

STAFF REPORTS

NEW MEXICO GOVERNMENT AFFAIRS,
Mike Miller, PBPA

During this quarter, our work in New Mexico primarily focused on a number of regulatory issues, a legal action against the state, as well as association building opportunities.

PFAS

At the end of Q2 2023, environmental groups filed a rulemaking application with the New Mexico Oil Conservation Commission (OCC) focused on the use of Perfluoroalkyl and Polyfluoroalkyl substances, so-called “forever chemicals” (PFAS), in the oil and gas industry. The OCC held a hearing on July 13 concerning the issue, and the hearing had the sole purpose of whether to hold an additional public hearing on the proposed rule. PBPA is working with NMOGA and IPANM on this issue and supported a hearing to be held in the first quarter of 2024. This will allow for proper stakeholder engagement and education. OCC set a hearing on the proposed rule for the week of February 26, 2024.

Since the setting of that hearing, OCC has also requested responses to a notice for request of expert witness on PFAS. Through PBPA members, we identified a company to recommend. That company has since submitted a response to the notice of request.

PBPA, NMOGA and IPANM are also working on an engagement agreement between the trades to protect our communications and work product on the issue.

Atencio v. New Mexico

In May 2023, environmental groups, among others, brought a lawsuit against the State of New Mexico, the Governor, the Legislature, and several state agencies, for violating the state’s constitution as it regards provisions providing for a clean environment. PBPA has been consulting with NMOGA, IPANM and other stakeholders regarding the possible need for industry intervention in the suit. As it stands, it appears there is support for industry to engage through the New Mexico Chamber of Commerce in the suit.

Proposed Revisions to the Oil and Gas Act

In August, word began spreading that the Governor would be adding to her call during the upcoming short legislative session proposed revisions to the Oil & Gas Act. Since that time, the New Mexico Oil Conservation Division (OCD) has distributed a list of priority revision topics and has been conducting stakeholder meetings on these topics. These meetings include representatives from industry as well as from environmental NGOs and the proposed topics include: freshwater use; setbacks; financial assurances & civil penalties; well transfer limitations; fee increases; and, codifying the 98% gas capture regulation. PBPA has been attending and engaging in these meetings as well as coordinating with NMOGA and IPANM on their efforts regarding the same.

Other Activities:

Along with the three above efforts, PBPA staff also performed the following actions this quarter:

- Attended the EnergyPlex conference in Hobbs.
- Presented at the National Association of Royalty Owners-Texas/New Mexico conference in San Antonio on behalf of PBPA.
- Attended the IPANM conference in July.
- Worked with House Leadership on speaking at the annual meeting.
- Continue tracking all pertinent interim committees.