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A MEMORIAL

DECLARING FEBRUARY 6, 2019 "OIL AND GAS INDUSTRY DAY" IN THE HOUSE OF REPRESENTATIVES.

WHEREAS, New Mexico is one of North America's leading energy producers, ranking third in oil production and ninth in natural gas production according to data collected by the United States energy information administration; and

WHEREAS, the Permian basin is at the center of an energy resurgence attracting interest from around the world; and

WHEREAS, a 2018 resource review by the United States geological survey described the Permian basin as the "largest continuous oil and gas resource ever assessed" with an estimated potential for extraction of forty-six billion three hundred million barrels of oil plus two hundred eighty-one trillion cubic feet of gas and twenty billion barrels of natural gas liquids; and

WHEREAS, the oil and natural gas industry is the largest private sector employer in New Mexico, providing more than one hundred thousand direct and indirect jobs for state residents; and

WHEREAS, the revenues collected from New Mexico's oil and natural gas industry help fund the state's schools, roads and public facilities; and

WHEREAS, the oil and natural gas industry in New Mexico

1 is the state's leading educational supporter and provides  
2 over ninety percent of all school capital investment through  
3 the land grant permanent fund, also known as the permanent  
4 school fund; and

5 WHEREAS, the New Mexico tax research institute,  
6 analyzing data from the legislative finance committee and the  
7 department of finance and administration, estimates that the  
8 oil and natural gas industry in New Mexico contributed  
9 approximately two billion two hundred one million seven  
10 hundred thousand dollars (\$2,201,700,000), or roughly thirty-  
11 two percent, to the state general fund during fiscal year  
12 2018; and

13 WHEREAS, the oil and natural gas industry in New Mexico  
14 also contributed approximately seven hundred forty-nine  
15 million seven hundred thousand dollars (\$749,700,000) to the  
16 corpus of the land grant permanent fund and the severance tax  
17 permanent fund in fiscal year 2018; and

18 WHEREAS, as of fiscal year 2018, ninety-six and eight-  
19 tenths percent of the land grant permanent fund and eighty-  
20 seven percent of the severance tax permanent fund are  
21 composed of contributions made by the oil and natural gas  
22 industry in New Mexico through the payment of royalties and  
23 severance taxes; and

24 WHEREAS, the New Mexico tax research institute estimates  
25 that the oil and natural gas industry generated approximately

1 eight hundred twenty-two million three hundred thousand  
2 dollars (\$822,300,000) in funding for public schools in New  
3 Mexico and approximately two hundred forty million five  
4 hundred thousand dollars (\$240,500,000) for colleges and  
5 universities in the state in fiscal year 2018; and

6 WHEREAS, according to the United States department of  
7 the interior, New Mexico earned six hundred thirty-four  
8 million nine hundred thousand dollars (\$634,900,000) from  
9 energy and mineral production on federal and tribal lands  
10 during fiscal year 2018, making it the number one state for  
11 earnings last year; and

12 WHEREAS, approximately eighty percent of year-over-year  
13 growth in estimated revenue collection in fiscal year 2018  
14 has been attributed to increased oil and natural gas  
15 production and higher severance tax collections, improved oil  
16 and natural gas industry-related rents and royalties and  
17 additional gross receipts tax revenue from Eddy and Lea  
18 counties in the Permian basin, according to legislative  
19 finance committee economists; and

20 WHEREAS, natural gas is the second-largest source of  
21 electricity generation in New Mexico and provides heating for  
22 two-thirds of the state's households, according to the United  
23 States energy information administration; and

24 WHEREAS, New Mexico's oil and natural gas producers are  
25 committed to innovating and investing in cutting-edge

1 technologies to further minimize the industry's environmental  
2 footprint while safely and responsibly growing energy  
3 production; and

4 WHEREAS, the number of rigs operating in New Mexico in  
5 2018 was more than double the number from the previous year;  
6 and

7 WHEREAS, oil and gas producers, independent of the  
8 revenues paid to the state through royalties and taxes,  
9 invested millions of dollars in the ten New Mexico counties  
10 in which they operate, providing scholarships to students,  
11 rewards to teachers, investments in emergency services and  
12 equipment and contributions to schools and youth community  
13 programs; and

14 WHEREAS, an unprecedented coalition of sixteen oil and  
15 gas companies, each represented by its chief executive  
16 officer, formed the Permian strategic partnership to work in  
17 partnership with local stakeholders to address infrastructure  
18 challenges and strengthen communities across west Texas and  
19 southeast New Mexico; and

20 WHEREAS, the Permian strategic partnership completed an  
21 initial analysis in 2018, which identified the need for safer  
22 roads, superior schools, quality health care, affordable  
23 housing and a trained workforce as priority focus areas  
24 across the Permian basin; and

25 WHEREAS, the companies participating in the Permian

1 strategic partnership have committed one hundred million  
2 dollars (\$100,000,000) for investments in the communities  
3 impacted by oil and gas production in the basin; and

4 WHEREAS, oil and gas industry companies remain committed  
5 to collaborating with New Mexico's residents, non-  
6 governmental organizations and public sector stakeholders to  
7 inform and safeguard the development of positive and sound  
8 public policies regulating industry;

9 NOW, THEREFORE, BE IT RESOLVED BY THE HOUSE OF  
10 REPRESENTATIVES OF THE STATE OF NEW MEXICO that February 6,  
11 2019 be declared "Oil and Gas Industry Day" in the house of  
12 representatives; and

13 BE IT FURTHER RESOLVED that copies of this memorial be  
14 transmitted to the New Mexico oil and gas association, the  
15 Permian basin petroleum association and the independent  
16 petroleum association of New Mexico. \_\_\_\_\_

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