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ETHICS
WATCH

The Continuing Influence of the Oil and Gas Industry in New Mexico in 2020

New Mexico's Long-Standing Resource Curse

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Note: Unless stated otherwise, all figures and amounts are derived from data obtained from both the old Campaign Finance Information System (CFIS) website, <https://www.cfis.state.nm.us/>, and the new CFIS website, <https://login.cfis.sos.state.nm.us/#/index>, maintained by the Office of the Secretary of State.

I. Introduction: The Continuing Influence of the Oil and Gas Industry

The year 2020 will forever be synonymous with misery. Besides killing nearly 3,200 people in New Mexico, the COVID-19 pandemic forced the economy to shut down, causing tens of thousands to lose their jobs in this state in 2020. But according to a new report by New Mexico Ethics Watch, money from oil and gas interests to New Mexico politicians and political organizations continued to flow, with almost \$3.3 million from the industry going to political causes during this past election cycle.

Because of the state government being so dependent on oil revenues, it's not surprising that the industry remains a major source of funding for political campaigns in New Mexico.

In the most recent fiscal year that ended in June 2020, oil and gas revenues contributed \$2.8 billion or about a third of the money that goes into the state government's general fund, according to a recent report by the New Mexico Tax Research Institute. And oil and gas revenues make up an even higher percentage of the state's two permanent funds, the Land Grant Permanent Fund and the Severance Tax Permanent Fund. Even in the midst of the pandemic, oil production in New Mexico was actually up more than 10 percent over the previous year and prices rebounded to nearly \$50 per barrel by mid-January. But the price of oil always is volatile and prone to boom-and-bust cycles. As recently as April 2020, the price of a barrel dropped into negative territory due to an oil glut and a pandemic-related decrease in demand.

For the average New Mexican, the industry's contributions may seem incomprehensible. (The per capita annual income of the average New Mexico citizen, according to the U.S. Census Bureau, is just over \$26,000.) And the contribution totals would increase dramatically if lobbyist compensation were included. Currently, unlike many other states, New Mexico does not require this disclosure. To many, the sheer size of the financial contributions can create a cynical impression that the industry is buying its way out of increased royalties and additional regulations.

In this report, we looked at campaign contributions and expenditures from 50 companies and 29 individual contributors, as well as dozens of political action committees and lobbyists from the oil and gas sector. Using data from the New Mexico Secretary of State's Office and the National Institute on Money in Politics' FollowtheMoney.org, New Mexico Ethics Watch documented direct contributions from the industry to candidates, committees, and PACs in the state during the primary and general elections last year. The full report can be found, with a summary of key findings, at: <http://nmethicswatch.org/oil-and-gas-report/>.

As was the case in the previous election cycle, the California-based Chevron corporation overwhelming was the top source of political money for New Mexico politicians in 2020, spending almost \$1.8 million last year. Chevron lobbyists alone gave \$700,000 during the primary to a PAC called "New Mexico Strong," which, despite its name, is based in Texas. The committee used most of its resources to produce ads, mailers and other campaign help for six conservative Democratic state senators. (Five of those six, however, lost their primary races.)

Individual donors from the oil and gas industry also contributed generously in 2020. For instance, members of the Yates family – which has been involved in New Mexico’s oil business for generations and has for years been a leading source of campaign cash for New Mexico Republicans - remained a major source of campaign funding for Republicans. Individual Yates family members and their companies gave more than \$400,000 during the entire election cycle. The top four individual oil and gas contributors in 2020 were members of the Yates family.

Just over 70 percent of the oil and gas contributions last year came from out-of-state companies, individuals and committees.

As usual, Republican candidates and organizations received the majority of oil and gas political contributions in 2020 –about 60 percent of the total. But oil and gas interests still were generous to Democrats. Beside those conservative Democratic senators backed by New Mexico Strong, the industry also contributed heavily to Democratic leadership PACs in the Legislature, which help fund the campaigns of rank-and-file members. The industry gave more than \$182,000 to House Speaker Brian Egolf’s PAC and \$67,500 to the New Mexico Senate Democrats’ PAC. During the recent election Ryan Flynn, president and CEO at the New Mexico Oil & Gas Association – and a former cabinet secretary for Republican Gov. Susanna Martinez -- got in trouble with New Mexico Republicans for saying nice things about some Democrats. State GOP Chairman Steve Pearce and other New Mexico Republican leaders have called for Flynn’s resignation because of this.

Besides the campaign finance data, this report tracks the relationship between industry donations to policymakers and the outcome of specific legislation during the 2020 legislative session. Among those proposals was House Bill 173, which would have imposed a new gasoline surtax and special fuel excise tax. Another proposal, HB 293, would have appropriated \$150,000 to the Environment Department for finalizing its evaluation of emissions trends and proposed policies to reduce carbon dioxide and other greenhouse gas emissions. Both bills were effectively killed in the House Appropriations and Finance Committee, whose chairwoman is a major recipient of oil and gas money.

One factor that possibly could affect oil and gas contributions in the future is the fact that some major energy companies, especially electric utilities, are starting to move away from fossil fuels and toward alternative energy sources. Southwestern Public Service Company, which provides electric service for much of eastern New Mexico, has been increasing its reliance on wind energy for years. The state’s largest utility, Public Service Company of New Mexico, helped push the state’s Energy Transition Act in 2019, and has pledged to be 100 percent carbon free by 2040.

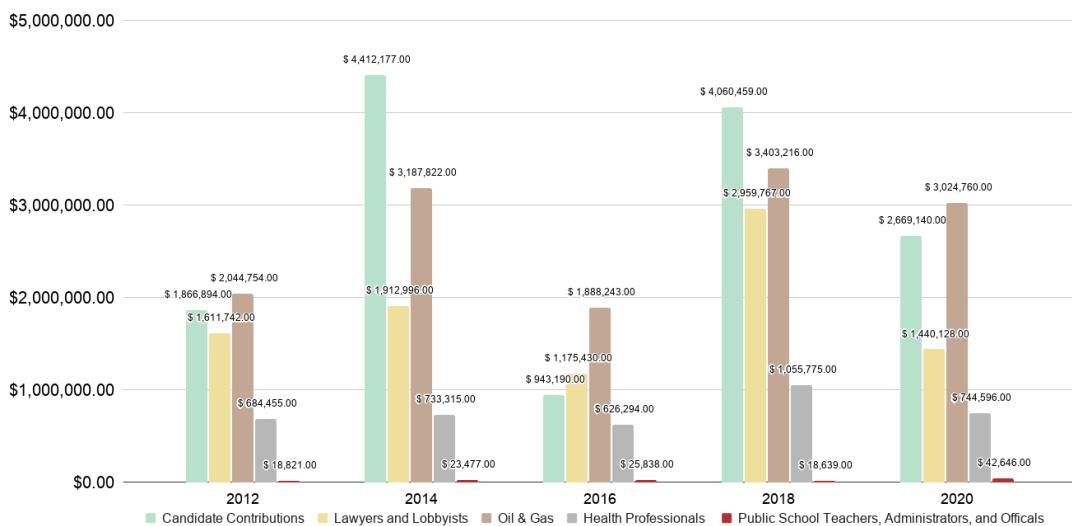
Even Chevron announced in July that it’s signed an agreement with a Canadian energy company to develop renewable power projects to provide electricity to its facilities around the world. The previous year, Chevron signed a 12-year power purchase agreement to provide its operations in the Permian Basin with about 65 MW of renewable electricity sourced from a new West Texas wind farm. Of course, this doesn’t mean Chevron plans to stop pumping oil out of the ground in the near future. But when giant oil companies start bragging about their renewable energy efforts, something’s in the air.

II. The Financial Might of the Oil and Gas Industry

With FollowTheMoney.org at 90% reporting for 2020 contributions, the oil and gas industry leads the way in contributions as compared to the following: candidate contributions; lawyers and lobbyists; health professionals; and public school teachers, administrators and officials.¹

In 2018, although outpaced by candidate contributions, the oil and gas industry contributed almost \$3.5 million, during the gubernatorial election year.² During the 2020 election year, as currently reported by FollowTheMoney.org, the industry contributed just over \$3 million, showing no signs of diminishing the flow of money from the oil and gas industry to New Mexico candidates.³

FIGURE 1:
Top Industry Contributors by Sector, 2012-2020



Source: FollowtheMoney.org

III. Oil and Gas Industry Campaign Contributions

A. 2020 Primary and General Elections

Just how much do oil and gas companies, affiliated PACs, associations, individuals and lobbyist employers contribute? In 2020, the total is \$3,296,839 according to data obtained from the New

¹ As of January 20, 2021, FollowTheMoney.org, from whom these statistics are taken, was at 90% reporting for 2020. In compiling these numbers, we have drawn from the categories of “lawyers and lobbyists” and “attorneys and law firms” to compile the more general category of “lawyers and lobbyists.” For the “oil and gas” category, we have drawn from “oil and gas industries”.

² See http://nmethicswatch.org/wp-content/uploads/2020/05/Oil-and-Gas-Report_05012020.pdf, p. 7.

³ Note that the NM CFIS website data reveals just under \$3.3 million in industry contributions in 2020. The FollowTheMoney.org figure was used in Figure 1 for source consistency.

Mexico Secretary of State's website.⁴ Here's a list of just the top 20 oil and gas industry contributors in New Mexico in 2020:

FIGURE 2:
Top 20 Oil & Gas Contributors, 2020

	Top 20 Oil & Gas Contributors, 2020	Amount
1	Chevron	\$1,786,198.90
2	Jalapeno Corporation	\$142,462.00
3	Exxon Mobil Corporation	\$117,550.00
4	Strata Production Company	\$106,500.00
5	Devon Energy	\$102,500.00
6	Marathon Oil Company	\$83,500.00
7	Occidental Petroleum Corporation	\$76,162.50
8	PNM	\$61,918.18
9	Concho Resources, Inc.	\$59,350.00
10	Bowlin Travel Centers	\$57,975.00
11	John Yates	\$53,500.00
12	John A. Yates Sr Trust	\$50,000.00
13	Peyton Yates	\$47,500.00
14	NGL Water Solutions Permian LLC	\$47,000.00
15	New Mexico Gas Company	\$45,750.00
16	Process Equipment and Service Co	\$45,181.50
17	Conoco Phillips	\$44,500.00
18	Marathon Petroleum Corp.	\$40,750.00
19	Charlotte Yates	\$40,000.00
20	PetroYates, Inc.	\$37,000.00

With a few notable exceptions, the top contributors list is composed of corporations. There's a reason for that. New Mexico law, unlike federal law, allows for direct contributions to candidates by corporations, associations, PACs and individuals.⁵

⁴ This includes data from both the new CFIS, which contains candidate and PAC contribution data, and the old CFIS, which contains lobbyist, PAC and candidate contribution data. Note that we are unable to determine duplication with exact certainty due to the new CFIS being rolled out in September, and the two systems, old and new, describing data differently.

⁵ Section 1-19-26(P) NMSA 1978 defines "person" as an individual or entity. Section 1-19-34.7 NMSA 1978 sets the contribution limits for persons.

FIGURE 3:
Oil & Gas Non-Individual Contributors, 2020

	Oil & Gas Non-Individual Contributors	Amount
1	Chevron	\$1,786,198.90
2	Jalapeno Corporation	\$142,462.00
3	Exxon Mobil Corporation	\$117,550.00
4	Strata Production Company	\$106,500.00
5	Devon Energy	\$102,500.00
6	Marathon Oil Company	\$83,500.00
7	Occidental Petroleum Corporation	\$76,162.50
8	PNM	\$61,918.18
9	Concho Resources, Inc.	\$59,350.00
10	Bowlin Travel Centers	\$57,975.00
11	John A. Yates Sr Trust	\$50,000.00
12	NGL Water Solutions Permian LLC	\$47,000.00
13	New Mexico Gas Company	\$45,750.00
14	Process Equipment and Service Co	\$45,181.50
15	Conoco Phillips	\$44,500.00
16	Marathon Petroleum Corp.	\$40,750.00
17	PetroYates, Inc.	\$37,000.00
18	XTO Energy	\$24,935.00
19	Brewer Oil Company	\$21,500.00
20	Pic Quick Stores, Inc	\$15,000.00
21	Yates Legacy LLC	\$10,000.00
22	Coll Brothers Oil	\$7,500.00
23	Richards Energy Compression LLC	\$6,000.00
24	Trident Oilfield Service	\$5,500.00
25	Sendero Midstream Partners, LP	\$5,500.00
26	Herrera's Oilfield Service	\$5,250.00
27	Santo Petroleum LLC	\$5,000.00
28	James B. Campanella Living Trust	\$5,000.00
29	Axis Energy Corporation	\$5,000.00
30	Merrion Oil & Gas	\$4,075.00
31	Mack Energy Corporation	\$3,000.00
32	Johnny Cope	\$2,000.00
33	New Mexico Gas Company	\$1,716.62
34	Hollyfrontier Corp.	\$1,345.00

35	Chase Oil Corporation	\$1,000.00
36	Maclaskey Oilfield Service	\$1,000.00
37	Excalibur Oilfield Services, LLC	\$900.00
38	Hodges Oil	\$650.00
39	Yates Energy Corporation	\$500.00
40	Western Refining	\$345.00
41	Permian Energy	\$250.00
42	Davidson Oil	\$142.00
43	Lucky Services Inc.	\$125.00
44	TRM LLC.	\$125.00
45	C.C's Oil and Gas Co.	\$100.00
46	Clines Corners	\$100.00
47	CLEAResult Consulting/NM Gas Co	\$35.00
48	Zia Natural Gas	\$20.00
49	ICF International for NM Gas Company	\$20.00
50	Petroleum Casualty Company	\$16.00
	Grand Total	\$3,037,947.70

While there are many New Mexico oil and gas companies who make political contributions, just over 70 percent of oil and gas industry contributions in 2020 came from out of state.⁶

B. 2015-2020

FIGURE 4:
Oil & Gas Contributors, 2015 – 2020

Year	Number of Contributions	Amount
2015	50	\$152,450
2016	1,454	\$1,545,038
2017	48	\$157,325
2018	1,592	\$2,944,256
2019	48	\$305,544
2020	1,690	\$2,777,286

Note: Bolded numbers are Election Years. Info is from FollowTheMoney.org

⁶ See Section 4(A)(c), infra.

