

OCD Exhibit 7

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NOTICE OF PUBLIC HEARING FOR PROPOSED RULEMAKING

The State of New Mexico through the Oil Conservation Commission (OCC) hereby gives notice that the OCC will hold a public hearing to consider proposed rules to regulate the venting and flaring of natural gas from oil and natural gas production and gathering facilities. The public hearing will be held on-line and by telephone on January 4, 2021, at 9:00 a.m., and will be continued to the following day(s) if not completed.

Purpose of Proposed Rules. The proposed rules regulate the venting and flaring of natural gas from oil and natural gas production and gathering facilities.

Summary of Proposed Rules. The Oil Conservation Division (OCD) proposes to adopt two new rules and to amend three existing rules. The new rules are 19.15.27 NMAC, which establishes requirements for operators of oil and gas production facilities to report and reduce the venting and flaring of natural gas; and 19.15.28 NMAC, which establishes requirements for operators of natural gas gathering systems, including gathering pipelines, to report and reduce the venting and flaring of natural gas. The amended rules are 19.15.7 NMAC, to change the name of a form, add new forms, and provide instructions; 19.15.18 NMAC, to remove a provision requiring operators of production facilities an application to file an application to flare natural gas; and 19.15.19 NMAC, to remove two provisions regarding the venting of natural gas at production facilities.

Legal Authority. The proposed rules are authorized by the Oil and Gas Act, Sections 70-2-1 through 70-2-38 NMSA 1978, including Section 70-2-6 (authorizing the OCC to exercise jurisdiction, authority, and control of and over all persons, matters, and things necessary or proper to enforce the statute), Section 70-2-11 (authorizing the OCC to make rules to prevent waste, protect correlative rights, and to do whatever may be reasonably necessary to implement the statute), and Section 70-2-12 (enumerating the powers of the OCC and OCD). The public hearing is governed by the OCC's rule on rulemaking proceedings, 19.15.3 NMAC.

Availability of Proposed Rules. The full text of the proposed rules is available on the OCD's website, <http://www.emnrd.state.nm.us/ocd>, or by contacting the OCC Clerk, Florene Davidson at florene.davidson@state.nm.us.

Written Comments. Any person may submit written comments on the proposed rules no later than January 8, 2021, at 5:00 p.m. by mail, email, or delivery to the OCC Clerk, Florene Davidson, 2nd Floor, Wendell Chino Building, 1220 South St. Francis Drive, Santa Fe, New Mexico, 87505, or florene.davidson@state.nm.us. To deliver written comments to the OCC Clerk, upon arrival at the building, call (505) 476-3200 ext. 1, and an OCC representative will come to the front door.

Scheduling Order. The OCC has adopted a procedural order, which can be viewed at <http://www.emnrd.state.nm.us/OCD/outreach.html>.

Public Hearing. The public hearing will be held online and by telephone on January 4, 2021, at 9:00 a.m., and will be continued to the following day(s) if not completed. The public hearing will be transcribed and recorded. To access the public hearing on-line via the Webex platform and by telephone, see the event address for the relevant day of the hearing at <http://www.emnrd.state.nm.us/OCD/outreach.html>.

Public comment will be accepted on January 4, 8:30 a.m. to 5:00 p.m., and on each subsequent day of the hearing from 8:30-9:00 a.m. and 4:30-5:00 p.m. The procedure for persons who wish to present public comment can be viewed at <http://www.emnrd.state.nm.us/OCD/outreach.html>.

Proposed Modifications, Technical Testimony, and Cross Examination. A person who intends to propose a modification to the proposed rules, to present technical testimony at the public hearing, or to cross-examine witnesses at the public hearing must file six copies of a Pre-Hearing Statement conforming to the requirements of 19.15.3.11(B) NMAC, no later than December 17, 2021, at 5:00 p.m. The Pre-Hearing Statement must be filed by mail, email, or delivery to the OCC Clerk, Florene Davidson, 2nd Floor, Wendell Chino Building, 1220 South St.

Francis Drive, Santa Fe, New Mexico, 87505, florene.davidson@state.nm.us. To deliver a Pre-Hearing Statement to the OCC Clerk, upon arrival at the building, call (505) 476-3200 ext. 1, and an OCC representative will come to the front door. A person filing a Pre-Hearing Statement who intends to use projection equipment must contact the OCC Clerk no later than seven business days prior to the public hearing. A person who presents technical testimony at the public hearing will be subject to cross-examination by the members of the OCC, the OCC's counsel, and other persons who filed Pre-Hearing Statements. Pre-Hearing Statements, including the exhibits that a party plans to offer as evidence at the hearing, can be viewed at <http://www.emnrd.state.nm.us/OCD/outreach.html>.

