



**NEW MEXICO  
BUSINESS COALITION**

PO Box 95735  
Albuquerque, NM 87199  
(505) 836-4223 FAX (505) 836-4522  
[www.nmbizcoalition.org](http://www.nmbizcoalition.org)

**RE: Oppose SB 418 Oil and Gas Act Changes**

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.

We strongly oppose SB 418 Oil and Gas Act Changes. This bill is a proposed solution to issues that are already adequately addressed and do not need changes, updates, or modifications.

SB 418 adds environmental justice goals and an advisory council that will be challenging at best to implement and is more likely to create problems and hardship for our state. The bill does not specify how this newly formed Council will “advise” the Oil Conservation Commission (OCC) and Oil Conservation Division (OCD) nor does it specify why that is necessary. More importantly, this bill has very broad and vague definitions of “environmental justice community” and “fair treatment and meaningful involvement”. Because these terms are not adequately defined, they will be open for interpretation and would likely lead to litigation.

The environmental justice goals raise issues beyond any current expertise in New Mexico. This will create confusion and the need for additional resources both in the newly formed Council as well as in our existing agencies. The uncertainty of the undefined terms, the new Council involvement, and the other requirements of this bill will be detrimental to the state and our citizens, all of which rely on the valuable oil and gas industry for its contribution to the state of valuable jobs and forty percent of the budget.

In addition, New Mexico’s financial assurance laws were updated five years ago, and nothing has changed in the industry. Therefore, nothing needs to be done at this time to further address how those issues are handled.

The OCC was well planned and implemented and has been serving an important purpose. SB 418 Oil and Gas Act Changes only serves to create confusion, additional work, and increased costs which will be a significant deterrent to oil and gas production in this state. Because that production is the backbone of our state budget, I urge you to say ‘NO’ to SB 418 Oil and Gas Act Changes.

Thank you,

A handwritten signature in blue ink, appearing to read "Carla J. Sonntag".

Carla J. Sonntag  
President and CEO