When we group the oil and gas industry contribution numbers in Figure 4, above, by election cycles, we see the following amounts:

- **2015/2016:** \$1,697,488
- **2017/2018:** \$3,101,581
- **2019/2020:** \$3,082,830

There is a decided upward trend in contributions from the oil and gas industry from the 2015/2016 election cycle through the 2017/2018 election cycle, and then a slight decrease for the election cycle 2019/2020 from the previous cycle. This can perhaps be explained by the fact that the 2018 election year included contests for governor (to follow a decidedly oil and gas industry-friendly governor) as well as land commissioner, a race that saw the industry spend large amounts in support of Patrick Lyons and against the current land commissioner, Stephanie Garcia Richards.⁷

IV. Who Gives and Who Receives?

A. Donors

a. Individual Contributors

The 2020 election year brought new people into the top tier of individual oil and gas industry contributors, as Richard and Linda Yates, Rolla and Madison Hinkle, and Oscar Andrade climbed into the top 10, displacing Greg Ray Westall, Scott Branson, Charles Richard Saulsbury, Sr., Mack Chase, Phillip Madron and Harvey Yates, Jr., who had been in the top tier of the industry's individual contributors for the combined reporting periods of 2017-2020.⁸

Significantly, the amounts contributed by certain individuals during 2020 were greater than or just about equal to the total amounts contributed by those individuals from 2017-2020. For example, Charlotte Yates contributed \$40,000 in 2020 alone, while having previously contributed a total of \$33,300 from 2017-2020.⁹

FIGURE 5:
Oil & Gas Individual Contributors, 2020

	Oil and Gas Individual Contributors, 2020	Amount
1	John Yates	\$53,500.00
2	Peyton Yates	\$47,500.00
3	Charlotte Yates	\$40,000.00

⁷ See http://nmethicswatch.org/wp-content/uploads/2020/05/Oil-and-Gas-Report_05012020.pdf, pp. 14 and 49

⁸ See p. 12, http://nmethicswatch.org/wp-content/uploads/2020/05/Oil-and-Gas-Report_05012020.pdf

⁹ Ibid. And see Figure 4, showing Peyton Yates contributing \$47,500 in 2020 while contributing \$51,400 in total from 2017-2020.

4	Richard Yates	\$15,000.00
5	Rolla Hinkle	\$8,500.00
6	Oscar Andrade	\$4,000.00
7	Linda Yates	\$3,600.00
8	Madison Hinkle	\$3,500.00
9	Michael Johnson	\$3,000.00
10	Mark Murphy	\$2,500.00
11	Preston Yates	\$2,500.00
12	Robin Morgan	\$2,500.00
13	Deanna Archuleta	\$2,350.00
14	Stephen Elliott	\$2,250.00
15	Jerry Sandel	\$1,500.00
16	Thomas Jennings	\$1,000.00
17	Phelps Anderson	\$1,000.00
18	Janet Yates	\$875.00
19	David Fleischaker	\$750.00
20	Fred Yates	\$700.00
21	Scott Branson	\$500.00
22	Mary Yates	\$500.00
23	Mary Beth Yates	500.00
24	Butch Mathews	\$60.00
25	Edna Yates	\$25.00
26	Sharon Scott	\$25.00
27	Jessica Yates	\$25.00
28	Apryl Yates	\$24.25
29	Larry Yates	\$6.00
Grand Total		\$198,190.25

A glance at Figure 5, above, quickly reveals the dominance of the Yates family as individual contributors from the oil and gas industry. Founded nearly 100 years ago by Martin and Mary Yates, the Yates petroleum empire is now run by their sons, nephews and other relatives. Members of the Yates family occupy the top four spots on the list of individual contributors and their contributions represent more than 80% of the total contributions made by individuals from the oil and gas industry. Thirteen members of the Yates family appear on the list in Figure 5 and their contributions are directed mostly to Republican candidates.

b. PACs

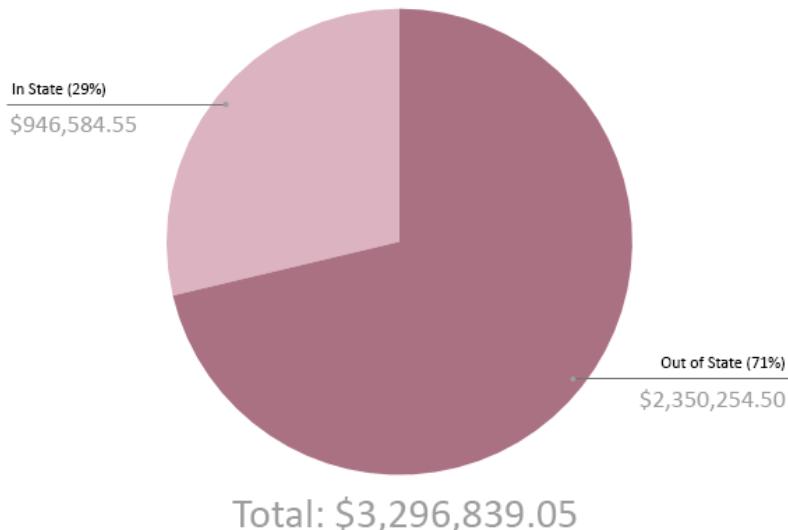
In Figure 6, below, we chart the amount that oil and gas industry PACs spent on candidates in 2020, through contributions and expenditures.

FIGURE 6:
Oil & Gas Industry Associated PACs'
Contributions to and Expenditures for Candidates, 2020

Oil and Gas PAC Contributors, 2020	Contributions to Candidates	Contributions to other PACS	Expenditures (i.e. media)	Total Spending
Permian Energy PAC	\$2,000.00	\$ -	\$ -	\$2,000.00
New Mexico Petroleum Marketers Association	\$ -	\$3,759.26	\$ -	\$3,759.26
4 NM PAC	\$876.61	\$ -	\$2,975.12	\$3,851.73
Affordable Energy PAC	\$ -	\$5,000.00	\$ -	\$5,000.00
Halliburton Company PAC (HALPAC)	\$5,000.00	\$ -	\$ -	\$5,000.00
579 PAC	\$6,633.82	\$ -	\$381.00	\$7,014.82
Enbridge Inc. PAC	\$7,500.00	\$2,500.00	\$ -	\$10,000.00
Apache Corporation PAC	\$16,000.00	\$ -	\$ -	\$16,000.00
New Mexico Oil & Gas Association PAC	\$36,900.00	\$12,500.00	\$ -	\$49,400.00
New Mexico Gas Company HEAT PAC	\$62,800.00	\$ -	\$ -	\$62,800.00
PNM Responsible Citizens Group	\$69,200.00	\$36,000.00	\$ -	\$105,200.00
New Mexico Strong	\$ -	\$ -	\$592,423.20	\$592,423.20
Grand Total	\$206,910.43	\$59,759.26	\$595,779.32	\$862,449.01

c. Out-of-State Contributors

FIGURE 7:
Contributions by State, 2020



d. Chevron

The California-based Chevron USA is one of the best-known oil companies in the world. It's also one of the top oil producers in New Mexico, currently holding more than 1,600 active drill permits, some that have been in use since the 1930s, according to data from the state Energy, Minerals and Natural Resources Department.¹⁰

The company also led the oil and gas sector in terms of political spending in the 2020 election cycle, just as it did two years earlier.

In 2020, Chevron reported contributing \$1,761,198.90 to candidates and political committees in New Mexico.

Last year's Chevron contributions came during a time in which the corporation was losing money – more than \$11 billion in new income loss during the 12-month period ending in September 2020.¹¹

The top recipient of Chevron's contributions in New Mexico last year was the political action committee New Mexico Strong, which received a total of \$700,000 during the primary from the

¹⁰ New Mexico Energy, Minerals and Natural Resources Department Well Search
https://wwwapps.emnrd.state.nm.us/ocd/ocdpermitting/Data/WellSearchResults.aspx?OperatorSearchClause=Contains&ogrid_name=chevron&WellSearchClause=BeginsWith&WellNumberSearchClause=BeginsWith&PoolSearchClause=BeginsWith§ion=00&Status=A&CancelledAPDs=Exclude&PluggedWells=Exclude&SearchLocation=Surface

¹¹ <https://www.macrotrends.net/stocks/charts/CVX/chevron/net-income>

oil giant. The PAC used the money to produce ads, mailers and other services for six conservative incumbent Democratic senators facing challenges from more liberal primary opponents. Four of those incumbents lost their primaries.¹²

Chevron also contributed to several leadership PACs in New Mexico in the 2020 election. The company gave Republican PACs \$94,300, with PAC 22, (the Senate GOP PAC) getting \$50,000 and the New Mexico House Republican Campaign Committee receiving \$44,300. But Chevron didn't completely leave out Democrats during last year's election. Chevron contributed \$44,300 to the Brian Egolf Speaker PAC, \$25,000 to the New Mexico Senate Democrats, \$5,000 to the Senate Majority Leader PAC and \$10,000 to Gov. Michelle Lujan Grisham's MLG PAC. (The governor was not up for re-election last year.)

The company also contributed to dozens of individual candidates in 2020. Chevron contributed \$245,300 to Republican candidates and \$108,800 to Democrats.

e. Yates Family and Businesses

In 1924, Martin Yates, Jr. and his partners completed the Illinois #3 in Eddy county, which was the first commercial oil well on state lands in New Mexico. Since then, the Yates family has been intertwined with the economy and cultural life of southeastern New Mexico and their home town of Artesia.

Martin and Mary Yates had four sons who all made their respective marks on the energy industry while advancing the family business. This tradition continued with their descendants, many of whom were and still are hands-on in various oil and gas ventures.¹³ Yates Petroleum Corp., the flagship family business, was acquired in 2016 by EOG Resources Inc., a Houston-based oil firm. The purchase price was \$2.5 billion.¹⁴

Despite the sale of Yates Petroleum Corp., the Yates family is still a commanding presence in the energy industry. John Yates, Peyton Yates, Charlotte Yates and Richard Yates occupy the top four spots on the list of individual contributors (See Figure 4) and their contributions represent more than 80% of the total contributions made by individuals from the oil and gas industry. Yates family businesses and trusts include: Jalapeno Corp.; John A. Yates Sr Trust; Petro Yates, Inc.; Yates Legacy LLC; Santo Petroleum LLC; and Yates Energy Corporation. Those entities are all listed in Figure 3, regarding oil and gas non-individual contributors and their aggregate contributions exceed \$240,000.

The Yates' individual contributions and non-individual contributions total more than \$400,000, mostly to Republican candidates in New Mexico.

¹² See Section IV(B)(c), infra, re: New Mexico Strong

¹³ www.santopetroleum.com

¹⁴ "Yates Petroleum of Artesia sold to Houston company for \$2.5 billion", Ellen Marks, *Albuquerque Journal*, September 6, 2016

FIGURE 8:
Yates Family and Business Contributions, 2014-2020

Year	Number of contributions	Amount
2020	110	\$404,717
2019	8	\$86,494
2018	78	\$171,330
2016	58	\$66,759
2015	1	\$5,400
2014	115	\$219,678

Source: All years but 2020 from FollowTheMoney.org. 2020 amount from NM CFIS data.

B. Recipients

a. Leadership PACs v. Other PACs

In 2019, when SB 3, relating to campaign finance, passed the House and Senate and headed to the governor for her signature, Republican lawmakers cried foul over last minute amendments that gave legislative leaders of both parties the authority to create “legislative caucus committees” (i.e. PACs) that would be allowed to accept contributions up to \$25,000 from a single donor for a primary election and another \$25,000 for the general election.¹⁵ (Five times the allowable contribution amount to other entities.) As the *Albuquerque Journal* noted at the time, “The additional fundraising ability...puts legislative leaders in position to help boost political campaigns for chosen candidates and initiatives.”¹⁶

In response to this change, then-Senate Minority Floor Leader Stuart Ingle said, “I don’t want this to where the leadership can get this kind of money and they’re the only ones that can get it.”¹⁷ In a testy back and forth, again as reported by the *Albuquerque Journal*, Speaker of the House Brian Egolf noted, “That might be the first time I’ve heard a Republican complain about money in politics.”¹⁸

Despite the fact that Republican legislative leaders could also benefit from the higher contribution limits, Senator Ingle said he voted against the bill, noting that, “If I can raise that kind of money, my goodness sakes, I could certainly use that in a way that’s to me not the way it’s supposed to be used at all.”¹⁹

¹⁵ Section 1-19-34.7(C) NMSA 1978.

¹⁶ <https://www.abqjournal.com/1291230/gop-lawmakers-blast-campaign-finance-bill.html>

¹⁷ Ibid.

¹⁸ Ibid.

¹⁹ Ibid.

Republican Senator Mark Moores told his colleagues, “We know the real politics here. This is creating a lot of money into one caucus and under one powerful leader. We’re increasing more money into politics when we should be going away from the scheme we’ve been having...”²⁰

Fast forward to 2021, and the data from 2020 shows that both parties are raking in cash to their respective caucus committees, at least from the powerful oil and gas industry. And the only ones who may be complaining are those who dislike the candidate contribution distribution perhaps being attached to quid pro quos between leadership and individual legislators, with cash potentially arriving upon the pleasure of leadership based on the votes of legislators.

FIGURE 9:
Non-Individual Recipients of Oil & Gas Contributions, 2020

	Non-Individual Recipients of Oil & Gas Contributions, 2020	Amount
1	New Mexico Strong	\$1,400,000.00
2	PAC 22	\$187,850.00
3	New Mexico House Republican Campaign Committee	\$186,050.00
4	Brian Egolf Speaker Fund	\$182,285.00
5	New Mexico Senate Democrats	\$67,500.00
6	Republican Campaign Committee of New Mexico	\$60,068.18
7	New Mexico Turn Around	\$57,700.00
8	Our Values PAC	\$49,500.00
9	Make New Mexico Great PAC	\$25,500.00
10	Senate Majority Leader PAC	\$21,500.00
11	MLG PAC	\$15,000.00
12	Committee to Protect New Mexico Consumers	\$10,000.00
13	Jobs PAC	\$6,609.00
14	People for Las Cruces PAC	\$5,000.00
15	New Mexico Oil & Gas Association PAC (NMOGA PAC)	\$5,000.00
16	Republican Party of Dona Ana	\$5,000.00
17	Common Sense Cruces PAC	\$5,000.00
18	Democratic Party of New Mexico	\$4,400.00
19	ActBlue New Mexico	\$3,578.00
20	Republican Party of Chaves County	\$2,300.00
21	Saddle PAC	\$2,000.00
22	Republican Party of Eddy County	\$1,000.00
23	Save our Western Way of Life	\$1,000.00
24	New Mexico House Democratic Campaign Committee	\$1,000.00

²⁰ Ibid.

