

**New Mexico Citizens for Clean Air
New Mexico Environmental Law Center
EARTHWORKS' Oil & Gas Accountability Project**

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CONTACTS AND MORE INFO AT END OF RELEASE

**NEW MEXICO'S LAND AND WATER FACE CHALLENGE
FROM THE OIL AND GAS INDUSTRY**

ALBUQUERQUE, NEW MEXICO - Three organizations announced today their opposition to a state plan to weaken a hard-fought water and land protection rule. On February 18, Governor Richardson announced he was directing the Energy, Minerals and Natural Resources Department to work with industry to develop amendments that would save them the cost of compliance to the recently amended Pit Rule.

The Pit Rule improved regulation of waste from oil and gas operations, and is one of the nation's better rules protecting water, soil, plants, wildlife and public health from toxic levels of salt and other chemicals in oil and gas waste pits. The state officially adopted the new rule last May, but due to the Governor's urging, the Oil Conservation Division (OCD), a division of the Energy, Minerals and Natural Resources Department, filed a petition on February 27th to amend the rule.

EARTHWORKS' Oil & Gas Accountability Project (OGAP) and New Mexico Citizens for Clean Air and Water will urge the state not to rollback standards limiting how toxic wastes can be abandoned on well sites throughout New Mexico. These organizations were members of the Governor's previous Pit Rule Task Force and were official parties to the lengthy rulemaking process. They will present testimony at the OCC hearing on Thursday, April 2nd, 9 a.m. in Santa Fe (details below). OGAP will be represented by the New Mexico Environmental Law Center. This hearing is open to the public.

"It's critical the state maintain its current standard, which, in effect allows on-site burial of most of the less-salty drilling wastes that occur in New Mexico," states Don Neeper, a technical witness for the New Mexico Citizens for Clean Air and Water. "The proposed rule change will allow on-site burial of the extremely salty drilling wastes. Burial of these wastes in a plastic-lined trench at each drilling site would leave a landscape littered with toxic modules, from which salt will migrate toward the surface and toward ground water when the plastic degrades. In these concentrations, salt pollution is permanent pollution."

The rule adopted a year ago requires that oil and gas waste burials (or pits) must now be lined and registered with the state. When groundwater is within 50 feet of the pit, companies must find alternatives to on-site burial, such as "closed-loop" or pitless drilling systems. Any waste that is buried on-site must first be tested and meet standards to guard against contamination. The Governor put forward six proposals including extending the amount of time operators have to remove liquids from pits and close-out temporary pits.

"It's troubling that such a significant aspect of the Pit Rule could be changed without the extensive public stakeholder process that was implemented when the Pit Rule was initially adopted," states Eric Jantz, staff attorney of the New Mexico Environmental Law Center representing OGAP. "A rushed process makes for bad policy."

The current Pit Rule was supported by suburban landowners, ranchers, and residents across New Mexico who have suffered water and soil contamination from unlined oil and gas waste pits and buried waste. The rule drew the ire of the oil and gas industry, which threatened to leave the state if the measure was passed. The industry has flip-flopped its position since May, 2008. It first claimed the rule was "industry friendly" and that companies could absorb the costs of complying with the new protections. (Bob Gallagher, New Mexico Business Weekly, May 2008). The industry now claims the Pit Rule is responsible for a host of problems including the state's budget shortfall and low rig counts.

"The claim that low rig counts are related to the cost of complying with the current Pit Rule is false," states Jantz. "The oil and gas industry is inherently volatile and revenue is directly related to market price. It has nothing to do with the cost of keeping New Mexico's water and land clean."

OGAP has long held that the industry will end up saving money in the long run by moving to closed-loop systems and avoiding pits altogether. This was supported by Petroleum Accountant Mary Ellen Denomy, who testified before the OCC in November 2007 during the Pit Rule hearing that companies using closed-loop systems saved 3% per well. Denomy also stated that companies were able to cut costs on construction, water, drilling muds and waste disposal when utilizing closed-loop systems.

"We were so pleased the OCC put in place a strong rule to protect the state's water, land, and public health," says Gwen Lachelt, Executive Director of OGAP. "Despite fierce opposition from the oil and gas industry, the OCC put in place a modern rule based on facts rather than politics. We hope that example of good government is not reversed."

The groups urge the public to attend the OCC hearing on the Governor's Pit Rule Amendment (details below) and call the Governor and urge him to direct the OCD to withdraw its petition.

HEARING DETAILS:

WHAT:

OCC Hearing on the Governor's Pit Rule Amendment with testimony from Oil & Gas Accountability Project (OGAP), New Mexico Citizens for Clean Air and Water, and New Mexico Environmental Law Center.

WHEN:

Thursday, April 2nd, 2009, 9 a.m.

WHERE:

Porter Hall, Wendell Chino Building, 1220 South St. Francis Drive, Santa Fe

INTERVIEWS AND IMAGES ARE AVAILABLE UPON REQUEST

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EARTHWORKS' Oil & Gas Accountability Project was founded in 1999 to work with communities to prevent and reduce the impacts caused by oil and gas development.

New Mexico Citizens for Clean Air and Water was founded in 1969 and its mission is to: prevent pollution by promoting modern waste handling practices and, when necessary, by promoting regulatory actions. NMCCA is based in Los Alamos.

Since 1987, the New Mexico Environmental Law Center has worked every day to protect New Mexico's water, land and air from toxic pollution; and to assist its many and diverse communities protect their environment. The mission of the Law Center is to protect New Mexico's natural environment and communities through legal and policy advocacy, and public education.