

A MEMORIAL

REQUESTING THE OIL CONSERVATION DIVISION OF THE ENERGY,
MINERALS AND NATURAL RESOURCES DEPARTMENT TO EXAMINE THE
REGULATION OF THE OIL AND GAS INDUSTRY IN NEW MEXICO PURSUANT
TO THE OIL AND GAS ACT TO DETERMINE IF MEASURES NEED TO BE
TAKEN TO ENHANCE THE EFFICIENCY AND EFFECTIVENESS OF THAT
REGULATION.

WHEREAS, the oil and gas industry in New Mexico is a
vital source of revenue that supports programs of benefit to
the citizens of New Mexico; and

WHEREAS, the oil and gas industry is regulated by the
oil conservation division of the energy, minerals and natural
resources department; and

WHEREAS, the oil conservation division is empowered by
the Oil and Gas Act to prevent waste prohibited by the Oil and
Gas Act, to protect correlative rights and to protect public
health and the environment; and

WHEREAS, many statutes regulating the industry were
originally enacted over fifty years ago and have not been
updated since then; and

WHEREAS, significant technological and environmental
advances have taken place during that period; and

WHEREAS, the environmental regulatory programs of the
oil conservation division were reviewed in the report entitled

State Review of Oil and Natural Gas Environmental Regulations, and that report made recommendations for improvements in the oil conservation division's environmental regulatory programs; and

WHEREAS, oil conservation division staff and stakeholders have identified opportunities to update and improve certain provisions of the Oil and Gas Act; and

WHEREAS, it is vitally important to the citizens of New Mexico, the state and the oil and gas industry that the oil and gas industry be appropriately and carefully regulated;

NOW, THEREFORE, BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO that the oil conservation division of the energy, minerals and natural resources department be requested to review the Oil and Gas Act to ensure that the statutory mandates are appropriate for current regulation of the oil and gas industry and that the oil conservation division report back to the second session of the forty-seventh legislature with proposed amendments to the Oil and Gas Act to improve regulatory effectiveness and with proposed changes to oil conservation division staffing and funding to improve the ability of the division to accomplish its statutory mandates; and

BE IT FURTHER RESOLVED that the oil conservation division solicit the input of stakeholder groups from the oil and gas producing areas of the state, including

representatives of the oil and gas industry, environmental groups, Indian tribes and cultural groups and surface land owners; relevant federal agencies; and the state land office; and

BE IT FURTHER RESOLVED that the oil conservation division report its findings to the legislative finance committee and the interim legislative revenue stabilization and tax policy committee by December 1, 2005; and

BE IT FURTHER RESOLVED that copies of this memorial be transmitted to the director of the oil conservation division of the energy, minerals and natural resources department and to the secretary of energy, minerals and natural resources.