25	NM PAC	\$1,000.00
26	Better Future For New Mexico, an Independent Expenditure PAC	\$500.00
27	Republican Party of Bernalillo County	\$304.00
28	NM NAIOP PAC	\$250.00
29	NM Restaurant Association	\$210.00
30	San Juan County Republican Party	\$84.25
31	Roosevelt County Republican Central Committee	\$66.62
32	New Mexico Home Builders Political Action Fund	\$40.00
33	Democratic Party of Valencia County	\$25.00
34	NM Association of Realtors PAC	\$25.00
35	American Property Casualty Insurance Association Political Account I	\$16.00
	Grand Total	\$2,307,361.05

In Figure 9, above, we note that four out of the top 5 PACs (highlighted) receiving money from the oil and gas industry in 2020 are legislative caucus PACs, with the Senate Republican PAC, PAC 22, receiving the most in contributions, but closely followed by the House Republican PAC and the House Democrat PAC, the Brian Egolf Speaker Fund. The only legislative caucus committee lagging in fundraising from the oil and gas industry is that of the Senate Democrats, the New Mexico Senate Democrats PAC.

b. Democrats v. Republicans

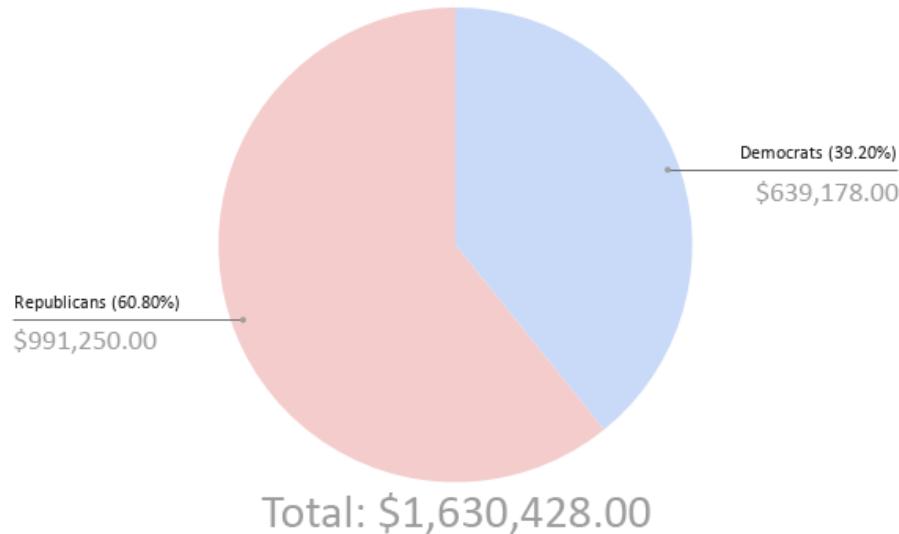
Over the totality of the 2020 primary and general election reporting periods, the distribution of contributions from the oil and gas industry averaged out to just over 60 percent given to Republican candidates and committees.²¹ While the first general election reporting period (6/30 to 9/7) saw 76% of industry contributions going to Republicans, this was balanced out by a distribution closer to the just more than 60 percent average during the primary reporting period and each of the subsequent general election reporting periods.

It is notable, however, that despite this skewed partisan giving, that in individual reporting periods, some of the largest recipients of oil and gas industry contributions were Democratic Party leaders.²²

²¹ Contributions to third party candidates from the oil and gas industry were negligible and are not included in this discussion or the accompanying chart.

²² See NMEW's November 2, 2020 press release in Appendix 2.

FIGURE 10:
Party Breakdown for Individual Recipients of Oil & Gas Contributions, 2020



c. New Mexico Strong

In New Mexico's 2020 primary election there was one political action committee that stood out above all others, the Texas-based super PAC New Mexico Strong. This committee reported spending nearly \$600,000 during the primary, according to New Mexico's Secretary of State's office, the bulk of that going for campaign ads, mailers and other services to support re-election for six conservative Democratic senators. New Mexico Strong basically went dark during the general election, spending less than \$7,000, which mainly went to legal, accounting and banking fees.

The overwhelming bulk of New Mexico Strong's contributions last year came from the Chevron corporation. The oil and gas giant contributed \$700,000 to the PAC during the primary. (New Mexico Strong in January reported having nearly \$285,000 cash in hand.)

This PAC first emerged in the 2018 election, reporting more than \$2.9 million in contributions that year and spending almost \$2.8 million. Of that, about \$2.35 million was from Chevron.

The only PAC official associated with New Mexico Strong listed on campaign finance reports is treasurer Cabel Hobbs of Austin, Texas. Hobbs is a veteran of the George W. Bush White House, having served in Bush's Office of Political Affairs. He also worked as deputy director and assistant treasurer of the 2004 Bush-Cheney campaign.²³

²³ Hobbs' LinkedIn profile <https://www.linkedin.com/in/cabell-hobbs-0032712>

Hobbs also has served as the treasurer for the Great America Committee, a PAC run on behalf of Vice-President Mike Pence²⁴ and as the treasurer for the “John Bolton Super PAC” which was founded by John Bolton, ex-President Donald Trump’s former national security advisor.²⁵

Hobbs’ LinkedIn page lists his occupation since as cofounder and managing partner in Compliance Consulting Company of Virginia.²⁶ The address for RightSide Compliance, which according to campaign finance reports was paid thousands of dollars from New Mexico Strong, is the same post office box listed as Hobbs’ address on the reports.

One could argue that despite the big money from Chevron, New Mexico Strong didn’t get much “bang for their bucks” in the last two elections. In 2018, the PAC spent almost \$2 million on ads supporting Republican candidate Patrick Lyons for state land commissioner, and opposing Democrat Stephanie Garcia Richard, who won that election.

In 2020 the committee mostly supported five conservative Democratic senators – John Arthur Smith, Mary Kay Papen, Clemente Sanchez, George Munoz, Gabriel Ramos and Richard Martinez – with direct mail, digital ads, phone banks, text messages to voters and, in the case of Smith, Sanchez and Ramos, with television ads. New Mexico Strong made more than \$134,000 in independent expenditures for Sanchez, about \$120,000 each for Smith and Ramos, more than \$50,000 for Munoz, more than \$42,000 for Papen.

Then, in the last three weeks of the campaign, the PAC paid for phone banks and text messages for a sixth conservative Democrat, Sen. Richard Martinez, spending almost \$6,500. But the only New Mexico Strong-supported candidate who won his primary was Munoz.

d. Individual State Legislators and Candidates

FIGURE 11:
Candidate Recipients of Oil & Gas Contributions, 2020

	Individual Recipients of Oil & Gas Contributions, 2020	Office Sought	Amount
D	Michelle Lujan Grisham	Governor	\$50,503.00
D	Brian Egolf	House District 47	\$46,400.00
R	James Townsend	House District 54	\$41,150.00
D	Patricia Lundstrom	House District 9	\$35,250.00
R	Candace Gould	Senate District 10	\$34,900.00
D	Nathan Small	House District 36	\$29,300.00
R	Isabella Solis	House District 37	\$28,000.00

²⁴ <https://www.opensecrets.org/political-action-committees-pacs/great-america-cmte/C00640664/summary/2020>

²⁵ <https://publicintegrity.org/politics/inside-john-bolton-super-pacs-deal-with-cambridge-analytica>

²⁶ <https://www.linkedin.com/in/cabell-hobbs-0032712>

R	Craig Brandt	Senate District 40	\$27,800.00
D	Joseph Cervantes	Senate District 31	\$27,150.00
D	Javier Martinez	House District 11	\$27,050.00
D	Antonio Maestas	House District 16	\$26,900.00
D	Peter Wirth	Senate District 25	\$26,900.00
R	Gregory Baca	Senate District 29	\$26,050.00
R	Crystal Diamond	Senate District 35	\$25,775.00
R	Mark Moores	Senate District 21	\$25,050.00
R	David M. Gallegos	Senate District 41	\$23,250.00
D	Clemente Sanchez	Senate District 30	\$23,000.00
R	Robert Godshall	House District 27	\$23,000.00
R	Ryan Chavez	Senate District 18	\$22,750.00
R	Sander Rue	Senate District 23	\$22,550.00
R	Steven Neville	Senate District 2	\$22,550.00
D	Doreen Gallegos	House District 52	\$22,400.00
R	Cathrynn Brown	House District 55	\$21,900.00
R	Gay Kernan	Senate District 42	\$21,800.00
R	Larry Scott	House District 62	\$21,400.00
R	Greg Nibert	House District 59	\$21,050.00
R	Gregory Fulfer	Senate District 41	\$20,300.00
D	Daniel Ivey Soto	Senate District 15	\$19,800.00
R	William 'Bill' Rehm	House District 31	\$19,650.00
R	Kelly Fajardo	House District 7	\$19,400.00
R	Ron Griggs	Senate District 34	\$19,300.00
D	John Smith	Senate District 35	\$19,250.00
R	Rodney Montoya	House District 1	\$18,800.00
R	William F. Burt	Senate District 33	\$18,550.00
R	Cliff Pirtle	Senate District 32	\$18,550.00
R	Stuart Ingle	Senate District 27	\$18,250.00
R	James Strickler	House District 2	\$18,100.00
R	Pat Woods	Senate District 7	\$18,050.00
R	Joshua A. Sanchez	Senate District 30	\$18,000.00
R	Alonzo Baldonado	House District 8	\$17,400.00
D	Jacob Candelaria	Senate District 26	\$17,050.00

R	Phelps Anderson	House District 66	\$16,900.00
D	Candie Sweetser	House District 32	\$16,400.00
D	Mary Kay Papen	Senate District 38	\$16,150.00
R	Randal Crowder	House District 64	\$16,100.00
R	Ricky Little	House District 53	\$15,750.00
R	Jack Chatfield	House District 67	\$15,600.00
R	Rachel Black	House District 51	\$15,400.00
R	Rebecca Dow	House District 38	\$15,350.00
R	Candy Spence Ezzell	House District 58	\$15,300.00
R	Dinah Vargas	House District 10	\$15,025.00
R	John Clark	Senate District 9	\$15,000.00
R	William Sharer	Senate District 1	\$14,900.00
R	Jane Powdrell-Colbert	House District 44	\$14,800.00
D	Patricio Ruiloba	House District 12	\$14,700.00
D	Gabriel Ramos	Senate District 28	\$14,650.00
R	Martin Zamora	House District 63	\$14,500.00
D	George Munoz	Senate District 4	\$14,500.00
R	Jason Harper	House District 57	\$14,200.00
R	Zach Cook	House District 56	\$13,800.00
D	Rebecca "Becky" King Spindle	House District 50	\$13,500.00
D	Micaela Lara Cadena	House District 33	\$13,300.00
D	Pete Campos	Senate District 8	\$12,800.00
D	Roberto Gonzales	Senate District 6	\$11,800.00
R	Gail Armstrong	House District 49	\$11,600.00
D	Michael Padilla	Senate District 14	\$11,500.00
R	John Morton	Senate District 20	\$11,000.00
R	Justin Salazar-Torrez	House District 40	\$11,000.00
D	Harry Garcia	House District 69	\$10,850.00
R	Randall Pettigrew	House District 61	\$10,750.00
D	Howie Morales	Lt. Governor	\$10,500.00
D	Liz Stefanics	Senate District 39	\$10,500.00
R	Kimberly Skaggs	Senate District 36	\$10,000.00
R	J. Chandler	House District 32	\$10,000.00
R	Joshua Hernandez	House District 60	\$10,000.00

D	Raymundo Lara	House District 34	\$9,800.00
R	Adelious Stith	House District 29	\$9,250.00
R	Gregg Schmedes	House District 22	\$8,200.00
D	Dayan Hochman-Vigil	House District 15	\$7,800.00
D	Sheryl Williams Stapleton	House District 19	\$7,500.00
D	Ambrose Castellano	House District 70	\$7,300.00
D	Richard Martinez	Senate District 5	\$7,200.00
R	James White	Senate District 19	\$6,800.00
D	John Sapien	Senate District 9	\$6,500.00
R	Giovanni Coppola	House District 68	\$6,500.00
R	Michael Hendricks	House District 20	\$6,000.00
D	Bill Tallman	Senate District 18	\$6,000.00
R	Luis Terrazas	House District 39	\$5,800.00
R	T. Ryan Lane	House District 3	\$5,750.00
D	Daymon Ely	House District 23	\$5,650.00
D	Willie Madrid	House District 53	\$5,350.00
D	Mary Carmack-Altwies	Santa Fe District Attorney	\$5,000.00
D	Hector Balderas	Attorney General	\$5,000.00
R	Ali Ennenga	House District 15	\$5,000.00
R	Richard Taylor	Chavez County Commission	\$5,000.00
R	P Duncan	House District 4	\$5,000.00
R	Joseph Tiano	Senate District 39	\$5,000.00
D	Benny Shendo	Senate District 22	\$3,700.00
D	Mimi Stewart	Senate District 17	\$3,500.00
R	John Jones	House District 30	\$3,500.00
R	Tim Lewis	House District 60	\$3,400.00
R	Stefani Lord	House District 22	\$3,300.00
D	Meredith Dixon	House District 20	\$3,150.00
D	Georgene Louis	House District 26	\$2,900.00
D	Anthony Allison	House District 4	\$2,800.00
D	Nancy Rodriguez	Senate District 24	\$2,750.00
D	Jim R. Trujillo	House District 45	\$2,600.00
D	Irma Chaparro	Dona Ana County Commission	\$2,500.00
R	John Foreman	House District 52	\$2,500.00

