MAYOR'S OFFICE

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September 14, 2020

VIA ELECTRONIC MAIL

New Mexico Environment Department
nm.oai@state.nm.us

New Mexico Energy, Minerals and Natural Resources Department
EMNRD.WasteRule@state.nm.us

Re: Informal Public Input on Methane Rules

To Whom It May Concern:

The City of Hobbs greatly appreciates the New Mexico Environment Department (hereinafter, "NMED") and the New Mexico Energy, Minerals and Natural Resources Department (hereinafter, "EMNRD") providing an opportunity for the public to submit informal comments on the draft rules regulating waste, volatile organic compounds, and oxides of nitrogen (collectively hereinafter, "draft methane rules").

Around 39% or $3.1 billion of the state budget comes from the oil and gas industry. This means the oil and gas industry pays for 39% of such things as public education, higher education, public safety, Medicaid and some other public welfare programs, general government, environmental protection, tourism support and promotion, and economic development efforts. In addition, more than 100,000 New Mexicans are employed as a result of oil and natural gas production in New Mexico.

With this background in mind, every New Mexican should be concerned with how the draft methane rules impact the state's budget, economy, and families. Poorly designed rules and regulations have the potential to stifle innovation, capital investments, economic development, and job creation. Costs associated with regulatory programs, such as the draft methane rules, are much less transparent and need to be examined to determine what those costs are to the state.

Accordingly, the City of Hobbs respectfully requests that NMED and EMNRD not proceed with initiating the rulemaking on the draft methane rules until the New Mexico Legislature conducts an independent analysis on how the draft methane rules impact jobs and state revenue. Moreover, when conducting such an analysis, it is requested that the NMED and EMNRD work with the Legislature to determine whether the two agencies have sufficient resources to administer the draft methane rules without impacting the production of oil and gas.

While New Mexicans understand the need for economic diversification, the undisputable fact is that the state is heavily reliant on the oil and gas industry for its economic prosperity, and this situation is not going to immediately change. Given the state's current economic situation, it is more imperative than ever for regulators and industry to work together to create the necessary balance.

Respectfully submitted,

Sam D. Cobb, Mayor