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**HEARING OF THE HOUSE COMMITTEE ON NATURAL RESOURCES,
SUBCOMMITTEE ON ENERGY AND MINERAL RESOURCES
“FEDERAL ENERGY PRODUCTION SUPPORTS LOCAL COMMUNITIES”
Testimony of David M. Gallegos, New Mexico State Senator, District 41
February 13, 2023**

Chairman Westerman, Subcommittee Chairman Stauber, and Honorable Members, thank you for the opportunity to testify today and discuss the significant contributions of onshore federal oil and gas production to my state and community.

My name is David Gallegos and I am honored to serve in the New Mexico State Senate for District 41. I previously served in the New Mexico House of Representatives, and during my tenure in the State Legislature, I have had the privilege of representing Eddy and Lea counties—the heart of oil and gas country in New Mexico.

As the second highest oil producer in the nation, New Mexico continues to play a vital role in our nation’s push for energy independence. Reducing our reliance on foreign countries that often fail to meet our environmental standards in energy production is more important than ever, and I am proud that New Mexico has become a leader in providing cleaner, safer, more reliable, and affordable energy through oil and natural gas production.

In Fiscal Year 2022, oil and gas contributed \$10.8 billion dollars to our state and local coffers, more than double the previous high in Fiscal Year 2021.¹ Annually, oil and gas contributions make up an average of one-third of New Mexico’s state budget, and the recent record-level revenues were accomplished despite the harmful restrictions by the Biden administration.

According to recent data provided by Energy in Depth New Mexico:

“[T]he Obama and Trump administrations held an average of 3.25 and 3.5 lease sales in New Mexico per year, respectively, as President, while the Biden administration has only held or scheduled a total of two sales, with a current average of 0.67 lease sales per year. Even if the Biden administration were to hold three lease sales in 2023, it will have only offered an average of 1.7 lease sales per year in New Mexico—significantly less than the Obama and Trump administrations.”²

¹ New Mexico Oil & Gas Association. (2022). *Fueling New Mexico*. Retrieved from https://assets.nationbuilder.com/nmoga/pages/98/attachments/original/1672930489/Fueling_New_Mexico_Report_Low_Res.pdf?1672930489

² Energy in Depth New Mexico. (2022, November 14). Retrieved from <https://www.energyindepth.org/president-bidens-comments-on-federal-lands-leasing-in-new-mexico-are-disconnected-from-reality/>

Despite these facts, I am proud to share that my home county, Lea County, is the number one county in the nation for oil production.³ This production has led to historic funding for our public schools locally and throughout the state. Roughly one-third of our statewide public education funding is derived from oil and gas production, providing \$1.4 billion dollars annually to support our students and teachers.⁴ As a longtime school board member for Eunice Municipal Schools, I would note that Lea County was the beneficiary of \$48.7 million dollars for our public schools in Fiscal Year 2022, which supports 14,793 students and 1,343 teachers in my district.⁵ This funding aids our school leaders as they diligently work to address the needs of New Mexico's most at-risk students. Add to these figures the more than \$283 million dollars provided by the industry to New Mexico higher education, and it is clear that oil and gas is not only funding our current needs, but our future successes.

Unfortunately, the Biden administration's position on energy jeopardizes those very dollars and risks the quality of life for my family and my constituents. Oil and gas production from public lands accounts for roughly one-fourth of annual United States production, and limits on federal drilling disproportionately impact New Mexico which depends so heavily on revenue from our share of extraction royalties. Any significant revenue reduction caused by imposing production limitations would result in catastrophic cuts to our public schools, infrastructure, public safety, and health.

At a time when New Mexico ranks below the national average in economic opportunity, the oil and gas industry provides more than 134,000 New Mexicans with high-paying jobs. Meanwhile, the revenue received by the state supports the construction and maintenance of our roads and highways, and helps put more officers in our communities to keep us safe.

The positive impacts of oil and gas can be seen each day, be it the school buses driving our children to and from school; the clothing we wear; the technology in the classroom and workforce we use; our everyday necessities; and the affordable and reliable energy that is heating the homes of my constituents and their families. It is time for both state and federal governments to work together to adopt an all-energy policy where traditional fossil fuels and alternative energy can be included in a comprehensive effort to secure our nation's energy future. I appreciate the opportunity to speak today and I stand ready to work with you to make such an effort a reality.

Respectfully,



DAVID M. GALLEGOS
State Senator

³ (2020, March 27). Retrieved from Hobbs News-Sun: <https://www.hobbsnews.com/2020/03/27/lea-county-is-nations-no-1-oil-producer/>

⁴ New Mexico Oil & Gas Association. (2022). *Fueling New Mexico*. Retrieved from https://assets.nationbuilder.com/nmoga/pages/98/attachments/original/1672930489/Fueling_New_Mexico_Report_Low_Res.pdf?1672930489

⁵ Ibid.