

# NEW MEXICO REPORT

GOVERNMENTAL AFFAIRS, MIKE MILLER

Santa Fe, New Mexico

It has been extremely busy since the session ended in March. All of the new legislation became effective on July 1. Some of the highlights of activity are listed below. Mike Miller traveled with the New Mexico Amigos on their Goodwill trip. Governor Michelle Lujan Grisham accompanied the group on the first two legs of the trip, along with State Sen. Bill Payne. Mike was able to spend quality time with the Governor and visit mainly to just renew their acquaintance but also to discuss some issues related to industry.

As a result of the goodwill established and hard work put in on behalf of the PBPA, State Land Commissioner Stephanie Garcia Richards appointed Mike as an advisor member to her oil and gas advisory committee and the committee held its first meeting on June 5th. The following items were discussed:

Cultural Resources: Sunalei Stewart stated the SLO is looking to develop a policy regarding cultural resources. Currently it is “you break it, you buy it”, this is not a good policy. He believes the policy will look somewhat like the BLM’s archeologic survey.

Restructuring Minimum Bid Policy: Jordan Kessler updated the committee regarding a new policy for minimum bids. She indicated that the policy will reflect what is expected from a tract rather than just a low bid. Several factors will be used to determine the minimum bids such as: size of tract; location; nearby production; historic pricing including BLM data; level of production and development; orientation of adjacent tracts and nearby infrastructure.

Salt Water Disposal Policy: Jordan continued with this subject stating the permit applications have proliferated. They have formed a water bureau which is a subdivision of the Minerals Division. They are working on policies regarding disposals adjacent to State Lands which would have different per barrel pricing for different distance up to ½ mile. Pricing will not be over five cents per barrel.

Illegal Dumping: The office needs information from industry, illegal dumping is becoming a huge problem. There was considerable discussion on this matter and several suggestions offered. Some of the suggestions may require legislative action.

Questions and Concerns: First comment from one company representative was that they are getting permits faster than in the past. The Commissioner indicated that this group could be used to further streamline the permitting process. Methane emissions were discussed. Commissioner stated not a big effort right now but she would like to see a reduction. Surface damages were brought up. The Commissioner has put in the AG leases regarding side payments. She needs data from industry regarding damages paid to surface owners. The meeting adjourned after approximately two hours. The Commissioner plans for the group to meet at least quarterly throughout the year.

Mike, along with Julie Green, attended the New Mexico EnergyPlex third annual conference in Hobbs. A final highlight of the quarter was PBPA hosting the Legislative Finance Committee for a reception when the committee met in Portales.