

Valentine, Velvet, EMNRD

From: Mayor Office <mayor.office@cityofcarlsbadnm.com>
Sent: Wednesday, January 6, 2021 4:42 PM
To: Davidson, Florene, EMNRD
Subject: [EXT] Letter to Members of the Oil Conservation Commission
Attachments: letter to Oil Conservation Commission.pdf

Please see attached letter

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Cheyenne Methola
Executive Assistant to Mayor Dale Janway
101 N. Halagueno St.
Carlsbad, NM 88220
575-887-3798
mayor.office@cityofcarlsbadnm.com



DALE JANWAY
MAYOR

Post Office Box 1569
Carlsbad, NM 88221-1569
(575) 887-1191
1-800-658-2713
www.cityofcarlsbadnm.com

JOHN N. LOWE
CITY ADMINISTRATOR

Jan. 8, 2021

Oil Conservation Commission
1220 South St. Francis Drive
Santa Fe, New Mexico, 87595
Florene.davidson@state.nm.us

Dear Members of the Oil Conservation Commission:

We are writing to encourage the Commission to pursue a balanced path forward that considers both environmental objectives and the economic well-being of the state. Oil and natural gas production is the most important contributor to our state's budget and economy and will play an essential role in the state's upcoming recovery effort. We need to all work together to move past the devastation wrought by COVID-19.

Prior to the pandemic, more than 40% of New Mexico's general operating fund and over 90% of New Mexico's severance tax funding for capital projects were a direct as a result of our oil and gas industry. Even after the pandemic began in 2020, oil and gas still provided \$2.8 billion to the state budget, including \$1.4 billion for public school and higher education. In addition, oil and natural gas production and processing is responsible for more than 134,000 New Mexico jobs and \$17 billion in economic activity.

It is essential to the citizens of Carlsbad that rules developed by the state allow this industry to grow, create jobs, attract investment and provide critical funds for our state budget and public schools. We encourage the State of New Mexico to work with industry, who has already shown a great deal of progress in terms of technological innovations which helpful to the environment.

These oil and natural gas producers are investing heavily in new technologies and proactively working to reduce the risks of climate change by taking action to limit emissions of methane and other greenhouse gases. There are many brilliant, highly creative members of this industry, who are putting their problem-solving skills to good use in solving these problems.

As Mayor of the City of Carlsbad, I encourage the Commission to ensure that any state regulation allow policymakers to meet their objectives while supporting economic growth and job risks associated with climate change and ensuring the continued strength of oil and gas as the state's largest and most successful private industry.

Sincerely,

Carlsbad Mayor Dale Janway

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