R	Adrian Trujillo	House District 11	\$2,500.00
R	Daniel Gallegos	Judge	\$2,500.00
R	Bill Sharer	Senate District 1	\$2,400.00
D	Joanne Ferrary	House District 37	\$2,000.00
R	William Payne	Senate District 20	\$2,000.00
D	Linda Lopez	Senate District 11	\$1,500.00
R	Thomas Stull	House District 28	\$1,500.00
R	David Gallus	Senate District 37	\$1,500.00
D	Matthew McQueen	House District 50	\$1,500.00
R	Joseph Bizzell	Public Regulation Commission	\$1,500.00
D	Gerald Ortiz y Pino	Senate District 12	\$1,500.00
D	Edwina Cisneros	House District 13	\$1,500.00
D	Deborah A. Armstrong	House District 17	\$1,400.00
D	Derrick Lente	House District 65	\$1,250.00
D	Elizabeth Thomson	House District 24	\$1,250.00
D	Eliseo Alcon	House District 6	\$1,250.00
R	Ellis McMath	House District 23	\$1,000.00
R	Nathan Dial	House District 70	\$1,000.00
D	Shannon Pinto	Senate District 3	\$1,000.00
D	Patty Lundstrom	House District 9	\$1,000.00
D	Amanda Askin	Dona Ana County Clerk	\$1,000.00
D	Leo Jaramillo	Senate District 5	\$1,000.00
D	Randal Brown	House District 63	\$1,000.00
R	Jay Groseclose	House District 46	\$1,000.00
R	Jonathan Aragon	Valencia County Commission	\$1,000.00
R	James Williams	Senate District 28	\$750.00
R	John Morton	Senate District 20	\$750.00
D	Rodolpho Martinez	House District 39	\$600.00
R	George Benson	Bernalillo County Commission	\$600.00
R	Ryan Lane	House District 3	\$500.00
D	Robert Chavez	House District 14	\$500.00
D	Art De La Cruz	House District 12	\$500.00
D	Lisa Martinez	House District 45	\$500.00
R	Jonathan Sena	Lea County Commission	\$500.00
D	Brian Colon	State Auditor	\$500.00

R	Richelle Ponder	House District 35	\$500.00
D	Moe Maestas	House District 16	\$500.00
R	Mark Duncan	House District 4	\$500.00
D	William Soules	Senate District 37	\$500.00
D	Courtney Weakas	Judge	\$500.00
D	Bill O'Neill	Senate District 13	\$500.00
D	Christine Chandler	House District 43	\$500.00
D	Raul Torrez	Bernalillo County DA	\$500.00
R	Paul Bandy	House District 3	\$500.00
D	Pamela Cordova	Senate District 30	\$425.00
D	Kimble Kearns	House District 59	\$350.00
D	Kristina Ortez	House District 42	\$300.00
R	Linda Calhoun	House District 42	\$250.00
D	Troy Richardson	Valencia County Commission	\$250.00
D	Wende Schwingendorf	Bernalillo County Commission	\$200.00
D	Cindy Fuller	Chavez County Clerk	\$200.00
D	Paul Baca	Senate District 29	\$200.00
D	Santos Griego	House District 7	\$200.00
R	Jeffery Bilberry	Chavez County Commission	\$100.00
D	Neomi Martinez-Parra	Senate District 35	\$100.00
R	Janice Arnold-Jones	Public Regulation Commission	\$100.00
D	Karen Bash	House District 68	\$100.00
D	Paul Kinzelman	House District 8	\$50.00
		Grand Total	\$1,689,478.00

While many candidates receive contributions from the oil and gas industry, a few stand out for the percentage these industry contributions constitute as compared to total contributions received.

House candidate Robert Godshall (R, District 27), who was defeated in the 2020 general election by incumbent Democrat Marian Matthews, took in the greatest percentage of total contributions from the oil and gas industry, at more than 61%.

Current office holders receiving a significant percentage of their total campaign contributions from the oil and gas industry include:

- **Senator Steven Neville** (R, District 2) at just under 40%;
- **Rep. Nathan Small** (D, District 36) at more than 35%;
- **Senator and Minority Whip Craig Brandt** (R, District 40) at just over 30%; and

- **Rep. and Minority Floor Leader James Townsend (R, District 54)** at close to 30%.

Other legislators in leadership roles receiving a significant percentage of their total contributions from the oil and gas industry include:

- **Majority Floor Leader Peter Wirth (D)**, with close to 20%;
- **Minority Floor Leader Greg Baca (R)**, with close to 19%; and
- **Speaker of the House Brian Egolf (D)**, taking in more than 15% of his total contributions from the industry.

FIGURE 12:
% of Total Contributions Received from Oil & Gas Industry, 2020

	Candidate	Oil and Gas Contributions	Total Contributions	Percent of Contributions
D	Michelle Lujan Grisham	\$50,503.00	--	--
D	Brian Egolf	\$46,400.00	\$302,816.00	15.32%
R	James Townsend	\$40,650.00	\$137,247.00	29.62%
D	Patricia Lundstrom	\$35,250.00	\$141,950.00	24.83%
R	Candace Gould	\$34,900.00	\$210,216.26	16.60%
D	Nathan Small	\$29,300.00	\$82,661.00	35.45%
R	Isabella Solis	\$28,000.00	\$87,914.15	31.85%
R	Craig Brandt	\$27,800.00	\$91,112.00	30.51%
D	Joseph Cervantes	\$27,150.00	\$160,251.60	16.94%
D	Javier Martinez	\$27,050.00	\$117,768.74	22.97%
D	Antonio Maestas	\$26,900.00	\$99,811.22	26.95%
D	Peter Wirth	\$26,900.00	\$139,427.00	19.29%
R	Gregory Baca	\$26,050.00	\$137,572.00	18.94%
R	Crystal Diamond	\$25,775.00	\$312,452.31	8.25%
R	Mark Moores	\$25,050.00	\$118,282.17	21.18%
R	David M. Gallegos	\$23,250.00	\$144,074.11	16.14%
D	Clemente Sanchez	\$23,000.00	\$133,850.00	17.18%
R	Robert Godshall	\$23,000.00	\$37,672.20	61.05%
R	Ryan Chavez	\$22,750.00	\$111,596.53	20.39%
R	Sander Rue	\$22,550.00	\$105,057.00	21.46%
R	Steven Neville	\$22,550.00	\$56,780.00	39.71%

V. Role of Associations and Advocacy Groups

A. The New Mexico Oil and Gas Association

The New Mexico Oil and Gas Association (NMOGA) is a coalition of oil and natural gas companies, individuals, and stakeholders. On its web site, NMOGA states that it is “dedicated to promoting the safe and environmentally responsible development of oil and natural gas resources in New Mexico. Representing over 900 members, NMOGA works with elected officials, community leaders, industry experts, and the general public, to advocate for responsible oil and natural gas policies and increase public understanding of industry operations and contributions to the state.”²⁷

The NMOGA is a powerful force for the oil and gas industry in Santa Fe and Washington, D.C. So, it was startling when a rupture burst into public view between the association’s executive director and political and business allies of the industry.

In a guest column authored by top-tier Republican political leaders in New Mexico, Executive Director Ryan Flynn was accused of “painting a very rosy picture about the projected recovery of the oil and gas industry in our state.”²⁸ Republican Party Chairman Steve Pearce, Rep. Jim Townsend and Sen. Stuart Ingle went on to say that: “While we all want to believe that global oil production will quickly rebound to pre-pandemic levels, thus positively affecting New Mexico’s current fiscal condition, Flynn’s statements contradict reality.”²⁹

The GOP political bosses then pivoted to another concern, their disdain for favorable comments Flynn had made about Democratic Rep. Xochitl Torres Small. The criticism of Flynn was soon amplified, “when executives with ties to the oil and gas industry called for the removal of Ryan Flynn as executive director of the New Mexico Oil and Gas Association, citing favorable comments he made about a Democratic congresswoman (Rep. Torres Small) who represents part of the Permian Basin.”³⁰

“The executives of several independent oil producers – including Harvey Yates Jr., a member of the Republican National Committee and president of an oil and gas company – accused Flynn of supporting political candidates who are adversaries of the industry.”³¹ In response to the executive’s call for Flynn’s removal, “the board of the Oil and Gas Association said it supports Flynn and remains committed to working with government leaders regardless of their political affiliation.”³²

²⁷ www.nmoga.org

²⁸ “Oil and gas lobbyists are painting a picture that’s too rosy”, Steve Pearce, Chairman, Republican Party of New Mexico; Rep. Jim Townsend, House Republican Leader, Artesia; and Senate Republican Leader, Portales, *Albuquerque Journal*, August 9, 2020

²⁹ *ibid*

³⁰ “Some execs call for new leadership at Oil and Gas Association”, Dan McKay, *Albuquerque Journal*, August 14, 2020

³¹ *ibid*

³² *ibid*

The actions of Ryan Flynn and the NMOGA may reflect the reality that New Mexico is a deeply blue state, and that it is sensible to have a working relationship with Democrats. And perhaps there is also a growing recognition that the industry will need to adapt to evolving demographics and public attitudes.

During a discussion convened by the Independent Petroleum Association of America, Flynn said as much: “Young voters, female voters, Hispanic voters, really every sector except for older conservative male voters, their No. 1 issue when it comes to our industry is always going to be environmental stewardship, and concerns about what we’re doing with the environment.”³³ In a subsequent interview, Flynn added: “We absolutely need to address young people’s, all people’s, concerns about climate change. We’ve taken criticism at times from our peers that we are engaging on these issues. But it’s critical for the future of our industry.”³⁴

B. Power the Future

In the realm of campaign contributions, the Washington, DC-based Power the Future can’t be called a “player.” You won’t find contributions to any candidates or committees from the organization and won’t see them hosting big parties for legislators or buying fancy dinners for legislative committees. But in the past two years, Power the Future has become one of the most vocal and visible advocates of energy companies and one of the most vehement critics of renewable energy in New Mexico.

Power the Future has proclaimed itself to be “the voice of energy workers pushing back on radical green groups and the ideologues who fund them.”³⁵ New Mexico is one of seven states in which Power the Future operates, the other six states being Alaska, Colorado, New York, North Dakota, Ohio and Pennsylvania. It is classified by the IRS as a 501(c)(4) entity, a “social welfare organization.”

In New Mexico, the face of Power the Future is former television reporter Larry Behrens. Mr. Behrens previously worked as a spokesman for Republican Gov. Susana Martinez and also worked for House Republicans in the state legislature. Behrens, whose title is “Western States Director,” has penned many op-eds for Power the Future. Those op-eds have run in newspapers across the state and have also appeared in national publications such as the right-wing *Daily Caller*. He frequently is quoted in New Mexico media to provide a counterbalance to environmentalist sources. Behrens is a prominent critic of New Mexico’s Energy Transition Act, which is intended to make the state more reliant on alternative energy and less dependent on fossil fuels.

Daniel Turner, who founded Power the Future in 2017, is a former Republican communications staffer who has worked for the Charles Koch Institute. Mr. Turner has also worked for Generation Opportunity, which is associated with high-profile GOP mega-funders Charles Koch and his late brother David Koch. Turner is also a frequent guest on Fox News, the far-right One

³³ “A Secret Recording Reveals Oil Executives Private Views on Climate Change”, Hiroko Tabuchi, New York Times, September 12, 2020

³⁴ *ibid*

³⁵ Power the Future website, <https://powerthefuture.com>

America News Network and other conservative news outlets, usually to praise President Trump's energy policies and to blast Trump's critics. The *Santa Fe New Mexican* last year documented several ties between Power the Future and President Trump's re-election campaign.³⁶

Both Turner and Behrens frequently direct aggressive language at renewable energy advocates and politicians who criticize fossil fuels, peppering their discourse with references to "the eco-left," the "radical green agenda" and labeling opponents as "anti-energy."

Mr. Turner told the *Santa Fe New Mexican* last year, "We feel very passionately about the energy space, and we are extremely blunt in our messaging. ... sometimes messaging needs to be very clear and precise."³⁷

Although Power the Future doesn't make campaign contributions, according to the Facebook Ad Library, the organization spent \$161,676 on Facebook ads "about social issues, elections or politics" between May 2018 and January 2021.³⁸ One ad that ran in late October was aimed at former southern New Mexico Congresswoman Xochitl Torres Small, who lost to Republican Yvette Herrell in November. The ad said she "joined with [U.S. Rep. Alexandria Ocasio-Cortez] to vote against America's energy workers."

As a 501(c)(4) entity, Power the Future is not legally required to disclose its contributors and in interviews, Turner has declined requests to do so. The organization's website claims, "Our funding is from private citizens, not corporations or businesses, who care about the men and women who work in the energy space ..."

C. The Independent Petroleum Association of New Mexico

Formed in 1978 by independent oil and gas producers, who work mainly in exploration and drilling, the IPANM has over 300 independent oil and gas producer members. The IPANM's mission is to "provide the services that protect, defend and promote the industry that is the very foundation of our way of life." Past presidents, board members, and award recipients provide a "Who's Who" of the industry and include: Claire Chase (candidate for Congress 2020); Representative Larry Scott; Representative Greg Nibert; donor Mark Murphy; Frank Gorham III, the husband of former Senator Ramsay Gorham; and several members of the Yates family, which is closely associated with the Republican party. Jim Winchester, a former Governor Martinez appointee to the Environment Dept., is the executive director.

³⁶ *Santa Fe New Mexican*, Oct 3, 2020 https://www.santafenewmexican.com/news/local_news/fossil-fuel-group-with-trump-ties-slams-governor-environmentalists/article_d9e05a00-d28b-11ea-993f-d32132480b90.html

³⁷ ibid

³⁸ Facebook Ad Library,

https://www.facebook.com/ads/library/?active_status=all&ad_type=all&country=US&view_all_page_id=248262725706461

The IPANM ended 2019 highlighting the costs to the state reported by the U.S. Chamber of Commerce if NM banned fracking³⁹, and began 2020 touting the revenues the oil and gas industry added to state revenues⁴⁰.

In 2020 executive director Winchester and the association's president, Kyle Armstrong, worked the aisles of the 2020 legislature, according to the group's newsletter.⁴¹ The IPA was concerned about new regulations, inspections, administrative penalties, and fines associated with the Oil and Gas Act, and were preparing to comment and review new methane rules from the NM Energy and Mineral Department's Conservation Division. They were also focused on implementation of the produced water bill passed by the legislature in 2019.⁴²

During the 2020 legislative session, the IPANM opposed a gas tax bill, HB 173, that would have phased in gas tax hikes over time.⁴³ The IPANM characterized the bill as one that "called for sharply increasing the gasoline tax as part of an effort to reduce pollution and improve New Mexico's roads."⁴⁴

Throughout the year, the IPANM remained chiefly concerned with the state's new methane rule, expressing dismay that out-of-state environmental groups were pushing back against a low-emission exemption to the rule.⁴⁵

VI. New Mexico's Oil and Gas Industry Ties

A. Lobbyists

In 2020, Ethics Watch found 50 oil and gas industry lobbyists registered with the Secretary of State, employed by 29 different entities.⁴⁶ The large companies of Chevron, ConocoPhillips, Exxon Mobil and Marathon Petroleum Corporation led the way with four registered lobbyists each.

