



**NEW MEXICO
BUSINESS COALITION**

P.O. Box 95735,
Albuquerque, NM 87199
(505) 235-6323

RE: Oppose **HB 34 Oil Conservation Protect Health and Environment**

Mr./Madame Chair and Committee Members:

The New Mexico Business Coalition (NMBC) represents hundreds of businesses and thousands of New Mexicans. Our focus is to make New Mexico a better place to live and work, where we have an abundance of good-paying jobs to provide for our families.

NMBC respectfully opposes HB 34 Oil Conservation Protect Health & Environment and the committee substitute bill for the following reasons:

This amendment gives the Oil Conservation Division (non-elected officials and employees) and the Oil Conservation Commission (non-elected volunteers) broad powers. The phrase "do whatever may be reasonably necessary" without specific limitations or requirements for alignment with the stated sections of the law suggests that the division could interpret its mandate exceptionally broadly, leading to actions beyond what the legislature intended when it passed the original law.

Typically, state laws are detailed in their scope and application, with agencies having the authority to implement these laws strictly within the confines of what's written. This amendment, however, dilutes that control by allowing the division and commission to act based on a vague notion of what's "reasonably necessary." This bill shifts the balance of power from elected legislators, who draft laws reflecting public policy and voter interests, to unelected officials and citizens on a commission who do not have the same accountability.

Compliance is difficult and expensive and is anticipated to drive smaller operators out of business. This is the opposite direction we should be seeking to take with the state's partners in the oil and gas industry. A similar bill was passed in Colorado and resulted in more abandoned wells, which is also the opposite of what is being sought.

By allowing actions "whether or not indicated or specified in any section of that act," the amendment could lead to regulatory overreach or actions that might not align with the legislative intent or public interest. This could mean changes in policy, enforcement, or even introducing new regulatory burdens without legislative oversight or public debate.

On behalf of hard-working New Mexicans and businesses, and for the reasons stated, we urge you to say 'NO' to the committee substitute for HB34 Oil Conservation Protect Health & Environment.

Thank you,

A handwritten signature in blue ink that reads "Carla J. Sonntag".

Carla J. Sonntag
President and CEO