



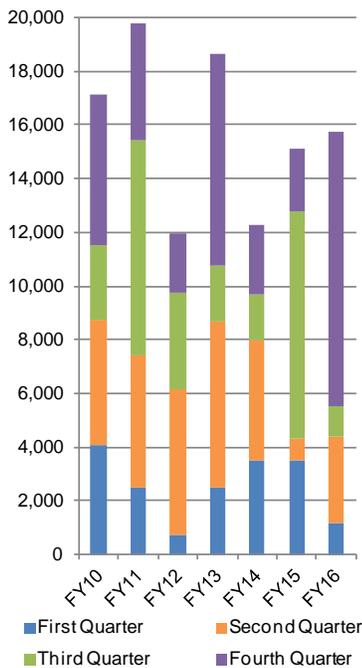
KEY ISSUES

New Mexico state parks lost \$5.8 million, or \$1.35 per visitor, in FY15 when comparing operating costs to visitor revenues. The State Parks Division (SPD) is looking to new sources for raising revenue to fund park operations, such as partnering with individuals and other governmental, private, or non-profit entities. In past years, the agency has been successful in attracting outside support, like the donor funded, state-of-the-art reptile exhibit at the Living Desert Zoo and Gardens State Park in Carlsbad. SPD is also working to recruit volunteers and agreed to begin tracking and reporting, as a performance measure, on volunteer activities beginning in FY18. Volunteers can improve the visitor experience while saving agency resources.

AGENCY IMPROVEMENT PLANS

Submitted by agency? No
Timeline assigned by agency? No
Responsibility assigned by agency? No

Forest and Watershed Acres Treated



The Energy, Minerals and Natural Resources Department fell short of some key performance targets in FY16, including forest treatment and state park revenue, while significantly improving in many areas. Despite rough conditions and difficulty accessing certain areas, the State Forestry Division treated more acres in the fourth quarter of FY16 than in any quarter since at least FY12. State parks attracted a record number of visitors, nearly 5.5 million, in FY16, while working to strike a balance between bringing in revenues and offering affordable recreation.

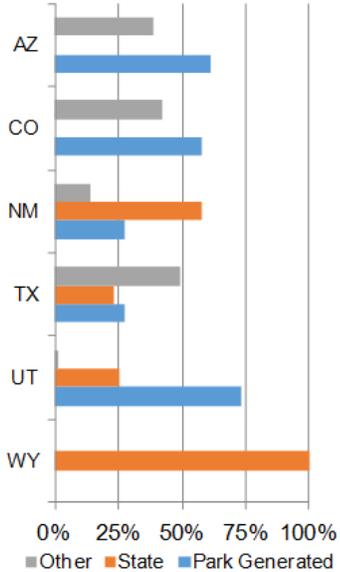
Healthy Forests. The agency thinned over 10 thousand acres in the fourth quarter, but fell short of the annual target due to impaired access to project areas earlier in the fiscal year. Due to a delayed start to the monsoon season, most of New Mexico remains abnormally dry or in moderate drought, and forecasts through spring 2017 show above average temperatures and below average precipitation. Significant fire activity typically peaks from late June to early July, coincident with the summer thunderstorm. July had above normal temperatures and virtually no statewide precipitation this year, causing above normal fire activity. Recent monsoonal moisture has been sporadic, but the increase in precipitation and relative humidity has been enough to deter large fires.

Measure	FY14 Actual	FY15 Actual	FY16 Target	FY16 Actual	Rating
Nonfederal wildland firefighters trained	2,074	1,625	1,875	1,627	R
Acres treated in New Mexico's forest and watersheds	12,277	15,142	19,000	15,762	R
At-risk communities or local fire departments provided funding for wildland firefighting equipment or training	133	112	110	126	G
People employed under the veterans firefighter program	New	New	30	45	G
Program Rating					Y

State Parks. Starting FY16 with record attendance at Elephant Butte for the 2015 Independence Day weekend, visitation to New Mexico state parks easily surpassed the target. Per visitor revenue declined but overall visitor revenue increased by \$335 thousand, or 8 percent, over FY15 levels, to \$4.4 million, the highest visitor revenues since FY11. According to the National Association of State Park Directors, New Mexico state parks generate just over one-quarter of their operating revenue, lower than both Colorado and Arizona, which rely on park revenue for over half of expenses, but in line with Texas state parks.

