

Interior Department has the right idea

Written by By Voices for Children
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New Mexico Voices for Children is calling on Congress to act on the Interior Department's New "Report on the Federal Oil and Gas Leasing Program" which it says will help to protect public lands and state revenues.

The report recommends reforms to federal leasing and permitting practices for oil and natural gas extraction on public lands.

James Jimenez, the executive director of N.M. Voices for Children issued this statement in support of the reforms.

"For too long, the antiquated federal oil and gas leasing program has allowed oil and gas companies to litter our public lands with orphaned wells while working New Mexicans are forced to foot the bill to clean them up. The reforms that DOI has put forth in its new report will protect taxpayers by fixing the policies that subsidize oil and gas CEOs. These reforms will also save the public money and protect our public lands. We hope Congress will work quickly to implement permanent, common-sense changes to the oil and gas program that will help maximize the value of these assets and protect families in New Mexico."

Among the report's recommendations is an increase in bonding rates. Bonds are required before extraction can begin in order to ensure that once a well is decommissioned it will be

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capped and the area will be cleaned up and returned to its natural state. Because bonding rates haven't been updated since 1970, the bond amounts are well below the actual cost of well-remediation. New Mexico currently has 708 abandoned wells -meaning the only funding available to cap and reclaim them is from the insufficient bonds that were paid.

The state's total estimated liability is as much as \$58 million for the reclamation and capping costs of these wells, and the state only has \$2 million allocated for this work.

The DOI's report is available online at <https://www.doi.gov/sites/doi.gov/files/report-on-the-federal-oil-and-gas-leasing-program-doi-eo-14008.pdf>

For more on New Mexico's orphaned wells, see our policy brief, "Orphaned Wells and Inadequate Bonds: How the Oil and Gas Industry Could Soon Become a Financial Burden," available at <https://www.nmvoices.org/archives/15157>

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