

Biden administration should fix problems with oil, gas leasing before next sale

Written by By James Jimenez Executive Director New Mexico Voices for Children
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Here in New Mexico, we have lived through many boom-and-bust cycles of the oil and gas industry. But recent years have shown just how much we need to break this cycle – particularly as we plan for the transition from oil and gas to clean energy – by tipping the scales away from the oil and gas corporations and back towards New Mexicans who have shouldered the consequences. That’s especially true for our state’s children, whose school funding is too dependent on the vagaries of international oil and gas markets. Thankfully, this could all be changed, but it will require a commitment from the Biden Administration to fixing the federal government’s out-of-date oil and gas leasing system and putting our communities before oil and gas CEOs.

The Biden administration and Interior Secretary Deb Haaland have made reforming the antiquated federal oil and gas program a top priority. Unfortunately, the Department of the Interior and Bureau of Land Management are moving forward on a lease sale in New Mexico scheduled for February of 2022 without fixing the program’s long-standing flaws. Sales in other states across the West are also proceeding. All in all, hundreds of thousands of acres of iconic public lands could end up in the hands of oil and gas companies because of a system that is ripe for abuse.

The problems with the system are evident here in New Mexico – outdated royalty, rental, and other fiscal rates cost New Mexico [more than \\$5 billion](#) in lost revenue from development in our state between 2009 and 2018. That is a lot of money — money that could have been spent improving our kids’ schools and ensuring our classrooms have the resources they need to thrive.

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Meanwhile, oil and gas companies have left behind more than 700 orphaned wells that spew harmful pollutants into the air and water – and because of outdated policies, it is usually working New Mexicans who end up [covering the cost of cleanup](#), not the companies that abandoned the wells in the first place.

These issues are just the tip of the iceberg.

Given how problems in the oil and gas leasing system harm New Mexicans, it is concerning that the Biden Administration would move forward with this sale without having honored its commitment to making reforms. This is especially true given that the oil and gas industry is sitting on [thousands](#) of approved, but unused, drilling permits. The industry even [forfeited](#) more than a million acres of leases in New Mexico alone between 2011 and 2020.

It does not have to be this way. While the Biden administration completes its review of the federal oil and gas program, members of Congress have introduced bills to modernize the leasing program, eliminate sweetheart deals for oil and gas companies, and shift the burden away from the rest of us to clean up the industry's mess. Other pending [bipartisan legislation](#) would modernize royalty and other fiscal rates. Congress has an excellent opportunity to make these changes now.

It was disappointing to see the Biden Administration announce this sale, but it is not too late to fix the federal oil and gas program. The DOI and Congress can make common-sense reforms in order to ensure our kids' future is protected. We call on them to do this now – and ask Senators Martin Heinrich and Ben Ray Lujan to lead the effort – before holding another lease sale and locking up more public lands for the benefit of a handful of oil and gas CEOs.

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