

PERFORMANCE REPORT CARD

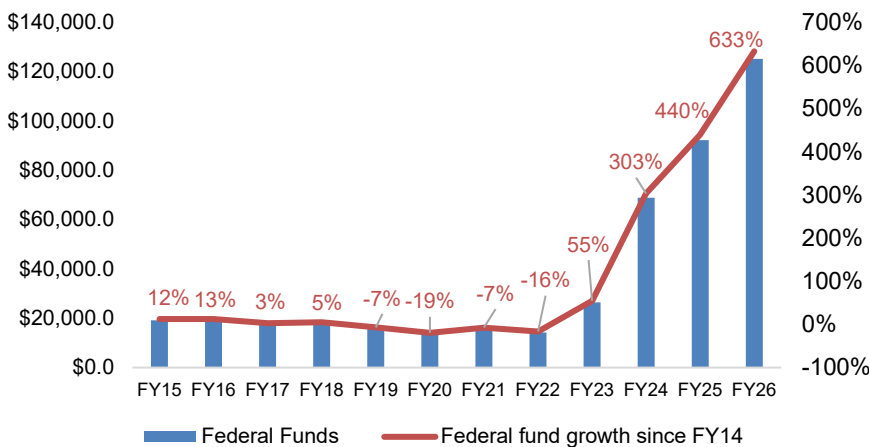
Energy, Minerals and Natural Resources Department
Second Quarter, Fiscal Year 2025

ACTION PLAN

Submitted by agency?	Yes
Timeline assigned?	Yes
Responsibility assigned?	Yes

The Energy, Minerals and Natural Resources Department (EMNRD) continued to utilize the significant investments from the Legislature and federal government to improve key performance metrics. However, the Oil Conservation Division's (OCD) orphaned and abandoned well plugging program fell short on the number of wells plugged because of new compliance requirements. Federal funding issues further contributed to the missed goal. OCD is not the only division of EMNRD to have issues with federal funding—the Energy, Conservation and Management Division also note concerns with federal funds. EMNRD's overall budget for FY25 is \$175.8 million, with federal funds comprising over half (52.5 percent).

EMNRD Federal Funds Growth Since FY14



Healthy Forests

Wildland Firefighter Training. The Healthy Forests Program saw a significant bump in training numbers after the fires in 2022, resulting in historic numbers of newly trained wildland firefighters in 2023 and 2024. The program also predicts an increased interest in wildland wildfire training because of the fires in Los Angeles. Due to the department's resources being directed to firefighting activities in and out of the state for the majority of the first quarter of FY25, no new trainings were provided in the first quarter. Twenty-one training courses were held in the second quarter and 60 are planned for the

third, which could result in training numbers moving back up to previous year totals.

Forest and Watershed Treatment. The program reports the average per-acre cost of forest and watershed restoration has risen due to increased contractor wage rates and supply costs. The work receives additional funding from the irrigation works construction fund and the land of enchantment legacy fund. These additional funds are aimed at enhancing funding predictability and directing expanding state resources to statewide forest and watershed treatments.

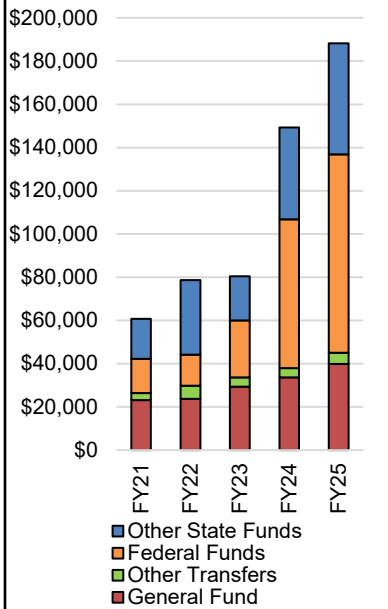
In the second quarter, the Healthy Forests Program treated 7,556 acres, more than half of the FY25 annual target. The program notes low snowpack improved access to watersheds and forests and allowed the program to treat an higher-than-average number of acres. While the low snowpack made it possible to treat more acreage, it also increases the threat of wildfire.

Budget: \$61,269 FTE: 145	FY23 Actual	FY24 Actual	FY25 Target	FY25 Q1	FY25 Q2	Rating
Number of nonfederal wildland firefighters provided professional and technical incident command system training.	1,554	3,012	1,500	0	364	Y
Number of acres treated in New Mexico's forest and watersheds.	15,735	13,954	14,500	810	7,556	G
Program Rating	Y	G				Y

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**EMNRD Appropriations
by Funding Source
(in thousands)**



Energy Conservation and Management

At the conclusion of the second quarter, ECM had received 1,107 applications for the solar market development tax credit. Of these, 287 applications were returned due to incompleteness, while 820 were successfully approved for processing. ECM also received 71 applications for the energy conserving products credit and 160 applications for the sustainable building tax credit. The program is working with EMNRD IT staff to make improvements to its online application portal to accommodate updated clean car and clean car charging tax credits passed in the 2024 legislative session.

In late 2022, ECM applied for federal grid modernization grant funding under the Infrastructure Investment and Jobs Act. This grant is expected to bring in more than \$35 million to New Mexico over a five-year period, and ECM was awarded \$14.4 million for the program's first two years (FY22-23). The grant requires a 15 percent state match, which the Legislature appropriated funds for in both FY24 and FY25. ECM has noted issues with receiving federal funding, either through slow processing or no response. The issue of receiving federal funds should be closely monitored because most of the funding for the program and its initiatives is federal. Pauses or lapses in federal funding for the community energy efficiency block grants and similar projects would inhibit the state's energy transition.