Oral Comments. A person who did not file a Pre-Hearing Statement may present non-technical testimony or make an unsworn statement at the public hearing. A person who wants to present non-technical testimony or make an unsworn statement at the public hearing must inform the hearing examiner. A person who presents non-technical testimony will be subject to cross-examination by the members of the OCC, the OCC's counsel, and other persons who filed Pre-Hearing Statements. A person may offer exhibits at the public hearing if the exhibits are relevant to the proposed rules and the person files the original exhibit and five copies conforming to the requirements of 19.15.3.12(C) NMAC prior to the end of the public hearing. A person may file exhibits by mail, email, or delivery to the OCC Clerk, Florene Davidson, 2nd Floor, Wendell Chino Building, 1220 South St. Francis Drive, Santa Fe, New Mexico, 87505, florene.davidson@state.nm.us. To deliver exhibits to the OCC Clerk, call (505) 476-3200 ext. 1, and an OCC representative will come to the front door.

Persons with Disabilities. A person with a disability who needs a reader, amplifier, qualified sign language interpreter, or other form of auxiliary aid or service, such as a summary or other accessible form of document, in order to attend or participate in the public hearing, must contact the OCC Clerk, Florene Davidson, at (505) 476-3458 or florene.davidson@state.nm.us, or through the New Mexico Relay Network at 1-800-659-1779, no later than January 5, 2021.

Technical Information. OCD consulted the following technical information for the proposed rules, which is available on OCD's website:

New Mexico Energy, Minerals & Natural Resources Department and New Mexico Environment Department, *Report of the Methane Advisory Panel*, Fall 2019.

Bureau of Business and Economic Research, *Estimating Revenue Potential for Gas Venting and Flaring on New Mexico State Lands*, April 2020.

U.S. Environmental Protection Agency, Office of Air Quality Planning and Standards, *Oil and Natural Gas Sector: Hydraulically Fractured Oil Well Completions and Associated Gas During Ongoing Production*, April 2014.

U.S. Environmental Protection Agency, Office of Air Quality Planning and Standards, *Oil and Natural Gas Sector: Liquids Unloading Processes*, April 2014.

U.S. Environmental Protection Agency, Office of Air Quality Planning and Standards, *40 C.F.R. 98, Subpart W – Petroleum and Natural Gas Systems, 98.233 – Calculating GHG Emissions*, October 2015.

U.S. Environmental Protection Agency, Office of Air Quality Planning and Standards, *40 CFR Part 60, Subpart OOOOa, Oil and Natural Gas Sector: Emission Standards for New, Reconstructed, and Modified Sources*, June 2016.

U.S. Environmental Protection Agency, Office of Air Quality Planning and Standards, *Methane Challenge and Natural Gas STAR Programs, Improving Flash Gas Emission Calculations from Storage Tanks*, February 2014.

U.S. Environmental Protection Agency, Office of Air Quality Planning and Standards, *Methane Challenge and Natural Gas STAR Programs, Partner Reported Opportunity (PRO), Fact Sheet 505, Recover Gas from Pipeline Pigging Operations*, Undated.

U.S. Environmental Protection Agency, Office of Air Quality Planning and Standards, *Methane Challenge and Natural Gas STAR Programs, Lessons Learned, Using Pipeline Pump-down Techniques to Lower Gas Line Pressure Before Maintenance*, 2006.

U.S. Environmental Protection Agency, Office of Air Quality Planning and Standards, *Methane Challenge and Natural Gas STAR Programs, PRO Fact Sheet 403, Use Inert Gas and Pigs to Perform Pipeline Purging*, 2011.

U.S. Environmental Protection Agency, Office of Air Quality Planning and Standards, *Oil and Natural Gas Sector Hydraulically Fractured Oil Well Completions and Associated Gas during Ongoing Production*, April 2014.

U. S. Environmental Protection Agency, Office of Air Quality Planning and Standards, *Chapter 7 – Flares*, December 1995.

Bureau of Land Management, *43 C.F.R. 3170 – Onshore Oil and Gas Production*. October 2019.

U.S. Department of Energy, Office of Oil and Natural Gas, Natural Gas Flaring and Venting, *State and Federal Regulatory Overview, Trends and Impacts*, June 2019.

U.S. Energy Information Administration, *Natural Gas Gross Withdrawals and Production Database*, March 2020.

U.S. Energy Information Administration, *Today in Energy: “North Dakota aims to reduce natural gas flaring,”* October 2014.

U.S. Energy Information Administration, *Natural Gas Weekly Update: “North Dakota provides regulatory guidance to reduce natural gas flaring,”* February 2020.

