



Office of the Governor

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Natural Gas Capture Requirements

House Bill 258

Sponsors: Reps. Matthew McQueen and Kristina Ortez

Overview

This new addition to the Oil and Gas Act establishes requirements for oil and gas operators in New Mexico to capture 98% of the natural gas produced or gathered by their facilities each year starting January 1, 2027.

The Permian Basin has already achieved a 26% reduction in methane emission from oil and gas production operations in 2023.

This bill strengthens existing methane rules by enshrining waste reduction targets into law, providing greater certainty and enforcement authority.

Requirements

- It applies to both oil and gas well operators and natural gas gathering system operations.
- The state's Oil Conservation Division has already created detailed rules for implementation.
- It applies to any person or entity authorized to:
 - Construct, manage or operate oil or gas wells.
 - Manage or operate associated facilities.
 - Operate natural gas gathering systems.

Important exemptions

The 98% capture requirement doesn't include gas that is:

- Released during emergencies.
- Used beneficially by the operator.
- Not suitable for transport/processing due to high levels of nitrogen, hydrogen sulfide, or carbon dioxide.
- Vented or flared from exploratory wells.

Why this matters

- Reduces greenhouse gas emissions and waste.
- Creates economic value from captured gas.
- Improves air quality and public health.
- Drives innovation in capture technology.