

1 **CITY OF SANTA FE, NEW MEXICO**

2 **RESOLUTION NO. 2016-43**

3 **INTRODUCED BY:**

4
5 Councilor Joseph M. Maestas

6 Mayor Javier M. Gonzales

Councilor Michael A. Harris

7 Councilor Signe I. Lindell

Councilor Renee D. Villarreal

8 Councilor Peter N. Ives

Councilor Christopher M. Rivera

9
10 **A RESOLUTION**

11 **RECOGNIZING AND SUPPORTING THE NEED FOR FEDERAL RULE CHANGES TO**
12 **REDUCE METHANE WASTE IN OIL AND GAS PRODUCTION.**

13
14 **WHEREAS**, energy development is critically important to the economy of both Santa
15 Fe and the State of New Mexico; and

16 **WHEREAS**, the State of New Mexico is the nation's leading producer of oil and second
17 for gas on federal lands; and

18 **WHEREAS**, oil and gas revenue is the cornerstone of our New Mexico's educational
19 funding and the state is facing a multimillion-dollar budget shortfall; and

20 **WHEREAS**, a recent National Aeronautics and Space Administration (NASA) study
21 discovered a very large and highly concentrated methane plume above the Four Corners region
22 where much of New Mexico's natural gas production occurs; and

23 **WHEREAS**, a 2013 report by ICF International found that an amount of natural gas
24 worth as much as \$330 million was lost through leaks, flaring and venting on federal and tribal
25 lands, enough natural gas to provide energy for 1.5 million homes for one year; and

1 **WHEREAS**, the Western Values Project estimates that since 2010, New Mexico has
2 lost \$50 million in royalties due to wasted methane emissions; and

3 **WHEREAS**, the Bureau of Land Management (BLM) has the authority and duty
4 to ensure a fair return for publicly-owned oil and gas resources under the Mineral Leasing Act of
5 1920; and

6 **WHEREAS**, BLM does not charge royalties or charges reduced royalty rates on methane
7 – the primary component of natural gas – that is leaked, flared or vented; and

8 **WHEREAS**, BLM is proposing new rules entitled "Venting and Flaring: Waste Prevention
9 and Use of Produced Oil and Gas for Beneficial Purposes" that would modernize how the
10 government accounts for methane waste on public and tribal lands; and

11 **WHEREAS**, the Environmental Protection Agency (EPA) has proposed new rules
12 and guidance for the oil and gas industry under the Federal Clean Air Act to help combat climate
13 change and reduce air pollution that harms public health; and

14 **WHEREAS**, reducing methane waste would bring crucial public health benefits to our
15 communities located near energy development, by simultaneously cutting ground-level ozone
16 forming gases and cancer-causing pollutant such as benzene and other volatile organic compounds;
17 and

18 **WHEREAS**, Colorado saw a marked increase in natural gas production after adopting
19 state rules to cut methane waste, with some companies addressing the issue prior to rules being
20 adopted by the state; and

21 **WHEREAS**, the Western Values Project estimates that the proposed BLM methane rule
22 would generate \$6.7M to \$8.1M in royalties for New Mexico – additional revenue deemed critical to
23 help address education needs statewide.

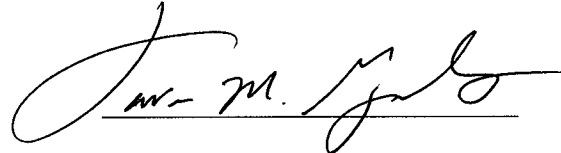
24 **WHEREAS**, efforts to eliminate methane emissions would create high-quality jobs,
25 economic development in the domestic oil and gas manufacturing and service sectors, and provide

1 much needed royalty revenue to the state to invest in areas of greatest need; and

2 **NOW THEREFORE, BE IT RESOLVED** that the Governing Body fully supports
3 stronger EPA and BLM methane rules to reduce wasteful natural gas venting, flaring and leakage
4 from oil and gas operations occurring on private, federal and tribal lands and thereby protecting
5 the health, welfare and potential revenue rightfully due to the citizens of New Mexico.

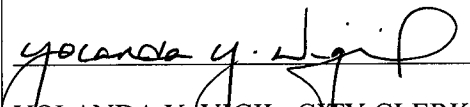
6 **BE IT FURTHER RESOLVED** that the Governing Body fully supports charging royalties
7 for wasted, vented or flared methane gas that could otherwise be captured and taken out of the
8 atmosphere.

9 PASSED, APPROVED and ADOPTED this 25th day of May, 2016.


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12 JAVIER M. GONZALES, MAYOR

13 ATTEST:

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15 
16 YOLANDA Y. VIGIL, CITY CLERK

17 APPROVED AS TO FORM:

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19
20 KELLEY A. BRENNAN, CITY ATTORNEY