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NEW MEXICO ENVIRONMENTAL LAW CENTER GIVES TOXIC TURKEY AWARD TO THE OIL CONSERVATION DIVISION & OIL CONSERVATION COMMISSION

SANTA FE, N.M. — The New Mexico Environmental Law Center announced joint “winners” of this year’s annual Toxic Turkey Award as the Oil Conservation Division (OCD) and the Oil Conservation Commission (OCC) for their failure to adequately regulate the oil and gas industry.

The Law Center gives the Toxic Turkey Award to a person or group that has shown extraordinary disregard for New Mexico’s environment. The Law Center presented the award at its annual members-only Member Appreciation Party in Santa Fe on December 2, 2018.

The Law Center also gives several awards to organizations or individuals who have been champions for the environment and communities. This year’s winners are: the Jeanne Gauna Award for Outstanding Community Environmental Advocacy to the Mountain View Neighborhood Association; the Karl Sauder Water Protection Award to Tannis Fox, Charles Noble, and Tracy Hughes; and the Griff Salisbury Environmental Protection Award to Max Yeh.

Eric Jantz, staff attorney at the Law Center, made the case for awarding the Toxic Turkey to the OCD/OCC.

“Since their inception, the Oil Conservation Division and Oil Conservation Commission have acted like a wholly owned subsidiary of the oil and gas industry, rather than an independent regulator. The Division and Commission have vertically integrated their failure to regulate from permitting to inspections to enforcement, putting untold natural resources and human lives at risk. When the self-described Libertarian State Land Commissioner complains that you are failing to adequately regulate, alarm bells should sound. Unfortunately, the Division and Commission have ignored the alarms and continue to happily accommodate the industry they are supposed to regulate.”

At the start of his term, State Land Commissioner Aubrey Dunn embraced the oil and gas industry’s role on public lands, but lately has been at odds with it. In November, the Commissioner reached a \$3.2 million settlement with an oil and gas company for operating on public lands without right-of-way easements and then leaving behind significant land

disturbance. He subsequently sent Energy Minerals and Natural Resources Department Secretary Ken McQueen a letter in which Dunn blamed the Oil Conservation Division for failing to enforce environmental regulations.

The OCD and OCC have had a profoundly negative impact on the quality of the environment and communities living near oil and gas operations.

- Arm of the oil and gas industry – Ken McQueen, Cabinet Secretary of the Energy Minerals and Natural Resources Department, under whom the OCD/OCC operate, was vice-president of WPX Energy, a major oil and gas company that operates in New Mexico and South Dakota. The Chair of the OCC, Heather Riley, was regulatory manager for WPX Energy.
- Repeal of the 2008 pit rule – The rule required comprehensive baseline soil and water quality testing, lined pits, leak detection systems, and, under most circumstances, closed loop (pit-less) systems;
- Failure to conduct adequate inspections – OCD allows industry self-reporting and argues – despite their own data – that oil and gas pit wastes have not contaminated groundwater;
- Failure to enforce regulations – The EPA delegated authority to New Mexico to take over certain regulatory duties under the Safe Drinking Water Act, which includes assessing penalties against violators as a way to ensure compliance. OCD has not referred a single violation to the Attorney General to collect penalties since 2009;
- Fracking chemical disclosure rule – The rule only requires disclosure 45 days after a fracking operation is finished;
- Carlsbad brine well – The potential collapse of a brine well cavern, caused by 30 years of pumping brine by an oil and gas company for use in production activities, could cause an estimated \$1 billion in economic impact and more than \$100 million in groundwater cleanup. The oil and gas industry has refused to help fund a \$40 million fix, leaving taxpayers with the bill. Caverns caused by oil and gas industry brine well pumping are common throughout the area;
- Failure to regulate methane emissions – New Mexico has the highest methane emissions among the eight states that produce the most oil and gas on federally leased lands and the poorest state regulations. Based on operations on all lands in the state, New Mexico could be venting, flaring, or leaking up to \$240 million in natural gas annually, costing the state about \$27 million in tax and royalty revenue and adding to greenhouse gases.

Douglas Meiklejohn, Executive Director of the Law Center, pointed out that, "It is telling that the only two time winner of the Toxic Turkey Award is Ryan Flynn, who is now the head of the New Mexico Oil and Gas Association (NMOGA). We hope that giving the Toxic Turkey Award to OCD and OCC will help persuade the new administration that its OCD and OCC should become independent regulators and cease being the servants of NMOGA and the other members of the oil and gas industry."

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