

Report shows oil, gas industry in decline in New Mexico

Written by By James Jimenez Executive director N.M. Voices for Children
Friday, 30 October 2020 01:44



Response to New Mexico oil, gas industry Oct. 20 outlook report

“For too long New Mexico has been whipsawed by volatile oil and natural gas markets that our policymakers have no power to control. Once again low oil and gas prices are causing shortfalls in dollars needed in the state budget for our schools, public safety, health care, and more. The Institute for Energy Economics and Financial Analysis report released today [Oct. 20] makes it clear that we cannot simply blame COVID-19 for our revenue shortfall and expect New Mexico to recover when the pandemic subsides. The signs that the oil and gas industry is in decline go back almost a decade.

“New Mexico needs to diversify its economy in order to reduce our reliance on a declining industry now.

“This industry-wide decline also points to the need for the state to stop allowing millions of dollars to be wasted. Our schools and hospitals lose millions of dollars in revenue every year thanks to inadequate regulations on the venting, flaring, and leaking of methane. The federal government also needs to increase its decades-old lease rates, as well as improve bonding requirements so New Mexicans aren’t stuck with the clean-up costs when wells are inevitably abandoned.

“We need bold and innovative solutions from our policymakers to accelerate the diversification of our state’s economy, create a more equitable and transparent tax system, and strategically invest in proven programs that deliver better outcomes for our children. We need them ready to help build a more sustainable, prosperous future for our state.”

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IEEFA's report, "New Mexico's Risky Reliance on Oil Revenue Must Change: Industry Fundamentals Point to Long-term Decline, is available <https://bit.ly/2HqANy0at>

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