
NMOGA
Ryan Flynn, Executive Director
Legislative Finance Committee
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Permian attracting national attention

THE WALL STREET JOURNAL.

"...oil companies...are piling into the Permian Basin, the oil-rich region straddling Texas and New Mexico that is the epicenter of the second wave of U.S. shale drilling."

The New York Times

"...a rash of multibillion-dollar deals are flashing sparks of recovery in the shale fields of the Permian Basin straddling Texas and New Mexico."

"The Permian Basin has now become the crown jewel of the world's oil and gas industry."

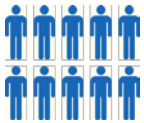
Forbes

"The Permian Basin oil field in southeast New Mexico and west Texas first started producing shortly after World War I. But almost 100 years later, it seems to keep getting better, and may become the world's biggest oil field.

*Permian investments total over $23 Billion over the past 12 months - and more than **$13 Billion in New Mexico alone**.*

Oil & Natural Gas drives New Mexico's Economy

Royalties, taxes, and other revenue accounted for **$1.6 Billion in state funding** in 2016



Responsible for more than **100,000 New Mexico jobs.**

Nationally ranks **#5 in oil** production, and **#8 in natural gas** production

$11.2 Billion contribution to New Mexico's Gross Domestic Product

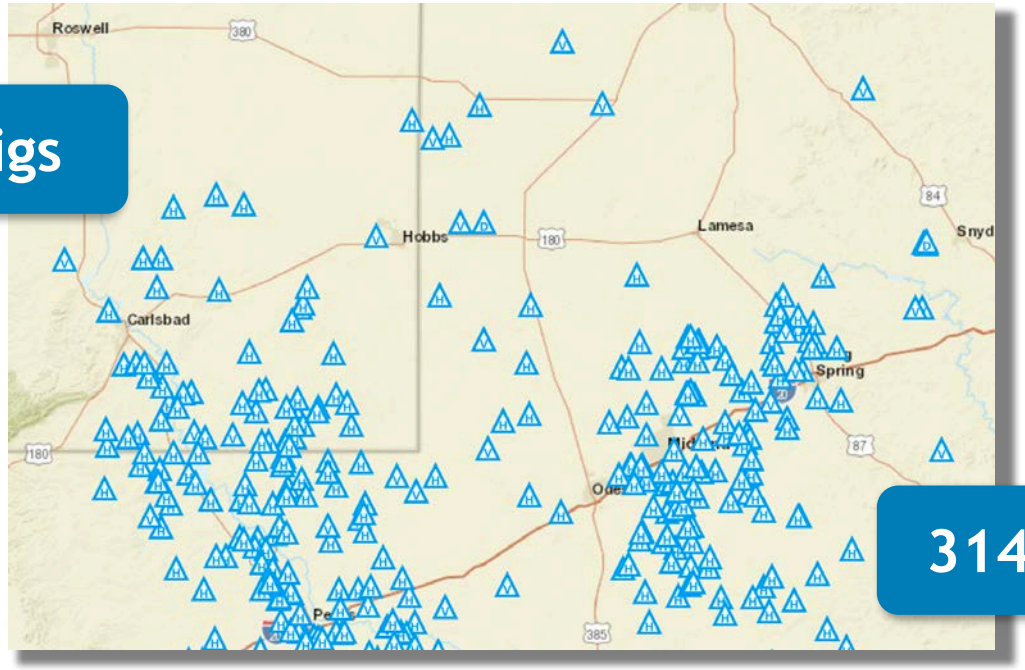
Low prices continue to be a major challenge for industry

Low market prices make operational and regulatory efficiency even more important.

The BLM difference?

59 rigs

New Mexico



314 rigs

Texas

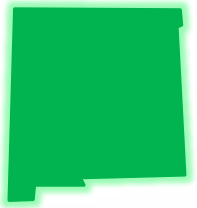
Compare New Mexico and Texas, and the BLM difference is apparent. While permits are readily approved for non-federal land in Texas, much of New Mexico waits.

Average BLM wait times vs New Mexico have significant costs

	APDs	ROWs
Oil Conservation Division	10 days or less	45 days or less
State Land Office	45 days or less	45 days or less
Bureau of Land Management	480 Days – Farmington 250 Days - Carlsbad	365+ Days

Daily Cost of BLM delays in New Mexico
$1,473,000 in federal royalties +
$831,325 in state severance taxes =
$2,304,325

Greenhouse Gas Emissions Continue to slide even as production increases



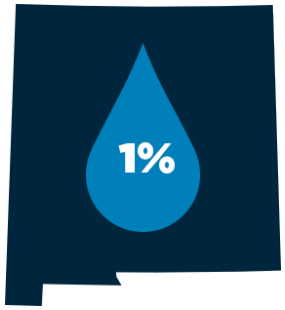
NEW MEXICO
Greenhouse gas emissions are on track to **fall 33% from 2012 levels** by the end of this year, according to NMED.

UNITED STATES
Methane emissions from petroleum systems have already **fallen almost 29%** since 1990, according to data from the EPA.

Meanwhile, since 1990 **natural gas production has increased 52%** while **oil production is up 28%**

Oil and gas is leading the way in reducing emissions, simultaneously increasing production while using innovative technology to protect the environment.

Water Conservation



- Statewide, oil and gas uses less than 1% of all water consumed amongst all people and industries.
- According to a Duke University study, oil and gas uses less than 1% of all water used for industrial purposes nationwide.

- Operators continue to invest millions of dollars in state of the art systems to conserve and recycle water resources to optimize available water.

Fracking and Water

Fracking, also known as hydraulic fracturing, is a proven technology that has been used in New Mexico for the past 50 years and more than 50,000 times to safely produce oil and natural gas.

Fracking and horizontal drilling have allowed operators to develop resources that were previously or not economically viable. Thanks to fracking, New Mexico is one of the United States' leading producers of oil and natural gas, and without fracking oil and gas production would be nearly non-existent in New Mexico.

Massachusetts Institute of Technology

"Based on over sixty years of practical application and a lack of evidence to the contrary, there is nothing to indicate that when coupled with the appropriate well construction; the practice of hydraulic fracturing in deep formations endangers groundwater. There is also a lack of demonstrated evidence that hydraulic fracturing conducted in many shallower formations presents a substantial risk of endangerment to groundwater."


A **stronger** economy.
A **brighter** future.
NMOGA