

HOUSE APPROPRIATIONS AND FINANCE COMMITTEE SUBSTITUTE FOR
HOUSE MEMORIAL 98

53RD LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2017

A MEMORIAL

REQUESTING THE ENERGY, MINERALS AND NATURAL RESOURCES
DEPARTMENT TO PRODUCE A REPORT ON THE AMOUNT OF NATURAL GAS
BEING VENTED AND FLARED IN NEW MEXICO AND ON GAS CAPTURE PLANS
SUBMITTED BY OIL AND GAS OPERATORS AND TO REPORT TO THE
APPROPRIATE INTERIM LEGISLATIVE COMMITTEES ON THE AMOUNT OF
NATURAL GAS LEAKED FROM OIL AND GAS OPERATIONS.

WHEREAS, venting and flaring of natural gas by oil and gas
operators in New Mexico contribute to the waste of limited
energy resources and deprive the state of a needed source of
revenue; and

WHEREAS, in fiscal year 2014, general fund revenues were
six billion dollars (\$6,000,000,000), of which two billion one
hundred million dollars (\$2,100,000,000) came from taxes and
royalties on oil and gas production, according to information

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1 compiled by the New Mexico tax research institute; and

2 WHEREAS, royalties on oil and gas production contributed
3 ninety percent of the revenue generated on state lands that
4 support New Mexico's public schools, universities and
5 hospitals; and

6 WHEREAS, in 2015, approximately one hundred million
7 dollars' (\$100,000,000) worth of natural gas was vented or
8 flared on federal lands in New Mexico on which no royalties
9 were paid, costing the state an estimated six million dollars
10 (\$6,000,000) in lost revenues, according to statistics compiled
11 by the western values project; and

12 WHEREAS, the energy, minerals and natural resources
13 department has implemented new reporting requirements, with the
14 goal of reducing natural gas emissions; and

15 WHEREAS, the energy, minerals and natural resources
16 department has stated its intent to establish a baseline for
17 flaring volumes and targets for reductions; and

18 WHEREAS, since January 15, 2016, the energy, minerals and
19 natural resources department has required oil and gas operators
20 to separately report venting and flaring amounts of natural gas
21 on their monthly production reports; and

22 WHEREAS, since May 2016, the energy, minerals and natural
23 resources department has required oil and gas operators, in
24 their applications for new wells, to submit gas capture plans
25 outlining the actions they have taken to reduce venting and

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1 flaring through connection of wells to pipelines; and

2 WHEREAS, the energy, minerals and natural resources
3 department does not currently require reporting of volumes of
4 natural gas leaked from oil and gas operations;

5 NOW, THEREFORE, BE IT RESOLVED BY THE HOUSE OF
6 REPRESENTATIVES OF THE STATE OF NEW MEXICO that the energy,
7 minerals and natural resources department be requested to
8 produce a report, including:

9 A. a compilation and summary of the information it
10 collects regarding the volumes of natural gas vented and
11 flared;

12 B. the reasons natural gas is vented and flared;
13 and

14 C. the information it collects from gas-recapture
15 plans submitted by oil and gas operators; and

16 BE IT FURTHER RESOLVED that the energy, minerals and
17 natural resources department be requested to include in its
18 report proposals to increase the volumes of natural gas to be
19 sold rather than vented and flared and information about
20 existing and proposed natural gas pipelines and processing
21 facilities, and any commercially viable technologies to be used
22 in place of selling natural gas through a pipeline; and

23 BE IT FURTHER RESOLVED that the energy, minerals and
24 natural resources department be requested to include in the
25 report information on venting and flaring and gas-recapture

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1 plans, classified by federal, state, Indian and private mineral
2 ownership, county and operator; and

3 BE IT FURTHER RESOLVED that the energy, minerals and
4 natural resources department also be requested to identify in
5 its report the top twenty-five operators venting natural gas
6 and the top twenty-five operators flaring natural gas; and

7 BE IT FURTHER RESOLVED that the energy, minerals and
8 natural resources department be requested to make its report
9 accessible to the public through the website of the oil
10 conservation division of the energy, minerals and natural
11 resources department; and

12 BE IT FURTHER RESOLVED that duplicate copies of the report
13 be filed with the legislative council service library; and

14 BE IT FURTHER RESOLVED that the energy, minerals and
15 natural resources department be requested to report to the
16 appropriate interim legislative committees regarding the amount
17 of gas wasted through venting, flaring and leakage; reasons why
18 natural gas is flared or vented; proposals to increase the
19 natural gas that is sold rather than vented and flared; plans
20 to capture the wasted gas; cost and benefit issues; and
21 possible regulatory changes; and

22 BE IT FURTHER RESOLVED that copies of this memorial be
23 transmitted to the secretary of energy, minerals and natural
24 resources, the secretary of finance and administration, the
25 secretary of environment, the commissioner of public lands, the

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1 members of the New Mexico congressional delegation and the co-
2 chairs of the New Mexico legislative council.

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