

OIL AND GAS

## N.M. Democrats ask Biden to resume leasing

Heather Richards, E&E News reporter • Published: Wednesday, March 10, 2021



Sen. Martin Heinrich (D-N.M.) during a hearing this month. Francis Chung/E&E News

Democratic Sens. Martin Heinrich and Ben Ray Luján are pressing the Biden administration to restart oil and gas leasing paused on federal lands or risk economic harm to their state of New Mexico.

The president halted all new federal oil and gas leasing shortly after taking office and pending the completion of a report judging the climate impacts of the program. Drilling and production on federal lands with existing leases are still permitted.

In a [letter](#) to White House climate adviser Gina McCarthy, the New Mexico senators asked that the climate assessment be advanced rapidly so leasing can resume.

"Though a short-term pause is fully appropriate in the new Biden administration, an extended or indefinite suspension would have significant impacts on our workforce and state funding for education," the senators wrote earlier this month.

Luján and Heinrich said they fully support policy based on science, "which tells us that we must rapidly accelerate our transition to a clean energy future to avoid increasingly severe impacts from climate change."

But the lawmakers asked McCarthy for a commitment that "New Mexicans will not be left behind as we transition to a more diversified economy based on clean energy and a carbon-free future."

A second [letter](#) from the senators to Interior acting Secretary Scott de la Vega made a similar plea, but sought clarity on a directive mandating top brass clearance of many oil and gas decisions usually handled in the field.

Economists at the Dallas Federal Reserve Bank recently reported that an extended new leasing ban wouldn't be immediately crippling for New Mexico revenues if drilling is allowed to continue.

But the economists said federal restraints on leasing and drilling would gradually push many oil and gas drillers from New Mexico to friendlier prospects in Texas.

New Mexico is the largest producer of oil from federal minerals after the Gulf of Mexico. But its Democratic leadership has been reserved in public criticism of Biden's oil policies, pledging collaboration ([Energywire](#), Feb. 8).

Their counterparts in Republican states like Wyoming, the second-largest federal oil producer, or lawmakers with oil loyalties in Texas and Oklahoma have been far more dogmatic and have accused the Biden administration of killing jobs and risking local revenue streams.

So far, the Biden administration hasn't said what its long-term plans are for the federal oil and gas program — that it promised to shut down during the campaign — beyond the climate assessment and leasing pause.

The Interior Department yesterday announced that it would hold a forum later this month with oil and gas participants, environmentalists and labor interests to inform a report to be published later this year on the future of the oil and gas program.

Democratic lawmakers are also pressing for potential reforms that don't directly bar continued oil and gas drilling — from curbing methane emissions to increasing royalty and bonding rates in the federal oil patch.

Rep. Alan Lowenthal (D-Calif.), chairman of the House Natural Resources Subcommittee on Energy and Mineral Resources, told reporters in a call today that he doesn't believe the president or Congress wants to end oil and gas leasing on federal lands.

Lowenthal has sponsored several reform bills and characterized his immediate interest as modernization of an outdated program rather than a discussion of long-term climate goals (*E&E Daily*, March 10).

"I just want to stay focused right now," he said. "We have a broken system. It is not political."

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Twitter: [@hroxaner](#) | Email: [hrichards@eenews.net](mailto:hrichards@eenews.net)

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