FIGURE 13:
List of Oil & Gas lobbyists registered in 2020

Employer	Name (Last, First)	Employer City
Apache Corp	Miller, Michael	Houston

³⁹ <https://ipanm.org/2019/12/08/fracking-ban-in-nm-would-kill-142000-jobs-86b-in-gdp-8b-in-tax-revenue/>

⁴⁰ <https://ipanm.org/2020/01/20/oil-gas-industry-adds-3-1-billion-to-state-revenues/>

⁴¹ See www.ipanm.org for newsletter issues.

⁴² Ibid.

⁴³ See Section VII(A), infra, for a discussion of actions taken on HB 173

⁴⁴ <https://ipanm.org/2020/02/10/gas-tax-bill-opposed-by-ipanm-goes-down/>

⁴⁵ <https://www.abqjournal.com/1515854/outofstate-groups-push-methane-agenda.html>

⁴⁶ Many of these lobbyists did not appear on the 2020 registration list published by the Office of the Secretary of State but were instead discovered through cross-reference and the parsing of other data supplied by the SOS.

Basin Properties	Smith, Jim	San Marcos
Bowlin Travel Centers	Scanlan, Scott	Albuquerque
Centennial Resource Production, LLC	Casteel, William	Denver
Chevron USA Inc., Its Parent Corp. Chevron Corp.	Holland, Suzanne	San Ramon
Chevron USA Inc., Its Parent Corp. Chevron Corp.	Killen, Patrick	San Ramon
Chevron USA Inc., Its Parent Corp. Chevron Corp.	Otero, Luke	San Ramon
Chevron USA Inc., Its Parent Corp. Chevron Corp.	Seman Jr., John Paul	San Ramon
Concho Resources Inc.	Gerholt, Gabrielle Anne	Midland
Concho Resources Inc.	Leach, Carol	Midland
Concho Resources Inc.	Seligman, Deborah	Midland
ConocoPhillips	King, Nancy M.	Houston
ConocoPhillips	Moore, Brent	Houston
ConocoPhillips	Sellers, Thomas	Houston
ConocoPhillips	Valverde, Randi	Houston
DCP Midstream	Fox, Bret	Denver
DCP Midstream	Otero, Luke	Denver
Devon Energy Corporation	Hull, Arthur	Oklahoma City
Enterprise Products Company	Thompson, Joseph	Houston
EOG Resources	Padilla, Patrick	Midland
Exelon Generation Company, LLC	Kelley, Casey	Kennett Square
Exxon Mobil Corporation	Archuleta, Deanna	San Rafael
Exxon Mobil Corporation	Betts, Derrious	San Rafael
Exxon Mobil Corporation	Duncan, William	San Rafael
Exxon Mobil Corporation	Winn, Lisa	San Rafael
HollyFrontier Navajo Refinery	Seligman, Deborah	Artesia
Independent Petroleum Association of NM	Schermerhorn, James	Roswell
ITC Holdings Corp.	Ning, Natasha	Lansing
ITC Holdings Corp.	Setter, Drew	Lansing
Laguna Development Corp.	Salazar, Julio	Casa Blanca
Mack Energy Corp	Chavez, Rikki-Lee	Artesia
Mack Energy Corp	Trujillo, Anthony (T.J.)	Artesia
Marathon Oil Company	Bradfute, Jennifer	Houston
Marathon Oil Company	Chavez, Rikki-Lee	Houston

Marathon Oil Company	Gutierrez, Hugo	Houston
Marathon Petroleum Corporation	Gould, Leland	Albuquerque
Marathon Petroleum Corporation	King, Nancy M.	Albuquerque
Marathon Petroleum Corporation	Moore, Brent	Albuquerque
Marathon Petroleum Corporation	Valverde, Randi	Albuquerque
New Mexico Gas Company	Jones, LaVanda	Albuquerque
New Mexico Oil & Gas Association (NMOGA)	Barabe, Aimee	Santa Fe
New Mexico Petroleum Marketers Association	Baca, Ruben	Albuquerque
New Mexico Propane Gas Association	Scanland, Scott	Albuquerque
NGL Water Solutions Permian, LLC	Romero, Robert	Denver
Occidental Petroleum Corporation	Chavez, Rikki-Lee	Washington DC
Occidental Petroleum Corporation	Trujillo, Anthony (T.J.)	Washington DC
Occidental Petroleum Corporation	Trujillo, Antonio P.	Washington DC
Oil & Gas Accountability Project	Feldblum, Mary	Albuquerque
Sundance Services, Inc.	Shoats, Marla	Albuquerque
Tri-State Generation & Transmission Association	Martinez, Severo	Denver

Many oil and gas lobbyists are former officials from the previous administration of Republican Governor Susana Martinez, including former Environment Secretary Ryan Flynn, who is now the director of the NMOGA; Ryan Chavez, former policy assistant to Governor Martinez who works for the NMOGA as a director of community affairs; Trais Kliphuis, formerly with the Water Protection Division who worked for NMOGA, where she served as Director of Regulatory Affairs until her departure; former NM Public Education spokesperson Robert McEntyre, now director of communications for NMOGA; Aimee Barabe, former Director of Marketing Outreach and Partnership for the NM Tourism Dept. and spokesperson for the Dept. of Health and PED, now director of government affairs for NMOGA; Larry Behrens, former Martinez communications director now western states director of Power the Future; and former deputy chief of staff for Gov. Martinez Nick Piatek, now government and public affairs manager of Hilcorp.⁴⁷ Also, Leland Gould, previously registered as a lobbyist for Western Refining, Inc. and Marathon Petroleum Corporation, is the chairman of NMOGA.

B. Legislators

Significantly, three legislators who own or direct energy companies, or have ties to the oil and gas industry, sit on a key House committee, the House Energy, Environment and Natural

⁴⁷ We only note here those lobbyists who were clearly active in 2020. Some who registered previously include: Patrick Padilla, former assistant commissioner of natural resources, now representing EOG Resources; and Keith Gardner, former chief of staff for Gov. Martinez, now with Select Energy Services.

Resources Committee. Representatives James Strickler, James Townsend, and Larry Scott are all members of this committee, where all oil and gas bills go.

VII. Did Industry Spending Get Results in 2020?

A. House Bill 173: New Gasoline and Special Fuel Surtax

HB 173 (Rep. Matthew McQueen): Imposing a gasoline surtax and special fuel excise tax; increasing and indexing the surtaxes; distributing the revenue from the surtaxes to the state road fund, a new clean infrastructure fund and a new gasoline and special fuel excise surtax low-income rebate fund.

Synopsis of bill in the Legislative Finance Committee fiscal impact report: HB 173 creates a new gasoline and special fuel surtax of 10 cents per gallon starting in FY 21. The surtax is to increase by 5 cents per gallon on July 1st of each following year until July 1, 2026 when the Taxation and Revenue Department will calculate the rate of the gasoline surtax using a formula based on the consumer price index. The surtaxes are in addition to the existing gasoline and special fuel taxes. The bill provides for distribution of the surtaxes to the state road fund, a new clean infrastructure fund and a new gasoline and special fuel excise surtax low-income rebate fund.

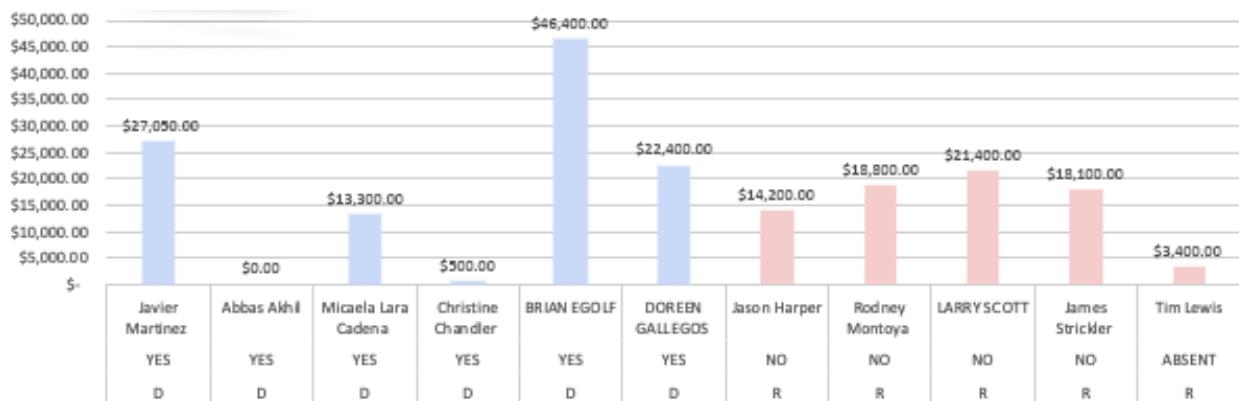
The bill enacts the gasoline and special fuel excise surtax low-income rebate, which is based on the taxpayer's modified gross income and the amount it is over the federal property guidelines. The amount of the rebate shall increase each year.

The bill also creates a new clean infrastructure fund in the state treasury, to be administered by the Department of Transportation in accordance with a clean infrastructure plan seeking to reduce air pollution.

Actions: HB 173 was referred to the House Taxation and Revenue Committee (HTRC), where it received a Do Pass. The HTRC is co-chaired by Rep. Javier Martinez (D).

HB 173 was then referred to the House Appropriations and Finance Committee (HAFC), where action was postponed indefinitely. The HAFC is chaired by Rep. Patti Lundstrom, who has received a significant amount of money from oil and gas related sources.

FIGURE 14:
**House Taxation and Revenue Committee members and their vote on HB 173,
 and Oil & Gas contributions received**



B. House Bill 293: Appropriation for Evaluation of Emissions Trends and Proposed Policies to Reduce Carbon Dioxide and Other Greenhouse Gas Emissions

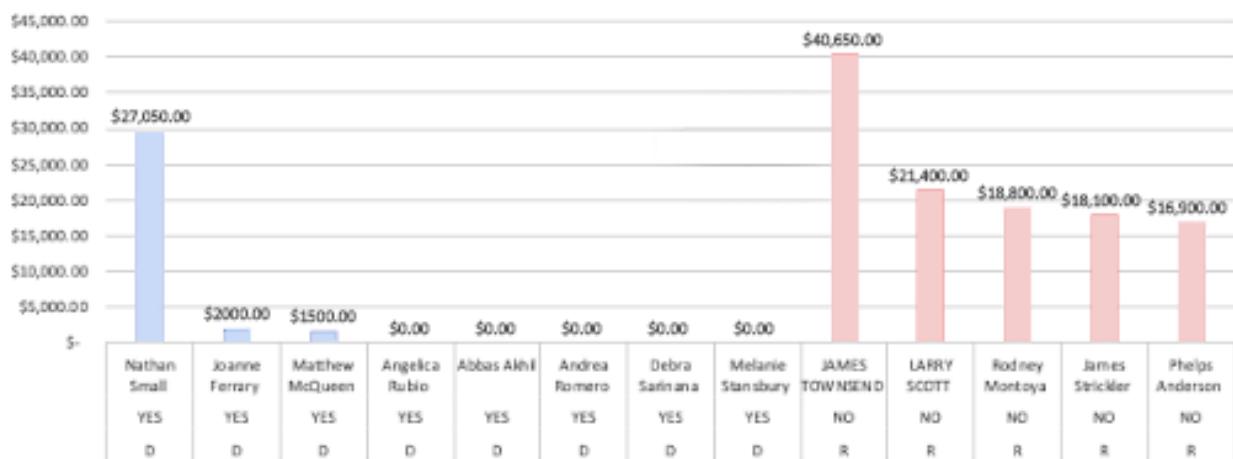
HB 293 (Rep. Matthew McQueen): Making an appropriation (\$150,000) to the department of environment to finalize its evaluation of emissions trends and proposed policies to reduce carbon dioxide and other greenhouse gas emissions.

Synopsis of bill in the Legislative Finance Committee fiscal impact report: HB 293 appropriates \$150,000 from the general fund to the New Mexico Environment Department for the purpose of finalizing an evaluation of emissions trends and proposed policies to reduce carbon dioxide and other greenhouse gas emissions, to include market-based approaches.

Actions: HB 293 was referred to the House Energy, Environment and Natural Resources Committee (HENRC), where it received a Do Pass. The HENRC is chaired by Rep. Matthew McQueen, the sponsor of HB 293.

HB 293 was then referred to the House Appropriations and Finance Committee, where action was postponed indefinitely. The HAFC is chaired by Rep. Patti Lundstrom, who has received a significant amount of money from oil and gas related sources.

FIGURE 15:
**HENRC members and their vote on HB 293,
and Oil & Gas contributions received**



C. Senate Bill 2: Electric Vehicle Income Tax Credit

SB 2: Electric Vehicle Income Tax Credit (Sens. Pat Woods and Bill Tallman, Reps. Abbas Akhil, Jim Trujillo) proposed a pair of personal income tax credits to incentivize the purchase or lease of plug-in hybrid and 100 percent battery electric vehicles. The electric vehicle income tax credit is \$2,500 for most vehicle purchases, but is increased to \$5,000 for certain lower-income taxpayers.

The House had a similar bill with some of the same sponsors. This was HB 217, sponsored by Reps. Trujillo, Micaela Lara Cadena, Javier Martinez and Marian Matthews as well as Sen. Woods, the only Republican co-sponsor. This House bill was more successful than SB 2. It actually passed both chambers in the Legislature. But because of amendments made in the Senate, HB 217 needed to go back to the House for concurrence. That never happened, so the bill died without being sent to the governor.

SB 2 passed through two Senate committees – Corporations and Finance – before going to the full Senate. Somewhere between Senate Finance and the Senate floor, three Republicans and one Democrat who had supported the bill in committee voted against it on the floor.

The bill squeaked past the Senate on a 19-18 vote, with most Republicans and a few Democrats voting against it. In the House – on the day before the final day of the Legislature -- it got a unanimous do-pass recommendation from the Taxation and Revenue Committee. (All five Republican committee members were absent. It's not clear whether the GOP members were boycotting or just had other obligations and couldn't make the hearing, a common occurrence for lawmakers from both parties during the final days of a session.) The bill died without getting a floor vote in the House.

