

For immediate release

June 24, 2024

Contacts:

Ally Beasley, Western Environmental Law Center, 575-751-0351,
beasley@westernlaw.org

Andrew Forkes-Gudmundson, Earthworks, 507-421-9021,
andrewfg@earthworksaction.org

Mike Eisenfeld, San Juan Citizens Alliance, 505-360-8994, mike@sanjuancitizens.org

Groups petition Oil Conservation Commission to take action to stop growth of staggering \$8 billion oil and gas cleanup gap

Petition to modernize oil and gas accountability laws protects taxpayers, public health, and environment by cleaning up more wells more quickly

Santa Fe, NM - Today, advocates across New Mexico [petitioned](#) the Oil Conservation Commission to modernize woefully outdated laws governing oil and gas cleanup, financial assurance and operator transfers. New Mexico's oil and gas industry is inadequately bonded to the tune of \$8.18 billion according to a [study](#) commissioned by the New Mexico State Land Office and conducted by the Center for Applied Research. This is a huge financial burden which risks falling on the shoulders of taxpayers. Bonding is essentially “insurance” that would cover the cleanup of well sites in the event that oil and gas companies walk away from their responsibilities, and is legally required prior to drilling. Petitioners include the Western Environmental Law Center, Citizens Caring for the Future, Conservation Voters New Mexico Education Fund, Diné C.A.R.E., Earthworks, Naeva, New Mexico Interfaith Power and Light, San Juan Citizens Alliance, and Sierra Club Rio Grande Chapter. The Western Environmental Law Center represents the coalition.

Old, abandoned, and orphaned oil and gas sites can leak methane and other pollution into the air and water, threatening New Mexicans' health and the environment. An overwhelming [90% of New Mexicans support](#) requiring oil and gas companies, rather than taxpayers, to pay for cleanup and land restoration costs after oil and gas production comes to an end.

“Taxpayers should not be on the hook for cleaning up oil and gas wells and infrastructure, but that’s the current reality for our state,” said **Camilla Feibelman, Sierra Club Rio Grande Chapter Director**. “We hope to join with Governor Lujan Grisham’s administration to modernize bonding rules to ensure corporations pay their fair share and act responsibly, including cleaning up their messes.”

The 2021 State Land Commission report estimates that existing financial assurance is sufficient to remediate just over 2% of oil and gas infrastructure currently on state trust and private lands in New Mexico. The industry practice of selling off low-producing wells to smaller, less financially resilient operators worsens this situation. This encourages companies to delay well plugging and reclamation and obscures liability when sites remain unreclaimed.

"Oil and gas companies have shown that absent stronger financial assurance requirements, they will gladly saddle the state and taxpayers with the bill for cleaning up industry messes, and the existing \$8 billion-plus cleanup gap is outrageous," said **Ally Beasley, attorney at the Western Environmental Law Center**. "We must stop this practice of public exploitation by the oil and gas industry and address the generational problem of abandoned oil and gas wells and ongoing pollution to New Mexico's air, land, water, and communities. These reforms will start that process."

The petition includes:

- Updating financial assurance laws to require bonds of \$150,000 per well for high risk wells that fully cover the costs of clean up, well plugging, and site remediation. The Oil Conservation Division estimates that well plugging costs the state \$150,000 per well.
- Placing limits on the time that inactive wells can remain idle and requiring plugging and reclamation for wells that don't come back into use.
- Requiring oversight of operator transfers to better ensure companies have the financial resources to properly clean up, plug, and reclaim well sites, and ensuring companies are in compliance with federal and state oil and gas laws before taking on additional well operations.

Ensuring oil and gas companies properly clean up their pollution and fully restore well sites when extraction ends, will open new doors to clean air, clean water, and new jobs for New Mexicans by:

- Creating new jobs in the oil and gas field for displaced oil and gas workers. Timely clean-up of inactive wells could inject more than \$8.2 billion into the New Mexico economy and support 65,337 jobs, paying \$4.1 billion in wages, salaries, and benefits, [according to a 2021 study](#).

- Protecting drinking water supplies. Ninety percent of New Mexicans rely on groundwater for their drinking water. Oil and gas wells are drilled through aquifers and when left to degrade, can [threaten our vital water supplies](#) by leaking dangerous toxic pollutants.
- Protecting the air we breathe. When a well is left unattended without proper cleanup and restoration, it can contribute to [air pollution and emit methane](#)—a powerful greenhouse gas.
- Reflecting New Mexicans' values. New Mexicans [want](#) out-of-state corporations to pay their fair share and act responsibly, including cleaning up their own messes. Our laws and our government should reflect New Mexico's basic value of respect for all people.

Additional quotes from petitioners and supporters:

“Abandoned and orphaned oil and gas wells or those not properly dealt with accelerate climate change, threaten health, harm future generations and lay a burden upon ordinary people. Stronger bonding in the oil and gas field in New Mexico is an ethical action and helps industry with their moral responsibility of clean-up,” said **Sister Joan Brown, executive director of Interfaith Power and Light-New Mexico and El Paso Region**. “Are we not we all called to care for our neighbor and this sacred land, water and air that is a gift?”

“Requiring operators to provide adequate financial assurances is a standard mandate in modern environmental laws, such as the New Mexico Mining Act,” said **Douglas Meiklejohn, water quality and land restoration advocate at Conservation Voters New Mexico**. “The regulations governing New Mexico's oil and gas industry should be brought up to date to include this mandate for the industry.”

“It's likely the last barrel of oil pumped in our country will come from the Permian Basin. The place I call home,” said **Kayley Shoup with Citizens Caring for the Future**. “As the state rides high on oil and gas revenue it might be hard to conceive of a world with an idle oil and gas industry, but it is coming as we as a species are forced to combat our changing climate. That's why it's imperative that the leaders of today lay the foundation for that future by practicing financial responsibility and properly regulating the industry.”

###