



NEW MEXICO OIL AND GAS ASSOCIATION

Testimony Before the Subcommittee on Energy and Mineral Resources *“Federal Energy Production Supports Local Communities”* February 10, 2023

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New Mexico is the second-largest oil producing state in America. Our Industry continues to provide the energy people need to live their lives. Through innovation, technology, and the industry’s ability to exceed environmental standards, New Mexico operators supply our nation and the world with cleaner, more affordable oil and natural gas energy.

Because of our prolific Permian and San Juan Basins and a dedicated workforce of over 134,000 statewide, New Mexico operators produced another record-breaking year and the industry remains the #1 source of revenue in the state budget of New Mexico. New Mexico’s Oil and Gas Industry generated over \$63.3 billion in oil and gas revenue in FY22, an increase of 132 percent from FY21, which generated a record \$10.8 billion in state and local revenue this past year (\$5.8 billion to the state’s general fund and \$5 billion to other state and local tax revenues, reserve fund and permanent fund.) The growth will have an unprecedented impact on the state of New Mexico during this fiscal year.

COMMUNITY IMPACT:

The \$5.8 billion to the state’s General Fund equates to about 35% of New Mexico’s state budget, a contribution the oil and gas industry has achieved consecutively since FY14.

With the growth of our industry, these funds ensure New Mexico will have the resources to invest in our children’s education. Our Oil and gas industry revenue supported \$1.4 billion for Public and Higher Education operating budgets as well as an additional \$268 million in new capital outlay spending for public school construction and renovation.

Our Oil and Gas Industry funds also support vital infrastructure such as the construction of new roads and highways which keep New Mexicans and our supply chains moving. Our funds also help New Mexico put more first responders and public safety officers on the streets, keeping our communities safer.

ENVIRONMENTAL STEWARDSHIP:

From Raton to Las Cruces and Gallup to Tucumcari, the positive impact of our industry is tremendous for all New Mexicans. This fiscal and economic leadership goes hand in hand with environmental stewardship and the protection of our state's natural resources. Our operators around the state are constantly working to ensure that the oil and natural gas produced here is cleaner, safer, and more environmental sound than anywhere else in the world.

We are your neighbors and take great pride in working together and giving back to our communities to make them stronger and better for our families.

With energy demand increasing around the world, our industry workforce remains committed to providing the energy America needs while moving New Mexico forward. Energy produced here is vital to our national security.

Respectfully,

Doug Ackerman
President and CEO, New Mexico Oil and Gas Association