



Methane Waste Rule Update

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WNRC - Artesia

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Waste Rule Overview

New Mexico's Methane Waste Rule requires oil and gas operators to capture 98% of natural gas waste by the end of 2026, prohibits routine venting and flaring, and mandates detailed reporting to reduce emissions and protect public health.

Phase 1: began in 2021, initiated natural gas loss reporting.

- Accurate data critical to establishing meaningful baselines to measure progress.

Phase 2: began in 2022; established enforceable targets for operators to reduce waste.

- Overall goal: reduce waste to achieve 98% gas capture by 12/31/2026.
- The rule also prohibits routine venting and flaring at both upstream (production wells & facilities) and midstream (gas gathering pipelines & boosting facilities) facilities.

State Regulation Comparison				
Here's how New Mexico's new rules stack up against other similar oil-producing states				
Rule Specification	New Mexico	North Dakota	Colorado	Oklahoma
Gas capture percentage	98%	91%	No capture percentage, requirements tracked differently in these states	
Regulations for gas gathering pipelines and midstream operations	Yes	No	No	No
Curtailing of production for not meeting targets	Yes	No	No	No
Prohibits routine flaring	Yes	No	Yes	No

Authority

Legal Authority: Title 19, Chapter 15, Part 27 of the New Mexico Administrative Code (19.15.27 NMAC).

Executive Direction: Executive Order 2019-003: *“Addressing Climate Change and Energy Waste Prevention”*

Key Dates

Date	Requirement
<i>5/25/21</i>	<i>Effective Date of Parts 27 and 28</i>
<i>8/23/21</i>	<i>Midstream Operations Plan and GIS Map of systems requirements take effect.</i>
<i>10/1/21</i>	<i>Operators must begin to gather data for quarterly natural gas venting and flaring reports.</i>
<i>2/15/22</i>	<i>Deadline to submit Q4 2021 natural gas venting and flaring reports to Division.</i>
<i>4/1/22</i>	<i>Operators begin collecting monthly natural gas venting and flaring data using new form C-115.</i>
<i>5/15/22</i>	<i>Deadline to submit Q1 2022 natural gas venting and flaring reports to Division.</i>
<i>6/1/22</i>	<i>Operators first monthly C-115B natural gas venting and flaring report due.</i>
<i>6/1/22</i>	<i>Operators must file a copy of form C-115B with the New Mexico State Land Office re: information about venting and flaring on Division’s website.</i>
<i>2/28/2023 & Each Sub. Year</i>	Deadline to certify compliance with gas capture requirements and compliance schedule as applicable.
12/31/26	All operators must capture not less than 98% of the natural gas they produce or gather in each of the two reporting areas, one north and one south of the Township 10 North line.

Reporting Requirements

Monthly Reporting via Form C-129

- Operators must report volumes of gas vented, flared, captured, and used on-site.
- Includes detailed breakdowns by facility type (e.g., wells, tanks, compressors).

Annual Waste Reduction Plan

- Operators must submit a plan outlining strategies to meet the 98% capture target by 2026.

Baseline Establishment

- Initial reporting used to establish operator-specific waste baselines.

Third-Party Verification

- OCD may require independent audits or verification of reported data.

Progress to Date

The majority of the operators with active production are regularly reporting

- 88% of the operators reporting in July 2025 have reached the 98% gas capture rate even prior to the 2026 requirement.

Comparing pre-rule to post-rule OCD has observed:

- There has been a significant downturn of flaring and venting when compared to production in the state. In 2018 ~2.5% of all gas produced was being vented or flared due to what is called “routine” venting and flaring which is when gas is flared simply for better oil production and not on operational demands. In 2025 that number dropped to less than 0.67% based on mandatory reporting. Using those numbers based on 2025 gas production that increased accounts for 69,239,351 mcf being sold in lieu of being vented or flared.

	Capture Percentage	Gas Produced	Gas Sold or used
FY23 Total:	98.78	3,139,017,797	3,100,657,656
FY24 Total:	99.03	3,349,911,301	3,238,093,928
FY25 Total:	99.33	3,783,571,119	3,662,876,975

Even with these new requirements kicking-in:

- New Mexico continues to see a substantial growth in Oil and Gas production.
- Bottomline, industry is thriving, and we are making progress on methane emissions.

Thank You

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EMNRD

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