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HOUSE MEMORIAL 82

**52ND LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2016**

INTRODUCED BY

James R.J. Strickler

A MEMORIAL

REQUESTING THE NEW MEXICO CONGRESSIONAL DELEGATION TO REPRESENT THE STATE'S INTERESTS AND REQUEST THAT THE FEDERAL GOVERNMENT REEVALUATE THE OVERALL ECONOMIC IMPACT OF THE UNITED STATES BUREAU OF LAND MANAGEMENT'S PROPOSED OIL AND GAS ONSHORE ORDERS 3, 4, 5 AND 9.

WHEREAS, companies operating in New Mexico want to be in compliance and to report and pay their federal royalties correctly as required by federal regulations; and

WHEREAS, in January 2014, the New Mexico tax research institute released a study entitled *Fiscal Impacts of Oil and Natural Gas Production in New Mexico* and, according to the study, thirty-one and one-half percent of New Mexico's general fund revenues were attributed to the oil and natural gas industry for fiscal year 2013; and

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1           WHEREAS, the New Mexico general fund is the primary source  
2 of funding for the operating costs of public schools and higher  
3 education, in addition to state public welfare programs,  
4 environmental protection, tourism support, state-led economic  
5 development efforts and many other functions of state  
6 government; and

7           WHEREAS, the United States bureau of land management is  
8 currently considering proposed changes to its onshore orders 3,  
9 4, 5 and 9 that would greatly add to the regulatory burden of  
10 oil and gas production in New Mexico without clear benefits  
11 attributable to the rule changes; and

12           WHEREAS, proposed changes to onshore order 3 would  
13 redefine commingling agreements that have been in place for  
14 decades and would result in curtailment of production, as a  
15 number of wells would be shut in; and

16           WHEREAS, proposed changes to onshore order 4 for oil  
17 measurement and to onshore order 5 for gas measurement  
18 requesting changes to metering and measurement would result in  
19 minimal accuracy improvements and would negatively impact  
20 existing operations; and

21           WHEREAS, proposed changes to onshore order 9, the venting  
22 and flaring rule, would be duplicative of emission regulations  
23 required by the federal environmental protection agency and  
24 would have less than a one percent return on effort; in fact,  
25 implementation of the venting and flaring rule may result in

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1 the loss of oil and gas reserve production on federal and  
2 Indian lands; and

3 WHEREAS, tribal interests have significant issues at  
4 stake, and their views have not been fully incorporated into  
5 the decisions and proposals to date; and

6 WHEREAS, the proposed federal onshore orders 3, 4, 5 and 9  
7 rule changes have not been properly vetted to consider the  
8 economic impact to the state of New Mexico and the funding of  
9 its educational system;

10 NOW, THEREFORE, BE IT RESOLVED BY THE HOUSE OF  
11 REPRESENTATIVES OF THE STATE OF NEW MEXICO that New Mexico's  
12 congressional delegation be requested to urge the United States  
13 bureau of land management to reevaluate the overall economic  
14 impact of the proposed changes to the onshore orders 3, 4, 5  
15 and 9 and to quantify what the bureau of land management  
16 expects to improve in the royalty accuracy process; and

17 BE IT FURTHER RESOLVED that copies of this memorial be  
18 transmitted to the New Mexico congressional delegation, the  
19 president of the United States, the United States secretary of  
20 the interior, the United States secretary of energy, the  
21 majority leader of the United States senate and the speaker of  
22 the United States house of representatives.