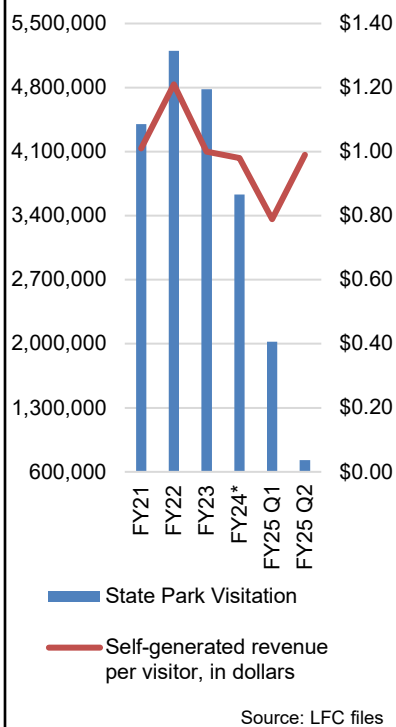
Budget: \$6,373.9 **FTE:** 34

Percent of completed applications for clean energy tax credits reviewed within 30 days of receipt

FY23 Actual	FY24 Actual	FY25 Target	FY25 Q1	FY25 Q2	Rating
99%	99%	95%	99.9%	100%	G
G	G				G

Program Rating

**State Park Visitation vs.
Self-Generated
Revenue Per Visitor**



State Parks

Visitation to state parks is typically low in the cold months of the second quarter. The State Parks Program initiated marketing and outreach initiatives to attract both residents and nonresidents to visit during peak season. New state park fees have increased the amount of revenue the program receives. While visitation was low, the amount of revenue per visitor increased to the FY25 target.

Budget: \$41,352.9 **FTE:** 241.31

Number of visitors to state parks

FY23 Actual	FY24 Actual	FY25 Target	FY25 Q1	FY25 Q2	Rating
4.78 million	5.4 million	4.75 million	2.02 million	729.8 thousand	G
\$1.01	\$1.21	\$1.00	\$0.80	\$0.99	G
G	G				G

Amount of self-generated revenue per visitor, in dollars

Program Rating

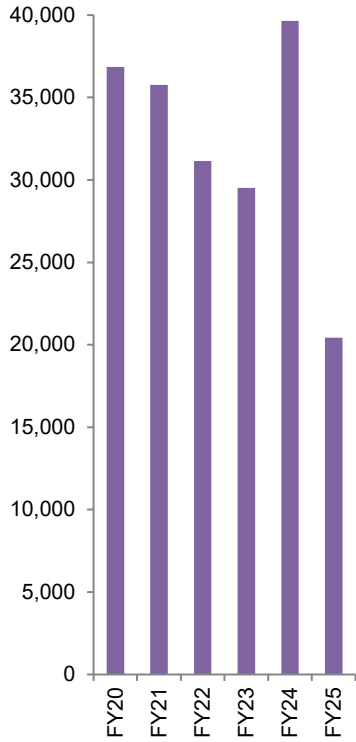
Mine Reclamation

The Mine Reclamation Program require financial assurance for permitted mines. The coal program monitors six coal mines, all of which are 100 percent covered by financial

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**Number of Inspections
of Oil and Gas Wells
(and associated facilities)**



Source: EMNRD

assurance. The mining program manages 60 mines, of which 59 have adequate financial assurance posted to cover the cost of reclamation. Together, the programs have a 99 percent compliance rate. Due to the stability of the existing performance measures, new performance measures should be discussed to gain more information on the division's activity.

Budget: \$13,668.1 FTE: 33	FY23 Actual	FY24 Actual	FY25 Target	FY25 Q1	FY25 Q2	Rating
Percent of permitted mines with approved reclamation plans and adequate financial assurance posted to cover the cost of reclamation.	99%	99%	99%	99%	99%	G
Program Rating	G	G				G

Oil and Gas Conservation

The Oil and Gas Conservation Program issued 1,426 violations across the state's oil-producing basins during routine inspections in the second quarter of FY25. The program increased its pace of inspections after three consecutive years of decline while also implementing new inspection protocols. Halfway through the fiscal year, the program is well on pace to exceed its 30 thousand inspection target. The program currently has an acting director, with efforts to hire a permanent one underway. The program has 33 vacant FTE, a funded vacancy rate of 15.3 percent, and \$1.5 million in projected vacancy savings in FY25.

The program is behind its target for plugging abandoned wells. Use of federal funds for plugging has been delayed due to new requirements and compliance with the Endangered Species Act and National Historic Preservation Act. The program notes issues with receiving federal funding. Lags in receiving federal funds for work such as plugging abandoned and orphaned wells should be closely monitored. With 2,000 orphaned wells identified in New Mexico, the agency's ability to complete these plugging projects, with the aid of federal funds, is critical to protecting public health and safety.

Budget: \$58,008.3 FTE: 86	FY23 Actual	FY24 Actual	FY25 Target	FY25 Q1	FY25 Q2	Rating
Number of inspections of oil and gas wells and associated facilities	29,522	39,640	30,000	11,691	8,749	G
Number of abandoned wells properly plugged	76	105	70	9	18	Y
Number of violations issued with associated administrative penalties*	2,552	5,138	N/A	1,343	1,426	
Program Rating	Y	Y				Y

*Measure is classified as explanatory and does not have a target.