There were disagreements in HB 217 about the proposed fee structure in a Senate amendment. The Senate called for higher registration fees (\$100 instead of \$50 for higher income; \$50 instead of \$20 for lower). Because of this impasse. House leaders considered having a floor vote on SB 2, in which they would attempt to. amend the fee structure to be closer to the fee structure in HB 217. The plan, one House leader said, was to send SB 2 back to the Senate. According to this plan, if the Senate refused to concur, the House would concur with the Senate amendments to HB 217, which would have sent that bill to the governor.

That was thwarted, however by House Republicans, who were “filibustering everything” (also a frequent occurrence on the last day of a session in recent years). House leaders learned that the Senate would not be having any concurrence votes that day because it would eat up so much time. Thus, both the House and Senate bills died.

Votes on SB 2:

The Senate Corporations & Transportation Committee members and their vote on SB 2

Sen. Clemente Sanchez (chairman) (D): YES

Sen. Benny Shendo (D): YES

Sen. Michael Padilla (D): YES

Sen. Mary Kay Papen (D): YES

Sen. Bill Tallman (D): YES

Sen. Pat Woods (R): YES

Sen. Bill Sharer (R): NO

Sen. Gregg Fulfer (R): NO

The Senate Finance Committee members and their vote on SB 2

Sen. Steve Neville (R): YES

Sen. Bill Burt (R): YES

Sen. Pete Campos (D): YES

Sen. Bobby Gonzales (D): YES

Sen. Nancy Rodriguez (D): YES

Sen. John Sapien (D): YES

Sen. James White (R): YES

Sen. Gay Kernan (R): NO

Sen. George Munoz (D): NO

Sen. Sander Rue (R): NO

Sen. John Arthur Smith, chairman (D): EXCUSED

Sen. Jacob Candelaria (D): EXCUSED

The Full Senate: (Passed 19-18)

Sen. Pete Campos (D): YES

Sen. Joe Cervantes (D): YES

Sen. Stuart Ingle (R): YES

Sen. Jerry Ortiz y Pino (D): YES

Sen. Mary Kay Papen (D): YES

Sen. Bill Payne (R): YES

Sen. Shannon Pinto (D): YES
Sen. Gabriel Ramos (D): YES
Sen. Nancy Rodriguez (D): YES
Sen. Clemente Sanchez (D): YES
Sen. Annette Sedillo-Lopez (D): YES
Sen. Benny Shendo (D): YES
Sen. Bill Soules (D): YES
Sen. Liz Stefanics (D): YES
Sen. Jeff Steinborn (D): YES
Sen. Mimi Stewart (D): YES
Sen. Bill Tallman (D): YES
Sen. Peter Wirth (D): YES
Sen. Pat Woods (R): YES
Sen. Greg Baca (R): NO
Sen. Craig Brandt (R): NO
Sen. Bill Burt (R): NO
Sen. Gregg Fulfer (R): NO
Sen. Candace Gould (R): NO
Sen. Ron Griggs (R): NO
Sen. Gay Kernan (R): NO
Sen. Linda Lopez (D): NO
Sen. Richard Martinez (D) NO
Sen. Mark Moores (R): NO
Sen. George Munoz (D): NO
Sen. Steve Neville (R): NO
Sen. Bill O'Neill (D): NO
Sen. Cliff Pirtle (R): NO
Sen. Sander Rue (R): NO
Sen. John Sapien (D): NO
Sen. Bill Sharer (R): NO
Sen. James White (R): NO
Sen. John Arthur Smith (D): EXCUSED
Sen. Jacob Candelaria (D): EXCUSED
Sen. Bobby Gonzales (D): EXCUSED
Sen. Daniel Ivey-Soto (D): EXCUSED
Sen. Michael Padilla (D): EXCUSED

The House Taxation and Revenue Committee members and their vote on SB 2

Rep. Jim Trujillo (D): YES
Rep. Javier Martinez (D): YES
Rep. Abbas Akhil (D): YES
Rep. Micaela Cardena (D): YES
Rep. Christine Chandler (D): YES
Rep. Doreen Gallegos (D): YES
Rep. Moe Maestas (D): YES
Rep. Brian Egolf (D): EXCUSED

Rep. Jason Harper (R): ABSENT
 Rep. Tim Lewis (R): ABSENT
 Rep. Rod Montoya (R): ABSENT
 Rep. Larry Scott (R): ABSENT
 Rep. Jim Strickler (R): ABSENT

FIGURE 16:
 Senate Corporations & Transportation Committee members and their vote on SB 2

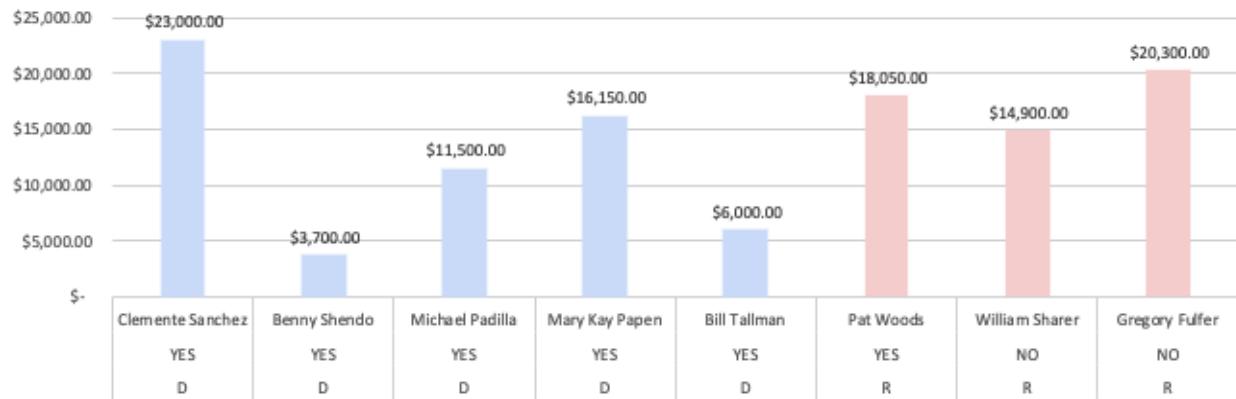


FIGURE 17:
 Senate Finance Committee members and their vote on SB 2



FIGURE 18:
Full Senate vote on SB 2, and Oil & Gas contributions received

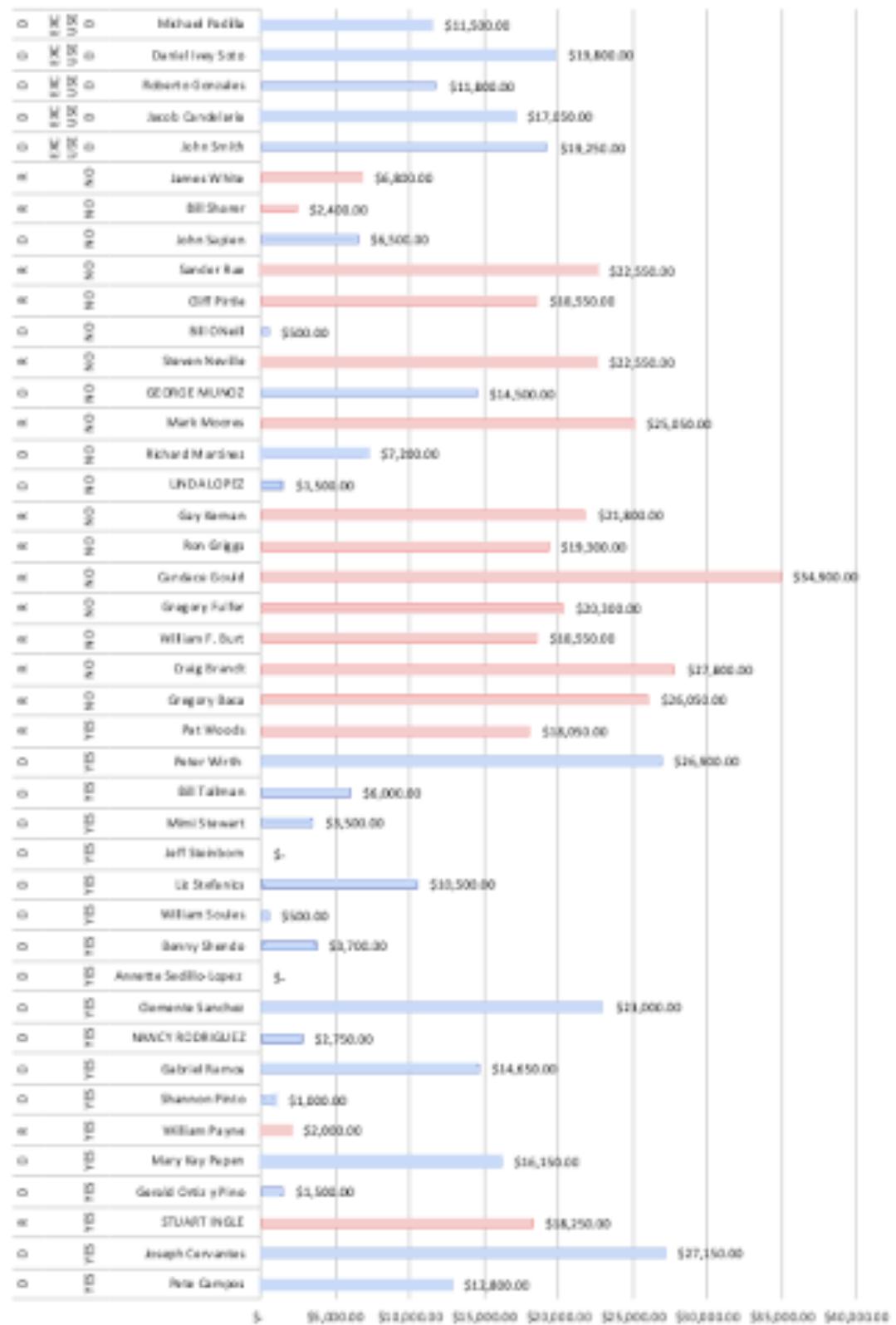


FIGURE 19:
**House Taxation and Revenue Committee members and their vote on SB 2,
and Oil & Gas contributions received**



D. Senate Bill 180: Fees for Used Oil Business

SB 180: Fees for Used Oil Business (Sen. Liz Stefanics) This bill would have allowed the Environmental Improvement Board to include used-oil generators in the hazardous waste fee rules. The bill also would have increased the maximum civil penalty amounts the Environment Department could assess for violations of hazardous waste management rules. It passed the Senate Conservation Committee 6-3. All the no votes were Republicans

The bill was sent to the Senate Judiciary Committee. However, sponsor Stefanics said in November that she pulled the bill at the request of James Kenney, secretary of the state Environment Department, who, she said, told her the bill needed work. In early December, a spokeswoman for the department confirmed that, saying “Secretary Kenney worked with the sponsor to pull this bill after the first hearing as further clarification and education needed to occur with legislators.” She said the department will reintroduce this bill in a future session because “collecting fees on used oil will help the department run its hazardous waste program.”

Senate Conservation Committee members and their votes on SB 180

Sen. Liz Stefanics (chairwoman) (D): YES
Sen. Antoinette Sedillo Lopez (D): YES
Sen. Joe Cervantes (D): YES
Sen. Bill Soules (D): YES
Sen. Peter Wirth (D): YES
Sen. Richard Martinez (D): YES
Sen. Ron Griggs (R): NO
Sen. Bill Payne (R): NO
Sen. Pat Woods (R): NO

FIGURE 20:
**Senate Conservation Committee members and their vote on SB 2,
 and Oil & Gas contributions received**



VIII. Industry and Election Trends and Their Effect Upon Contributions

A. Early and Mail-In Voting

Prior to the pandemic year of 2020, early voting was already increasing in popularity. As more people decided to stay away from potentially crowded polls on election day 2020, the number of people early voting and voting by mail, also earlier than election day, exploded.

It seems logical that donors would make a calculation about when their dollars might make the most difference, and that they might decide that contributions that are made earlier in the general election cycle would give them the most bang for their buck.

As mentioned several places in this report, Ethics Watch's efforts were thwarted, to some degree, by a mid-stream change in reporting systems on the Secretary of State's website. With the primary data in the old system, and the general election data in the new system, which described the data differently, it became difficult if not impossible to compare the data from the old system with the data from the new system.

Consequently, we know that for the first general election reporting period, the oil and gas industry contributed \$900K. For the second general, the contributions were \$250K from the industry. For the third general election the industry contributed \$321K.

It appears there is a trend toward contributing money earlier in the election cycle. Will this result in fewer total contributions over time? It remains to be seen how increased early and mail-in will affect contribution totals, if at all, over time.

B. Transitioning to Alternative Energy Sources

With the oil and gas industry providing such a big portion of state government revenues – not to mention providing employment for so many in southeastern and northwestern New Mexico – nobody's predicting the end of fossil fuel production in this state any time in the near future.

But with a new federal administration in Washington that has prioritized the fight against climate change, a governor in Santa Fe pushing for more carbon-free energy and with the cost of alternative energy sources like solar and wind decreasing dramatically in the last decade or so, it's quite likely that the dominance of oil and gas likely will loosen in years to come.

That's certainly been the trend of electrical utilities. Southwestern Public Service Company, which provides electric service for much of eastern part of the state, steadily has been increasing its reliance on wind energy for many years. The state's largest utility, Public Service Company of New Mexico got on board more recently, helping to push the state's Energy Transition Act that became law in 2019. PNM has pledged to be 100 percent carbon free by 2040, five years earlier than the deadline in the law.

At a panel discussion on wind energy in October 2020, Missi Currier, chief executive officer at the Economic Development Corporation of Lea County said that southeast New Mexico and the Permian Basin could become a center for renewable energy as well as oil and gas.

"We're fortunate to have all types of energy in southeastern New Mexico, especially in Lea County," Currier said. "With all those energy sources, southeast New Mexico and Lea County and all of the state are really positioned to be not only a leader in more of our traditional energies but also in the opportunities to come forth within the renewable sector to bring not only energy to New Mexico, but ultimately to power the world."⁴⁸

At the same panel discussion Mike Espiritu, president of the Roswell-Chaves County Economic Development Corporation said the development of the renewable energy industry in the state could increase employment. And, touching on a common concern by those across the political spectrum, said making careers in renewable energy more available could keep young people in New Mexico.

