From:	Allen Davis
To:	NMOAI, NMENV; WasteRule, EMNRD, EMNRD
Cc:	Gay West; Kernan, Gay; Jim Townsend; Cathrynn N. Brown (c.brown.nm55@gmail.com); Gregg Fulfer (gregg.fulfer@nmlegis.gov); Griggs, Ron; Jerry Fanning
Subject:	[EXT] Proposed Methane Regulations - Comment Letter
Date:	Monday, September 14, 2020 3:57:02 PM
Attachments:	Draft Methan Rules Public Written Comment_Eddy County_09142020.pdf

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New Mexico Environment Department and New Mexico Energy, Minerals and Natural Resources Department,

Please find attached a letter from myself on behalf of Eddy County for your consideration as part of the public written comments regarding the methane rule draft regulations.

Thank you for your consideration and the inclusion of these comments in your draft development process.

Allen Davis
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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:

Eddy County greatly appreciates the New Mexico Environment Department (NMED) and the New Mexico Energy, Minerals and Natural Resources Department (EMNRD) providing an opportunity for the public to submit informal comments on the draft methane rules for regulating waste, volatile organic compounds, NOx.

As you are well aware, nearly 39% or $3.1 billion of the state budget comes from the oil and gas industry. Of this amount, about 45% is generated from production operations in Eddy County. The revenues generated from 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. Through the efforts of oil and natural gas production in New Mexico more than 100,000 New Mexicans are employed in this industry.

With this background in mind, Eddy County is interested and concerned with the development of draft methane rules and the potential impact on Operators and the subsequent effect on not only the state's budget, but on our local economy, and families. Rules and regulations that are unnecessarily hard to implement, that are overly burdensome and require redundant reporting and non-value adding costs have the potential to stifle innovation, capital investments, economic development and job creation. Costs associated with regulatory programs like what is outlined in the draft methane rules are much less transparent and need to be examined to determine what those costs are to the State and local economies. The consequence of not considering these implications will have a deleterious affect on both Eddy County and the State of New Mexico.

Eddy County would respectfully request 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. When this analysis is undertaken, 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 base line budget funding, and this situation is not likely to change. No other industry is taxed by the State at a rate of 33.33% on all revenue. And the likelihood of tapping another industry for such revenues is nil. 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,

Allen Davis
Eddy County Manager