

1 SENATE MEMORIAL 102

2 **53RD LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2017**

3 INTRODUCED BY

4 Benny Shendo, Jr.

5
6
7
8
9
10 A MEMORIAL

11 REQUESTING THE ENERGY, MINERALS AND NATURAL RESOURCES
12 DEPARTMENT TO PRODUCE A REPORT ON THE AMOUNT OF NATURAL GAS
13 BEING VENTED AND FLARED IN NEW MEXICO AND ON GAS CAPTURE PLANS
14 SUBMITTED BY OIL AND GAS OPERATORS AND TO REPORT TO THE
15 APPROPRIATE INTERIM LEGISLATIVE COMMITTEES ON THE AMOUNT OF
16 NATURAL GAS LEAKED FROM OIL AND GAS OPERATIONS.

17
18 WHEREAS, venting and flaring of natural gas by oil and gas
19 operators in New Mexico contribute to the waste of limited
20 energy resources and deprive the state of a needed source of
21 revenue; and

22 WHEREAS, in fiscal year 2014, general fund revenues were
23 six billion dollars (\$6,000,000,000), of which two billion one
24 hundred million dollars (\$2,100,000,000) came from taxes and
25 royalties on oil and gas production, according to information

.207260.1

underscored material = new
[bracketed material] = delete

underscored material = new
~~[bracketed material] = delete~~

1 compiled by the New Mexico tax research institute; and

2 WHEREAS, royalties on oil and gas production contributed
3 ninety percent of the revenue generated on state lands that
4 support New Mexico's public schools, universities and
5 hospitals; and

6 WHEREAS, in 2015, approximately one hundred million
7 dollars' (\$100,000,000) worth of natural gas was vented or
8 flared on federal lands in New Mexico on which no royalties
9 were paid, costing the state an estimated six million dollars
10 (\$6,000,000) in lost revenues, according to statistics compiled
11 by the western values project; and

12 WHEREAS, scientific research by the national aeronautics
13 and space administration and the national oceanographic and
14 atmospheric administration has established that the oil and gas
15 industry bears primary responsibility for the methane hot spot
16 in the San Juan basin; and

17 WHEREAS, the energy, minerals and natural resources
18 department has implemented new reporting requirements, with the
19 goal of reducing natural gas emissions; and

20 WHEREAS, the energy, minerals and natural resources
21 department has stated its intent to establish a baseline for
22 flaring volumes and targets for reductions; and

23 WHEREAS, since January 15, 2016, the energy, minerals and
24 natural resources department has required oil and gas operators
25 to separately report venting and flaring amounts of natural gas

.207260.1

underscored material = new
[bracketed material] = delete

1 on their monthly production reports; and

2 WHEREAS, since May 2016, the energy, minerals and natural
3 resources department has required oil and gas operators, in
4 their applications for new wells, to submit gas capture plans
5 outlining the actions they have taken to reduce venting and
6 flaring through connection of wells to pipelines; and

7 WHEREAS, the energy, minerals and natural resources
8 department does not currently require reporting of volumes of
9 natural gas leaked from oil and gas operations;

10 NOW, THEREFORE, BE IT RESOLVED BY THE SENATE OF THE STATE
11 OF NEW MEXICO that the energy, minerals and natural resources
12 department be requested to produce a report, including a
13 compilation and summary of the information it collects
14 regarding the volumes of natural gas vented and flared and of
15 the information it collects from gas-recapture plans submitted
16 by oil and gas operators; and

17 BE IT FURTHER RESOLVED that the energy, minerals and
18 natural resources department be requested to include in the
19 report information on venting and flaring and gas-recapture
20 plans, classified by federal, state, Indian and private mineral
21 ownership, county and operator; and

22 BE IT FURTHER RESOLVED that the energy, minerals and
23 natural resources department also be requested to identify in
24 its report the top twenty-five operators venting natural gas
25 and the top twenty-five operators flaring natural gas; and

.207260.1

underscoring material = new
~~[bracketed material]~~ = delete

1 BE IT FURTHER RESOLVED that the energy, minerals and
2 natural resources department be requested to make its report
3 accessible to the public through the website of the oil
4 conservation division of the energy, minerals and natural
5 resources department; and

6 BE IT FURTHER RESOLVED that duplicate copies of the report
7 be filed with the legislative council service library; and

8 BE IT FURTHER RESOLVED that the energy, minerals and
9 natural resources department be requested to report to the
10 appropriate interim legislative committees regarding the amount
11 of gas wasted through venting, flaring and leakage; plans to
12 capture the wasted gas; cost and benefit issues; and possible
13 regulatory changes; and

14 BE IT FURTHER RESOLVED that copies of this memorial be
15 transmitted to the secretary of energy, minerals and natural
16 resources, the secretary of finance and administration, the
17 secretary of environment, the commissioner of public lands, the
18 members of the New Mexico congressional delegation and the co-
19 chairs of the New Mexico legislative council.

20 - 4 -
21
22
23
24
25