One possible scenario is that Big Oil itself could get into the alternative industry field. In January 2020, *NS Energy* reported that many major companies have begun to invest in renewable technologies. According to this article "... many of them have pumped billions into clean energy projects, although question marks remain over whether they are doing enough."⁴⁹ The article quotes a 2019 report by Matthias J Pickl, an economics professor at King Fahd University of Petroleum and Minerals in Saudi Arabia, noting, "Oil firms are essentially attempting to figure out how the best presently available cash cow in the world can be replaced for the benefit of their own sustainable future."

⁴⁸ <https://www.currentargus.com/story/news/local/2020/10/21/new-mexicos-renewable-energy-sector-growing-rural-areas/5977801002/>

⁴⁹ <https://www.nsenergybusiness.com/features/oil-companies-renewable-energy/>

One of the world's largest oil companies, BP originally was known as "British Petroleum," but 20 years ago it rebranded to "Beyond Petroleum." A September, 2020 article in *The Washington Post*⁵⁰ said BP had announced plans to spend \$1.1 billion for a half ownership in wind projects off the shores of New York and Massachusetts. BP's chief executive Bernard Looney, according to the article, said the company plans to boost spending on low carbon projects from \$500 million a year to \$5 billion a year by the end of the decade.

Of Chevron, the major company most active in New Mexico, the *NS Energy* report said, "Chevron's investments in renewables have been relatively scarce, with no target in place for a move to cleaner technology. The US firm has invested in solar, wind and geothermal projects over the past 20 years but, following low returns, the focus has remained on its oil and gas business."

Chevron did announce in July that it's entered into an agreement with a Canadian energy firm to develop renewable power projects to provide electricity to its facilities around the world. That follows Chevron's 12-year power purchase agreement in 2019 to provide its operations in the Permian Basin with about 65 MW of renewable electricity from a West Texas wind farm.

Finally, it may be prudent to heed the words of Jim Peach, regents professor of economics at New Mexico State University. "For at least 40 years people in the state government and the Legislature have known that they are overly dependent on oil and gas for state revenue. Like it or not, we're at the tail end of the fossil fuel age. We really are."⁵¹

Professor Peach then went on to describe the phenomenon known as the resource curse: when a country has an abundance of developed natural resources, yet underperforms economically and socially.⁵² The influx of cash and capital from one industry bends the economy, and government warps and loses initiative as politicians avoid annoying the goose that lays golden eggs.⁵³

Leaders in New Mexico, in the private and public sectors, will need to address the resource curse, or remain subject to the boom and bust cycles of the oil and gas industry.

IX. Recommended Reforms and Actions

This report has analyzed efforts by the oil and gas industry to influence policy in New Mexico, by means of contributions, expenditures and lobbying activities. We have documented the record amounts of money spent by the oil and gas industry and affiliated political action committees (PACs) to influence legislators and elect friendly candidates. However, it's not enough to simply describe the situation.

⁵⁰ <https://www.washingtonpost.com/climate-solutions/2020/09/15/bp-climate-change-transition/>

⁵¹ "New Mexico Economists Warn: Change Course Now", Jerry Redfern, *Capital & Main*, January 6, 2021

⁵² Ibid

⁵³ Ibid

The question remains: Is this influential industry buying its way out of regulation, transferring the true costs of its activities to the public, and getting benefits that other companies with smaller pocketbooks would never get?

Accountability for this huge industry – and other special interests – is our best hope for finding answers to these questions. We are hopeful that others in the media and academia will continue to scrutinize the political activities of the oil and gas industry. We know we have only scratched the surface.

Meanwhile, here are some recommendations based on our investigation of the oil and gas industry that apply to curbing the influence of all special interests, diminishing the power of insiders, shining a light on lobbyist activities and making sure that our campaign finance laws are enforced.

The strong desire of Ethics Watch is for legislators to introduce these reforms, vote in favor of them, and pass them on to the governor for signature into law, whether in 2021 or beyond.

Curbing the Influence of Insiders:

- **When a legislator or other public officials (statewide elected officials, public regulation commissioners, cabinet secretaries and top members of an administration) leave their positions, require a two-year moratorium before that person may be compensated as a lobbyist.** A former lawmaker's or public official's knowledge of process and their relationships with former colleagues gives them an unfair advantage at the State Capitol. This proposal would at least slow down the "revolving door" between public service and subsequent work as a lobbyist. Many members of the Martinez administration have walked through that revolving door straight into the arms of the oil and gas industry. Ryan Flynn, Keith Gardner, Robert McEntyre, Larry Behrens, Jim Winchester, Patrick Padilla, Trais Kliphuis, Aimee Barabe, Ryan Chavez and Nick Piatek are a few we have discovered. Former Sen. Kent Cravens left the Senate to become a key lobbyist for the New Mexico Oil and Gas Association. Rep. James Townsend, a former lobbyist for Holly Energy is now a Representative who sits on the House Energy, Environment and Natural Resources Committee.

A number of bills have sought to slow this revolving door. (See HB 73 (2017), Rep. Jim Dines, Rep. Joanne Ferrary and Rep. Nathan Small), which passed the House 58–2 and received a Do Pass from the Senate Rules Committee and the Senate Judiciary Committee. Additionally, see the following similar proposals: SB 512 (2015), Sen. Bill O'Neill; SB 210 (2013), Sen. Bill O'Neill; SB 103 (2012), Senator Dede Feldman; and SB 313 (2011), Senator Dede Feldman.

As of the writing of this report, legislation putting forth this reform has not yet been introduced in 2021. This reform can be found in Section 1 of our Lobbyist Regulation Act amendments discussion draft in Appendix 4 of this report.

- **Require public notice by legislators when family members – especially spouses, sons, daughters, parents, and siblings – are lobbying bills on which legislators must vote.**

In some states, relatives are barred from lobbying their kin. In the alternative, a requirement for a simple recusal would address the perception of a conflict of interest. It is a rare occurrence when a legislator asks to be recused from a vote.

As of the writing of this report, legislation putting forth this reform has not yet been introduced in 2021. This reform can be found in Section 4 of our Lobbyist Regulation Act amendments discussion draft in Appendix 4 of this report.

- **Appropriate \$50,000 to the Legislative Council Service (LCS) for the expense of providing meals for some committee meetings and House and Senate floor sessions when the press of legislative business requires the provision of meals.⁵⁴** The oil and gas industry has been among the most lavish dinner hosts, spending \$17,638 for one dinner at the Bull Ring in 2013 and \$1725 for a smaller gathering at Restaurant Martin in 2018. Legislators, whose per diem is barely enough to cover a hotel room in Santa Fe, appreciate the meal. But, at a minimum, this long-standing practice creates a public perception of a *quid pro quo*. That perception can be altered by providing the LCS with adequate funds to provide meals, when appropriate. .
- **Prohibit lobbyists or lobbyist employers from making contributions to or expenditures on a member of the legislature from the start of the pre-filing period to the end of the legislative session. For the Governor, the prohibition should extend for January 1 to the end of the veto period.** (See HB 131 (2019), which passed the House 62–0) (Rep. Dayan Hochman-Vigil, Rep. Elizabeth Thomson and Senator Jeff Steinborn.)

The legislature enacted a half-measure in 2019, when it amended Section 1-19-34.1 NMSA 1978. The amendment expanded the scope of that statutory section to make it unlawful to knowingly solicit a contribution during a legislative session.

Transparency:

- **Require lobbyists to file information with the Secretary of State regarding which bills the lobbyist has worked on and whether they supported or opposed the bills.** Much more specificity should be required in lobbyist reporting. Lobbyists should be required to identify invitees to special events, the purpose of the event (including which bill is discussed) and itemize expenditures. The public has a right to know whom lobbyists are spending money on and why they are doing so. A recent bill would have addressed this basic transparency requirement. (See HB 131 (2019), which passed the House 62–0 (Rep. Dayan Hochman-Vigil, Rep. Elizabeth Thomson and Senator Jeff Steinborn), but was killed in the Senate.

As of the writing of this report, legislation putting forth this reform has not yet been introduced in 2021, although it may be. If legislation is introduced requiring disclosure during the session,

⁵⁴ Attempts by Ethics Watch to have an amendment to HB 1 introduced have been unsuccessful. The text of the amendment prepared for 2021 can be found in Appendix 5 in this report.

NMEW will be in support. This reform can be found in Section 2 of our Lobbyist Regulation Act amendments discussion draft in Appendix 4 of this report.

- **Require lobbyists to disclose how much compensation they receive for lobbying.** It has become increasingly difficult to “follow the money” spent to influence the political process. This requirement would shine some light on how much money businesses are spending to get their priorities enacted into law. We suspect that if the oil and gas industry’s contracts with or the salaries of the 90 lobbyists that they have employed over the years were revealed, the total amount of money spent to influence legislation would skyrocket. (HB 155, sponsored by then- Representative Jeff Steinborn, would have required lobbyists to disclose their compensation. Although HB 155 eventually passed both chambers and was signed by the governor, the language regarding disclosure of compensation was removed from the bill by the House Regulatory and Public Affairs Committee.)

As of the writing of this report, legislation putting forth this reform has not yet been introduced in 2021, although it may be. If legislation is introduced requiring disclosure during the session, NMEW will be in support. This reform can be found in Section 3 of our Lobbyist Regulation Act amendments discussion draft in Appendix 4 of this report.

- **Require Publication of Committee Votes on Tabling Motions.** Transparency is not just for lobbyists. It is even more important for elected legislators. Unless they are in the room, media, researchers and ordinary citizens have nearly impossible time discovering who voted to table a bill. There are no fingerprints left to trace. There is some hope in the 2021 session that this practice will stop. The New Mexico House of Representatives is to be commended for the recent enactment of House Resolution 1 (2020) (passed the House 63-0 on February 12, 2020), which adopted a new House rule to require the publication of information regarding how each member voted when a bill is tabled in a committee meeting. Voting information on tabling motions in House committees will now be published on the New Mexico Legislature’s web site, beginning in 2021.

Enforcement:

To allow for a measure of lobbyist accountability, the Secretary of State should ensure **compliance with existing law** through more spot checks or audits of lobbyist registrations and reports. (See Section 6 in NMEW’s Lobbyist Regulation Act amendments, Appendix 4 in this report.) Although required by law, lobbyists do not always attribute their contributions to the source of their funding. Often, they indicate it was on behalf of themselves or their company, which is totally legal, but not very helpful information. The purpose of expenditures, a required field on the lobbyist report – to whom a lobbyist is speaking, and for what purpose, is often filled in incompletely.

The campaign finance website is also difficult to search. Under the old CFIS, you could look up individual and businesses to check their contributions, but not in the new CFIS. That option is no longer available.

The current system requires improvement, so that the public, researchers, journalists, and others can more easily access information included in campaign finance reports. The lack of a fully workable search function may require reporters and researchers to go through 1,000 item lists by hand. This is important because the website is the chief vehicle used by the public to hold lobbyists, candidates and PACs accountable.

- **Enforce Senate Bill 3**, passed in the 2019 session by Sen. Peter Wirth to reveal more information about independent and Super PACs and to prevent coordination between state candidates and PACs. The Supreme Court decision in Citizens United has allowed Super PAC's like New Mexico Strong – and many others – to infuse large amounts of money into New Mexico and flood the airwaves with negative attack ads, with little accountability. Senate Bill 3 ensures a modicum of transparency, within constitutional limits and requires disclosure by PACs. But it needs to be enforced. The law is now being challenged by the Rio Grande Foundation and the Illinois Opportunity Project of Chicago, which have sued the Secretary of State.

Provisions in the Campaign Reporting Act (CRA) were tested in 2020. In September, the State Ethics Commission (“commission”) reached a settlement with the Committee to Protect New Mexico Consumers for the CPNMC to reveal to whom it paid more than a quarter of a million dollars to produce and distribute mailers supporting a ballot question that would change the composition of the Public Regulation Commission (PRC). Deemed by the commission to be “independent expenditures” requiring disclosure, the CPNMC revealed the amount spent and the producing vendor. Unfortunately, CPNMC’s donors continued to hide behind a loophole in the CRA that allows donors behind independent expenditures to remain anonymous by making a request that their contributions not be used to fund independent expenditures.⁵⁵

In December, the commission filed a lawsuit against the Council for a Competitive New Mexico (CCNM) to enforce the disclosure provisions of the CRA. According to the commission, CCNM repeatedly refused request from the Secretary of State and the commission to disclose funders of \$130,000 in advertisements and telephone calls seeking to influence the outcome of the 2020 Democratic Party primary election for four Senate districts.⁵⁶ That litigation is ongoing.

X. Conclusion

As the numbers in this report demonstrate, the oil and gas industry remains the dominant force in New Mexico politics. How long this will remain the case is unclear - but in 2020, a pandemic year in which New Mexico and New Mexicans experienced severe economic hardship, and industry behemoth Chevron saw a loss of more than \$11 billion in new income during the 12-month period ending in September 2020, the oil and gas industry contributed more than \$3 million to New Mexico’s political campaigns.

⁵⁵ See SEC’s 9/21/20 press release at <https://www.sec.state.nm.us/2020/09/21/committee-to-protect-new-mexico-consumers-agrees-to-disclose-over-264000-in-expenditures-supporting-prc-ballot-question/>.

⁵⁶ See SEC’s 12/11/20 press release at <https://www.sec.state.nm.us/2020/12/17/state-ethics-commission-files-lawsuit-against-council-for-a-competitive-new-mexico-to-enforce-the-campaign-reporting-act/>.

The oil and gas industry-related corporations, PACs, lobbyists and associations contributing from their deep pockets are seeking to affect the outcomes of both legislation and elections. That's what all industries and their lobbyists do. But what separates the oil and gas industry from others is the level of contributions, as well as the number of lobbyists employed to influence legislation and elections.

Did they get their money's worth in 2020? It appears to be a mixed bag: with some 2020 legislation that could have had a negative impact upon the industry not progressing to passage; but also with multiple legislators friendly to the oil and gas industry being ousted from office, despite the industry's generous support.

The oil and gas industry gives to Republicans and Democrats alike, in primaries and in general election contests. Despite a partisan skewing of contributions to Republicans, in several 2020 general election reporting periods some of the top recipients were Democratic leadership PACs. There are few candidates who don't or who choose not to benefit from the industry's contribution largesse.

One telling, perhaps even shocking, set of numbers teased out from the data is the percentage of total 2020 contributions some candidates received from the industry. Some of the top recipients, percentage-wise, were those in leadership positions, both Democrats and Republicans. It is fair to ask how receiving more than or close to a third of one's total contributions from one industry impacts a legislator's treatment of the industry or its lobbyists; what impact that level of contribution has upon a legislator's votes, even if a subconscious impact.

