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June 24, 2018

Via Electronic Mail and U.S. Mail

The Honorable Steven Pearce
U.S. House of Representatives
2432 Rayburn House Office Building
Washington, D.C. 20515

Dear Congressman Pearce:

The New Mexico Oil & Gas Association (NMOGA) supports H.R. 6106 and H.R. 6107, which would expedite the Bureau of Land Management's (BLM) permitting process for oil and gas activities on federal lands.

In New Mexico, oil and gas production provides roughly one third of the revenue in the State's general fund. This revenue provides funding for schools, healthcare, roads, teachers, and public safety. Oil and gas production also provides over 100,000 good paying jobs.

A majority of this activity occurs on lands owned by the federal government, specifically, the BLM. The BLM's struggle to process applications for permit to drill (APD's) results in lost revenue and jobs for the State. Currently, the BLM's Carlsbad field office has a backlog of roughly 800 APD's and processing an APD can take over 200 days. In contrast, permitting on state land in New Mexico and Texas takes one to two weeks. This delay is forcing producers to flock to Texas and is costing New Mexico roughly \$713 million per year and the Federal government \$1.3 billion per year.

These bills will significantly reduce the backlog of APD's by eliminating duplicative permitting and streamlining permitting in previously developed areas.

Currently, the BLM requires APD's for wells located on non-federal land even if the well involves a fraction of federal minerals. H.R. 6107 provides a commonsense solution for this problem by exempting wells that are comprised of less than 50% federal minerals from receiving a permit from the BLM. These wells would still require state permits and thus would still require environmental review.

Section 390 of the Energy Policy Act of 2005 provides a handful of categorical exclusions that would expedite the permitting process for oil and gas activities on federal lands where development has already occurred. Unfortunately, these tools are not always used when they are available. H.R. 6107 would require that these categorical exclusions be used when available. The bill will also expand categorical exclusions for permits on previously developed land and for infrastructure in previously approved rights-of-way (ROW). This will reduce the permit backlog while also allowing for increased capture of natural gas as pipelines will be approved faster.

We thank you for your efforts to fix this problem and support these bills.

Sincerely,

Ryan Flynn
Executive Director