LFC Requester:

**Caitlyn Wan** 

#### AGENCY BILL ANALYSIS 2024 REGULAR SESSION

#### WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO:

Analysis.nmlegis.gov

*{Analysis must be uploaded as a PDF}* 

#### **SECTION I: GENERAL INFORMATION**

{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}

Check all that apply:		<b>Date</b> 2/12/24
Original	x Amendment	Bill No: HM 58
Correction	Substitute	
		A gonay Nama

	and Code EMNRD – 521
Rep. Joseph Sanchez	Number:
OIL & GAS FACILITY	Person Writing Analysis: Ben Shelton, General Counsel
SETBACKS STUDY	Phone: 505-487-6648 Email: benjamin.shelton@emnrd.nm.gov

#### **SECTION II: FISCAL IMPACT**

#### **APPROPRIATION (dollars in thousands)**

Appropriation		Recurring	Fund	
FY24	FY25	or Nonrecurring	Affected	

(Parenthesis () Indicate Expenditure Decreases)

### **REVENUE (dollars in thousands)**

	Recurring	Fund		
FY24	FY25	FY26	or Nonrecurring	Affected

(Parenthesis () Indicate Expenditure Decreases)

## **ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)**

	FY24	FY25	FY26	Recurring or Nonrecurring	Fund Affected
Total					

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to: Similar but not identical to SM 8 and SM 14.

Duplicates/Relates to Appropriation in the General Appropriation Act: N/A

#### **SECTION III: NARRATIVE**

#### **BILL SUMMARY**

#### Synopsis:

The "whereas" section of HM 58 restates the authority of the Oil Conservation Division of the Energy, Minerals and Natural Resources Department (EMNRD), and describes the revenue and economic impacts of the oil and gas industry in New Mexico.

The memorial then resolves that EMNRD convene a stakeholder group to evaluate setbacks, consult with the Legislative Finance Committee to evaluate fiscal impacts of setbacks, evaluate the impacts of setbacks on waste and correlative rights, and report findings to LFC and natural resources interim committees.

### **FISCAL IMPLICATIONS**

None for EMNRD.

### SIGNIFICANT ISSUES

Staff from the Office of the Secretary, the Office of General Counsel, and the Oil Conservation Division participated in workgroups relating to reform and modernization of the Oil and Gas Act with industry and NGO stakeholders beginning in August 2023 and leading up to the 2024 legislative session, resulting in the introduction of 2024 HB 133. The resolutions in HM 58 simply direct EMNRD staff to continue to participate in that process in the 2024 interim leading into the 2025 long session.

### PERFORMANCE IMPLICATIONS

N/A

### **ADMINISTRATIVE IMPLICATIONS**

The staff time required to participate in these sort of policy development meetings is minimal and not expected to disrupt or subtract from the performance of other agency duties.

# CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

N/A

## **TECHNICAL ISSUES**

N/A

## **OTHER SUBSTANTIVE ISSUES**

N/A

## ALTERNATIVES

N/A

# WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

N/A

## AMENDMENTS

N/A