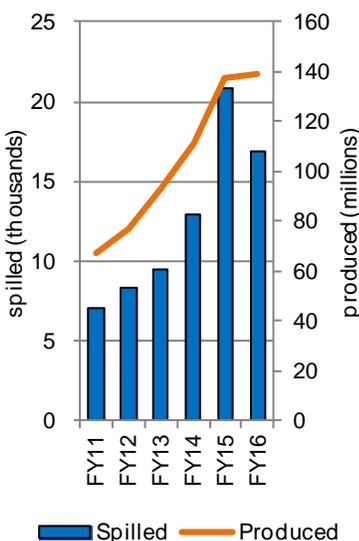
Measure	FY14 Actual	FY15 Actual	FY16 Target	FY16 Actual	Rating
Visitors to state parks, in millions	3.98	4.68	3.90	5.46	G
Self-generated revenue per visitor	\$0.96	\$0.87	\$0.96	\$0.81	R
Interpretive programs available to park visitors	2,358	1,780	2,500	1,312	R
Boating safety courses completed	712	753	700	937	G
Program Rating					Y

Percent of State Park Revenues, by Source



0% 25% 50% 75% 100%
 ■ Other ■ State ■ Park Generated
 Source: National Association of State Park Directors

Barrels of Oil Spilled and Produced



Source: OCD Data

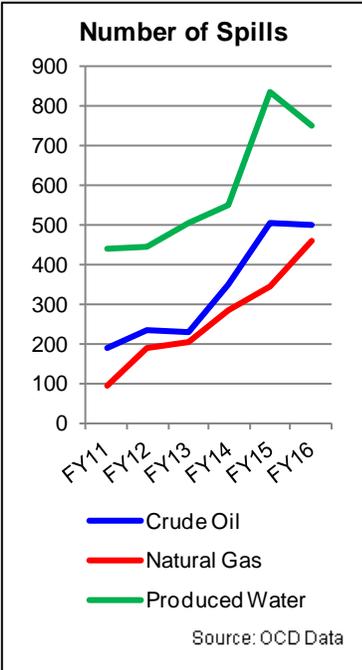
Mine Reclamation. Four mines do not have adequate financial assurance, three mines operated by Freeport McMoran, Inc. (FMI) and the Asarco Deming Mill. EMNRD recently received letters from FMI addressing required modifications to its permits, including reducing third-party guarantees for each and increasing the value of trust agreements. The agency is reviewing recently submitted financial information for the third-party guarantees. The Deming site is under application with a new owner. Two Peabody Energy coal mines, El Segundo and Lee Ranch, are under Chapter 11 bankruptcy protection and a motion and stipulated order covering financial assurance was not approved in the fourth quarter. EMNRD is working with the Attorney General’s office to ensure New Mexico is properly represented during the bankruptcy process. Peabody is working with the agency to reduce the amount required by actively performing reclamation and submitting bond release applications per their permit requirements.

Measure	FY14 Actual	FY15 Actual	FY16 Target	FY16 Actual	Rating
Permitted mines with approved reclamation plans and adequate financial assurance posted to cover the cost of reclamation	99%	99%	100%	96%	Y
Required inspections conducted to ensure compliance with permits and regulations	100%	100%	100%	97%	Y
Program Rating					Y

Oil and Gas Conservation. The Oil Conservation Division (OCD) continued a high pace of field inspections throughout FY16, and just 1.8 percent resulted in a violation issued. Oil production and the number of oil spills was relatively flat from FY15 to FY16 but the amount spilled declined by nearly four thousand barrels, or 18 percent. New performance measures regarding violations and spills are classified as explanatory, meaning a target is not assigned. Comparison to prior years shows an increase in the number of oil and gas well spills – driven by a 31 percent rise in the number of gas spills – and a decline in the amount of oil spilled. However, OCD believes a reporting error in the Hobbs district office accounts for a significant portion of the increase in spills. The error occurred when staff required operators to file spill reports for agency approved natural gas flaring, including a natural gas processor plant that went out, which is deductible from production taxes.

Measure	FY14 Actual	FY15 Actual	FY16 Target	FY16 Actual	Rating
Inspections of oil and gas wells and associated facilities	38,920	47,539	39,000	49,624	G
Application to drill permits approved within 10 business days of receipt	New	90%	60%	85%	G
Abandoned oil and gas wells properly plugged using Reclamation Fund monies	32	31	30	36	G
Violations issued	New	New	N/A	912	
Number of oil and gas well spills	640	852	N/A	1,465	▲ *
Size of oil spills, in barrels	12,874	20,775	N/A	16,889	▼ *
Program Rating					G

* Color of arrow rating on explanatory (no target) measures indicates whether increase or decrease is improvement or decline from prior performance.



Energy Conservation and Management. Applications for solar photovoltaic system certifications reached the annual amount of tax credits available in by June 15, 2016, requiring the excess applications be returned. In the fourth quarter of FY16, the agency received 30 solar applications per day which delayed reviews and caused it to miss the annual performance target. The agency missed the target for Waste Isolation Pilot Plant trainings because shipment inspection trainings were not conducted in FY16 due to the WIPP shutdown. However, related trainings and practice exercises were conducted as needed to comply with the cooperative agreement with the federal Department of Energy.

Measure	FY14 Actual	FY15 Actual	FY16 Target	FY16 Actual	Rating
Applications for clean energy tax credits reviewed within thirty days	99%	75%	99%	90%	R
Reduction in energy use in public facilities upgraded by clean energy projects	11%	14%	10%	10%	G
Inventoried clean energy projects evaluated	66	64	63	69	G
Waste Isolation Pilot Plant-related trainings and practice exercises conducted	51	45	51	45	R
Program Rating					Y