over the provisions of this section of the proposed rule and walked through the changes to the rule reflected in the September 16th version. Kinder Morgan presented its witness who testified in support of NMED's changes to the rule regarding frequency of monitoring requirements. Oxy indicated its support of the September 16th version of the rule. NMOGA presented its witness who testified in support of removing pig launching and receiving from the rule and, if the rule is retained, an extended compliance timeline.

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Section 117/ Natural Gas Well Liquids Unloading. NMED presented its witnesses who went over the provisions of this section of the proposed rule and walked through the changes to the rule reflected in the September 16th version. IPANM presented its witness who testified regarding its concerns regarding use of certain proposed controls and record keeping requirements.

Section 126/ Produced Water Management Units. NMED presented its witness who went over the provisions of this section of the proposed rule and walked through the changes to the rule reflected in the September 16th version. NMED and CDG presented witnesses who discussed minor revisions to the wording of this section.

Looking Ahead to Day 10

EDF/CAA/CPP/NAVA proposed new section of “drilling,” “drilled,” “drillout,” “flowback,” “flowback vessel,” “hydraulic fracturing,” “hydraulic refracturing,” “preproduction operations.”

Testimony from witnesses who were unavailable when the Board heard their subject section and NMED sur-rebuttal on these sections. This includes NMOGA witness Smitherman (Sections 121, 123, 124, 126) and CAA witness Alexander (Sections 117, 122, 123).