Colorado Oil and Gas Commission, *Aesthetic and Noise Control Regulations*, 800 Series, September 2014.

Colorado Oil and Gas Commission, *Safety Regulations*, 600 Series, January 2020.

Colorado Oil and Gas Commission, *E&P Waste Management*, 900 Series, January 2020.

Colorado Oil and Gas Commission, *Draft Amendments to E&P Waste Management*, 900 Series, June 2020.

Colorado Oil and Gas Conservation Commission, *Draft Statement of Basis, Specific Statutory Authority, and Purpose, Cause No. 1R Docket No. 200600115 800/900/1200*, June 2020.

Colorado Oil and Gas Conservation Commission, *Draft Amendments to Environmental Impact Prevention, 900 Series*, May 2020.

Colorado Oil and Gas Conservation Commission, *Draft Amendments to Environmental Impact Prevention, 900 Series*, October 2020.

Colorado Oil and Gas Conservation Commission, *Flowline Regulations, 1100 Series*, January 2020.

North Dakota Industrial Commission, *Order No. 24665*, July 2014.

North Dakota Industrial Commission, *Required Hearing Exhibit – Gas Capture Plan*, September 2014.

North Dakota Industrial Commission, *APD Gas Capture Plan Required*, October 2014.

North Dakota Department of Natural Resources, *Oil and Gas Update*, October 2018.

North Dakota Industrial Commission, *Frequently Asked Questions Version 1121018*, Undated.

North Dakota Industrial Commission, *NDIC Order 24665 Policy / Guidance Version 112018*.

North Dakota Industrial Commission, *Graph: North Dakota Monthly Gas Captured, 2005-2017*.

Texas Railroad Commission, *Gas to be Measured and Surface Commingling of Gas, Chapter 3, Rule 3.27*, February 2019.

Texas Railroad Commission, *Pipeline Permits Required, Chapter 3, Rule 3.70*, January 2020.

Texas Railroad Commission, *Form T-4, Application for Permit to Operate a Pipeline in Texas (Natural Gas Pipelines)*, February 2016.

Alberta Energy Regulator, *Directive 060: Upstream Petroleum Industry Flaring, Incinerating, and Venting*, May 2020.

Alberta Energy Regulator, *Directive 017: Measurement Requirements for Oil and Gas Operations*, May 2020.

British Columbia Oil and Gas Commission, *Flaring and Venting Reduction Guideline, Version 5.1*, May 2018.

International Energy Agency, *Methane Emissions from Oil and Gas*. June 2020.

International Energy Agency, *Methane Tracker Report*. July 2019.

United Nations, Climate and Clean Air Coalition, Oil and Gas Methane Partnership, *Technical Guidance Document Number 9 – Casinghead Gas Venting*, 2015.

United Nations, Climate and Clean Air Coalition, Oil and Gas Methane Partnership, *Technical Guidance Document Number 8 – Well Venting/Flaring During Well Completion For Hydraulically Fractured Gas Wells*, 2015.

United Nations, Climate and Clean Air Coalition, Oil and Gas Methane Partnership, *Technical Guidance Document Number 7 – Well Venting for Liquids Unloading*, 2015.

United Nations, Climate and Clean Air Coalition, Oil and Gas Methane Partnership, *Technical Guidance Document Number 6 – Unstabilized Hydrocarbon Liquid Storage Tanks*, 2015.

GaffneyCline, *Tackling Flaring: Learnings from Leading Permian Operators*, June 2020.

Shell Global Solutions, *Draft Flare Gas Rate Flow Rate and Composition Measurement Methodologies Evaluation Document*, 2003.

4C Environmental Conference, *Upstream Oil and Gas Emissions Calculations: Storage Tanks*, 2017.

Clearstone Engineering Ltd, *Technical Report: Guidelines on Vent and Flare Measurement*, 2008.

Methane Guiding Principles, *Policy Framework for Reducing Oil and Gas Methane Emissions*, Undated.
Methane Guiding Principles, *Synopses – Reducing Methane Emissions: Best Practice Guide*, 2020.
Methane Guiding Principles, *Reducing Methane Emissions: Best Practice Guide – Flaring*, Undated.
Methane Guiding Principles, *Reducing Methane Emissions: Best Practice Guide – Venting*, Undated.
ICF International, *Economic Analysis of Methane Reduction Potential from Natural Gas Systems*, 2016.
Energy and Environmental Research Center, *End-Use Technology Study – An Assessment of Alternative Uses for Associated Gas*, November 2012.
Emerson, *The Engineer’s Guide to Tank Gauging*, 2017 Edition.