

SENATE CONSERVATION COMMITTEE SUBSTITUTE FOR  
SENATE MEMORIAL 102

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

A MEMORIAL

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

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

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

.208374.1

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, the energy, minerals and natural resources  
13 department has implemented new reporting requirements, with the  
14 goal of reducing natural gas emissions; and

15 WHEREAS, the energy, minerals and natural resources  
16 department has stated its intent to establish a baseline for  
17 flaring volumes and targets for reductions; and

18 WHEREAS, since January 15, 2016, the energy, minerals and  
19 natural resources department has required oil and gas operators  
20 to separately report venting and flaring amounts of natural gas  
21 on their monthly production reports; and

22 WHEREAS, since May 2016, the energy, minerals and natural  
23 resources department has required oil and gas operators, in  
24 their applications for new wells, to submit gas capture plans  
25 outlining the actions they have taken to reduce venting and

1 flaring through connection of wells to pipelines; and

2 WHEREAS, the energy, minerals and natural resources  
3 department does not currently require reporting of volumes of  
4 natural gas leaked from oil and gas operations;

5 NOW, THEREFORE, BE IT RESOLVED BY THE SENATE OF THE STATE  
6 OF NEW MEXICO that the energy, minerals and natural resources  
7 department be requested to produce a report, including:

8 A. a compilation and summary of the information it  
9 collects regarding the volumes of natural gas vented and  
10 flared;

11 B. the reasons natural gas is vented and flared;  
12 and

13 C. the information it collects from gas-recapture  
14 plans submitted by oil and gas operators; and

15 BE IT FURTHER RESOLVED that the energy, minerals and  
16 natural resources department be requested to include in its  
17 report proposals to increase the volumes of natural gas to be  
18 sold rather than vented and flared and information about  
19 existing and proposed natural gas pipelines and processing  
20 facilities, and any commercially viable technologies to be used  
21 in place of selling natural gas through a pipeline; and

22 BE IT FURTHER RESOLVED that the energy, minerals and  
23 natural resources department be requested to include in the  
24 report information on venting and flaring and gas-recapture  
25 plans, classified by federal, state, Indian and private mineral

.208374.1

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

1 ownership, county and operator; and

2 BE IT FURTHER RESOLVED that the energy, minerals and  
3 natural resources department also be requested to identify in  
4 its report the top twenty-five operators venting natural gas  
5 and the top twenty-five operators flaring natural gas; and

6 BE IT FURTHER RESOLVED that the energy, minerals and  
7 natural resources department be requested to make its report  
8 accessible to the public through the website of the oil  
9 conservation division of the energy, minerals and natural  
10 resources department; and

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

13 BE IT FURTHER RESOLVED that the energy, minerals and  
14 natural resources department be requested to report to the  
15 appropriate interim legislative committees regarding the amount  
16 of gas wasted through venting, flaring and leakage; reasons why  
17 natural gas is flared or vented; proposals to increase the  
18 natural gas that is sold rather than vented and flared; plans  
19 to capture the wasted gas; cost and benefit issues; and  
20 possible regulatory changes; and

21 BE IT FURTHER RESOLVED that copies of this memorial be  
22 transmitted to the secretary of energy, minerals and natural  
23 resources, the secretary of finance and administration, the  
24 secretary of environment, the commissioner of public lands, the  
25 members of the New Mexico congressional delegation and the co-

1 chairs of the New Mexico legislative council.

2 - 5 -

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

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