

Report: Drilling spills down in 2016

Written by By Laura Paskus NM Political Report
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Oil and gas companies reported fewer toxic spills in New Mexico last year than in 2015. According to the Center for Western Priorities' 2016 Spill Tracker, companies reported 1,310 spills in 2016. Most of those occurred in Lea and Eddy counties, the site of most drilling activity in the state.

The nonpartisan group's Spill Tracker is based on publicly-available records from New Mexico's Oil Conservation Division, which is within the state's Energy, Minerals and Natural Resources Department.

According to the Spill Tracker, five companies were responsible for nearly 40 percent of all spills of crude oil, natural gas and produced water.

Those companies are COG Operating (a subsidiary of Concho Resources, Inc.), Occidental Permian and Oxy USA, Devon Energy Production and BOPCO, which was recently acquired by ExxonMobil.

A total of 445 crude oil spills occurred, for a total of 14,021 barrels. Companies also reported 281 natural gas leaks, which accounted for 848 million cubic feet of natural gas, primarily methane. There were also 658 spills of produced water.

Produced water can include naturally-occurring water that comes up with natural gas and oil during the drilling process or water that's been injected underground during hydraulic fracturing. It can be contaminated with oil, metals, radionuclides and chemicals.

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Most spills were due to equipment failure, unknown factors and corrosion.

The Center for Western Priorities also issues spill reports for Colorado and Wyoming.

“New Mexico does post spills data online, something not all Western states do,” Jesse Prentice-Dunn, advocacy director at the Center for Western Priorities, told *NM Political Report*. “Once you find the database it’s fairly easy to navigate, providing information on who spilled what, when and where.”

Still, the database could include more information, she said.

“Colorado requires drillers to provide information on a spill’s proximity to buildings, water, and livestock,” she said. New Mexico’s database does not.

For those who want to track some of that information in their own counties, Prentice-Dunn recommends people visit the online database regularly throughout the year.

Since 2009, New Mexico has been unable to hold oil and gas companies accountable for spills. That year, Marbob Energy Corporation sued the state Oil Conservation Division, saying it lacked the authority to assess civil penalties and sanctions against companies.

Marbob Energy is now owned by Concho Resources, which also owns the company responsible for 11 percent of the spills in 2016.

When handing down their 2009 decision in the Marbob case, New Mexico Supreme Court justices wrote that while they were sympathetic to OCD’s need for greater enforcement authority, changes had to come from the Legislature.

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In the meantime, OCD was supposed to refer cases to the New Mexico Office of the Attorney General—which it has not done since losing the Marbob case in 2009.

Earlier this year, Sen. Richard Martinez, D-Española, introduced a bill in the New Mexico Legislature that would have given OCD the authority to hold polluting companies accountable.

Senate Bill 307 would have increased fines not updated since the Legislature passed the Oil and Gas Act in 1935. It also would have brought the state into compliance with an agreement established under the federal Safe Drinking Water Act, in which the U.S. Environmental Protection Agency authorized New Mexico to manage its own underground injection control program. That allows New Mexico to issue permits for underground injections, examples of which include when operators inject liquids, gases and chemicals underground to boost oil production and when companies dispose of wastewater, including from hydraulic fracturing, underground.

The bill passed through both the Senate Conservation and Senate Judiciary committees. Martinez had hoped it could bypass the Senate Finance Committee and end up on the Senate floor before the close of the session. But Senate Finance Committee chair Sen. John Arthur Smith, was too busy with other bills and issues at the end of the session to hear the bill.

It's unlikely a similar bill will be introduced next year, as legislators during the 30-day session will focus only on bills related to the budget or prioritized by Republican Gov. Susana Martinez.

In 2015, companies reported 1,477 spills. Of those, 795 were caused by equipment failure.

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