



**NEW MEXICO  
BUSINESS COALITION**

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**RE: HB 80 Oil & Gas Conservation Tax Act Changes– NMBC Supports**

On behalf of the New Mexico Business Coalition, I write in **support of House Bill 80**, which strengthens the Oil and Gas Reclamation Fund by directing a greater share of existing conservation tax revenue toward well plugging, site restoration, and remediation.

HB 80 takes a practical, responsible approach to addressing abandoned and improperly plugged wells by ensuring that sufficient, dedicated funding is available to complete this critical work. Increasing the percentage of conservation tax receipts distributed to the Oil and Gas Reclamation Fund will accelerate plugging and restoration efforts that protect groundwater, surface land, and public safety while reducing long-term environmental and financial liabilities for the state.

This legislation benefits **everyone**. For communities and landowners, it means safer landscapes, reduced risk of contamination, and faster reclamation of disturbed sites. For taxpayers, it reduces the likelihood that future cleanup costs will fall on the general fund. For responsible operators and the broader oil and gas industry, it helps address legacy issues that undermine public confidence and contribute to calls for additional regulation.

HB 80 also supports New Mexico businesses by creating sustained demand for local contractors and oilfield service companies that perform plugging and reclamation work. These are skilled jobs that keep dollars circulating in New Mexico's economy while accomplishing an essential public purpose.

Importantly, HB 80 does not increase tax rates. It simply prioritizes the use of existing conservation tax revenues for their intended purpose—cleaning up abandoned wells and restoring impacted sites—while maintaining transparency and accountability through annual reporting requirements.

New Mexico has long relied on oil and gas revenues to support schools, infrastructure, and essential services. HB 80 ensures we also responsibly address the environmental legacy of past production in a way that is fair, fiscally sound, and beneficial to all New Mexicans.

For these reasons, the New Mexico Business Coalition respectfully urges your support for HB 80.

Thank you for your consideration.

Carla J. Sonntag  
President and CEO