As we have in previous reports, we wish to clarify that the correlations found here between campaign contributions and voting behavior do not imply that legislators are trading votes for campaign contributions or fancy dinners. Absent direct admission, individual motivations for voting one way or another are impossible to determine with any certainty. That said, the correlation between contributions and voting behavior alone can erode trust in government at a time when the NM public already believes that powerful interest groups and lobbyists have more influence on elected officials than the voters.

As reported in our 2020 report published with Common Cause New Mexico⁵⁷, results from a 2015 Common Cause New Mexico poll, for example, indicate 64% of voters think elected officials are more responsive to lobbyists than voters.⁵⁸

This report is part of a lineage of reports examining the influence of the oil and gas industry upon New Mexico politics, following on the heels of both the 2020 joint Ethics Watch and Common Cause report previously referenced, and a groundbreaking 2013 Connect the Dots report by Common Cause.⁵⁹ The throughline in all of these reports is that the oil and gas industry contributes big, lobbies large, and at least appears to influence greatly.

⁵⁷ http://nmethicswatch.org/wp-content/uploads/2020/05/Oil-and-Gas-Report_05012020.pdf

⁵⁸ Common Cause New Mexico, 2015 Polling Results, page 10, <http://www.commoncause.org/nmpolling2015>

⁵⁹ https://www.commoncause.org/new-mexico/wp-content/uploads/sites/19/2018/03/NM_100113_Lobbying_in_the_Land_of_Enchantment.pdf

At the same time, those working in the industry in New Mexico feel under attack by politicians urging the state to transition away from an oil and gas industry dependent economy. “They love the money from our oil up in Santa Fe. But they treat us like dirt,” opined an oil country diner manager.⁶⁰ “We’re humming along, doing good for ourselves and making a load of money for New Mexico,” noted another NM oil country resident. “But we know the rest of the state would get rid of us if they could.”⁶¹

As noted earlier in this report, New Mexico is suffering from a resource curse: having an abundance of developed natural resources, yet underperforming economically and socially. The influx of cash and capital from the oil and gas industry has been bending the economy for years...and experts say that leads to lost initiative as politicians avoid annoying the goose that lays the golden eggs.

Yet, with a sea change in the NM Senate as a result of the 2020 election sweeping out some Conservative Democrats and replacing some of them with more progressive lawmakers, and the promises of both the governor and the new Biden presidential administration to move toward developing and using alternative energy sources, politicians will need to look beyond the oil and gas industry for revenue that funds essential services, and for hefty campaign contributions. To do otherwise will continue to subject New Mexico to the boom and bust cycles of the oil and gas industry, and industry-friendly politicians to the potential demise of their political careers – two huge motivating factors!

Admittedly, this report did not examine the contributions on the other side of the ledger—those from environmental organizations and their PACs, usually the opponents of the industry. These can be considerable. The oil and gas industry itself collects data on these groups through its many organizations like Big Green Radicals, Green Decoys and Power the Future. *This report is focused on the political clout that continued to be exercised by the industry.*

As we noted in the conclusion of our 2020 report with Common Cause NM, we continue to hope that other citizens, concerned about the oil and gas industry and their outsized influence on our democracy, will pursue our research and heed our recommendations. Once again, these recommendations revolve around democratic accountability – reducing the influence of industry insiders and shining a light on their political activities. Granted, those activities have a positive outcome for the industry and those working within it, but, for the rest of us, the outcome is mixed, leading to sometimes negative results for New Mexico and New Mexicans.

⁶⁰ <https://www.nytimes.com/2019/10/27/us/new-mexico-oil.html>

⁶¹ Ibid.

Appendices

Appendix 1: The Players

A. Oil and Gas Companies Active in New Mexico

Andeavor
Apache Corp.
Axis Energy Corporation
Basic Energy Services.
BBC International Inc.
Bepko LP
BP North American
Brewer Oil Co.
Broken Arrow Royalty Co.
Burnett Oil Co.
C.C.'s Oil and Gas Co.
Chase Energy Services
CH4net.co LTD 9 (exploration)
Chase Oil
Chase Petroleum
Cheniere Energy
Chesapeake Energy
Chevron
CSX Transportation
Coll Brothers Oil
Conoco Phillips
Constellation Energy
Davidson Oil
DCP Midstream
Devon Energy
Dominion Energy
DTE Energy
Duke Energy Corp.
Enbridge, Inc.
Encanta Oil and Gas
Enterprise Products
EOG Resources
Ergodic Resources LLC
Excalibur Oilfield Services, LLC
Excelon Corp.
Exxon
Giant Industries
Gandy Corp.
Haliburton
Harrod Petroleum

Harvey Operating & Production Company
Herrera's Oilfied Service
HEYCO Energy Group
Hilcorp Energy
Hodges Oil Co.
Holly Frontier Corp.
Hydro Resources
Ingram Professional Services
Invenergy LLC
Jalapeno Corp.
LFT LLC
Llano Disposal LLC
Lucky Rental Tool
Mack Energy Corp.
Maclaskey Oilfield Service
Manzano Oil
Marathon Petroleum Corp.
Marbob Energy
McClellan Oil Corp.
Merrion Oil and Gas
Mesquite Disposals Unlimited LLC
Mesquite Fresh Water Holdings, LLC
Mex-Tex Oil and Gas
Mullins Energy Services
Murphy Petroleum Corp.
Navajo Nation Oil and Gas Co—Navajo Refinery
NGL Water Solutions Permian LLC
New Mexico Gas Co.
Next Era Energy, Inc.
Norfolk Southern
NRG Energy
Occidental Petroleum
Owl SWD Operating, LLC
Pacific Gas and Electric
Permian Energy Services
Petrylates Inc.
Petroleum Casualty Company
Phillips 66
Piper Energy LLC
PNM Resources
Precious Lady Holdings LLC
Process Equipment & Service Co.
Ray Westall Operating Inc.
Reserve Industries Corp.
Rice Operating Co.
Richards Energy Compression

Santo Petroleum
Scott-Winn LLC
Select Energy Services
Sempra Energy
Sendoro Midstream Partners
Spectra Energy
Sun Valley Energy Corp.
Tesoro Corp.
Trident Oilfield Service
TRM LLC
Veteto Oil
Vistra Energy
Western Refining
Western Refining Southwest
Williams Companies
Worrall Investment Corp.
WPX Energy
Xcel Energy/Southwest Public Services Co.
XTO Energy
Yates Petroleum
Yates Legacy LLC
Zia Natural Gas

B. Oil and Gas Trade and Professional Associations, Non-Profits, Advocacy Groups

America's Energy Forum (American Petroleum Inst)
American Gas Association
America's Natural Gas Alliance (may have merged with API in 2016)
Big Green Radicals
Center for Sustainable Shale Development (certification group)
Consumer Energy Alliance
Domestic Energy Producers Alliance (DEPA--alliance of 34 other associations)
Energy Citizens (American Petroleum Institute)
Energy In Depth (IPAA)
Environmental Policy Alliance (project of the Center for Organizational Research & Education)
Green Decoys
Independent Petroleum Association of America
Independent Petroleum Association of NM
Marcellus Shale Coalition
National Association of Convenience Stores
NM Oil and Gas Association
New Mexico Petroleum Marketers Association
Power the Future
Rural Electric Coop Association
Society of Independent Gasoline Marketers of America

United Shale Advocates
Vote4Energy (Am Petroleum Institute)
Western Energy Alliance
Yates Legacy LLC

C. Oil and Gas PACs

579 PAC—has oil and gas contributors
Advance Las Cruces (McClesky's Pac in LC)
Affordable Energy PAC—out of Farmington, Republican but not strictly oil
Apache Corporation PAC
Brighter Future Political Committee (some O & G contributions returned)
Citizens for Responsible Energy Solutions
DEPA PAC (Domestic Energy Producers Alliance PAC)
El Paso Electric Employee PAC
Enbridge Inc. PAC
GASPAC (American Gas Association PAC)
Goal West (Las Cruces election)
Independent Gasoline Marketers of America PAC
New Mexico Gas Company HEAT PAC
New Mexico Strong
NM Pac-- Out of Hobbs
NM Petroleum Marketers Association
NMOGA Pac
Permian Energy PAC
PNM Resources PAC
PNM Responsible Citizens Group
Power the Future
Save Our Western Way of Life
Vote 4 Energy
Western Energy Alliance PAC
Yates Legacy Foundation

Appendix 2: NMEW's General Election Reporting 2020 Press Releases

I. September 28, 2020

FOR IMMEDIATE RELEASE

September 28, 2020

Contact: Kathleen Sabo, Executive Director, 505-274-2442 or ksabo@nmethicswatch.org

The Oil And Gas Industry Continues To Be A Dominant Force In New Mexico Politics

Despite recent economic hardship, but with their revenues rebounding, the oil and gas industry's campaign contributions continue to be a dominant force in New Mexico politics.

This is according to a recent analysis by New Mexico Ethics Watch of general election reports filed with the Office of the Secretary of State. The reporting period runs from June 30 through September 7, 2020.

During the first campaign reporting period of the 2020 general election, the oil and gas industry has spent nearly \$900,000 on political activities in New Mexico.

As reported by New Mexico Ethics Watch and Common Cause New Mexico in our earlier 2020 oil and gas report, from 2017 through 2019 almost 500 individuals and entities associated with the oil and gas industry contributed to campaigns. (That report can be found at http://nmethicswatch.org/wp-content/uploads/2020/05/Oil-and-Gas-Report_05012020.pdf)

During this most recent reporting period, spanning slightly more than 2 months, already 183 individuals and entities associated with the oil and gas industry have made campaign contributions.

Among New Mexico Ethics Watch's findings are the following data points:

- * Oil and gas businesses made more than \$564,000 in direct contributions to New Mexico candidates, committees, and Political Action Committees (PAC)s.
- * Individuals involved in the oil and gas industry made more than \$211,000 in contributions.
- * Oil and gas industry-related PACs made more than \$86,000 in contributions.
- * Oil and gas lobbying organizations contributed at least \$31,000.

Complete information about contributions by individual oil lobbyists are not yet available. The state deadline for lobbyist reports is Oct. 7. The oil industry employs almost 100 lobbyists in New Mexico to influence the state's 112 legislators.

Among New Mexico Ethics Watch's other findings are:

- * Chevron continues to be the major player in New Mexico campaign contributions. In the first general-election reporting period, the California based company and its associated PACs gave this state's politicians more than \$388,000. This is on top of the almost \$900,000 Chevron gave to candidates and PACs in this year's primary election.

* Besides Chevron, other top business contributors from the oil and gas industry include: Strata Production Company (\$36,000); The Jalapeño Corporation (\$24,000); major gasoline retailer Bowlin Travel Centers (\$19,000) and Brewer Oil (\$15,000).

*Almost 76 percent of the oil and gas industry's more than \$603,000 in contributions to candidates — \$456,000-plus — went to Republican candidates. With Chevron contributions, the partisan gap is almost as wide, with just over 68 percent of the company's more than \$258,000 in candidate contributions (\$175,650) going to GOP candidates.

* The largest individual contributors from the oil and gas sector are John Yates, past president of Yates Petroleum in Artesia and his wife Charlotte Yates. Together the couple gave \$100,000 during the recent reporting period, plus a combined \$30,000 from trust funds bearing their names. The third largest individual oil and gas contributor is another member of the Yates family, Peyton Yates, who gave \$32,000. He's a founder and co-manager of Artesia's Santo Petroleum. (To put this in context, the per capita annual income of the average New Mexican, as reported by the U.S. Census Bureau, is just over \$26,000.)

* Campaign finance reports show that in the recent filing period a majority of the general election contributions — slightly more than 53 percent — come from New Mexico sources, as opposed to out-of-state contributors. However, if history is any indication, that could change. In the previously-referenced oil and gas report, published in March 2020, we noted that a majority of contributions from 2017 to 2019 came from out of state.

* The top five candidates receiving the most oil and gas money in the first general election reports are: Isabella Solis, a Dona Ana County Republican trying to unseat Democrat Joanne Ferrary (\$27,000); Robert Godshall, an Albuquerque Republican running against appointed incumbent Marian Matthews (\$25,000); Crystal Diamond, a Republican from Elephant Butte running against Neomi Martinez-Parra, who defeated longtime Sen. John Arthur Smith in this year's Democratic primary (\$22,325); Giovanni Coppola, the GOP House candidate from Albuquerque trying to unseat freshman Rep. Karen Bash (\$20,500); and longtime GOP state Sen. Gay Kerman of Hobbs, who has no election opponent (\$17,100). Nearly all the cash Kerman brought in from all contributors in her latest report was passed on to fellow Republicans in contested legislative races.

"At a time when so many New Mexicans are struggling financially, it's amazing to see industries, such as oil and gas, still pumping hundreds of thousands of dollars into political campaigns," said Kathleen Sabo, executive director of New Mexico Ethics Watch. "Though the pandemic has seriously slowed New Mexico's economy, it appears that COVID-19 hasn't slowed the flow of money from the oil industry into the coffers of our politicians."

Finally, a major stumbling block that delayed publication of these findings was the fact that the Office of the Secretary of State launched a new campaign finance website in early September for the general election report, which, at least on first spin, was not very user-friendly. Hopefully the site will become less difficult to navigate as the election draws closer.

New Mexico Ethics Watch will continue to analyze general election campaign finance reports as they become available, crunching the numbers on oil and gas and other industry contributions.--

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II. October 13, 2020

FOR IMMEDIATE RELEASE

October 13th, 2020

Contact: Kathleen Sabo, Executive Director, 505-274-2442 or ksabo@nmethicswatch.org

Chevron's Lobbyist's Contributions to New Mexico Politicians Dwarfs All Others

While New Mexicans continue to struggle economically due to the COVID-19 pandemic, lobbyists in the past five months have contributed about \$2 million to politicians in the state. And more than 40 percent of that came from a single lobbyist for the California-based Chevron corporation.

This is according to a recent analysis by New Mexico Ethics Watch of available lobbyist reports filed with the Office of the Secretary of State. The reporting period runs from May 5 through October 5, 2020.

The latest batch of reports shows that Chevron, through its New Mexico lobbyist Patrick Killen, contributed \$772,500 to politicians and political action committees in this state. That's more than 80 percent of the total contributions made by all oil and gas lobbyists in the state in the last five months.

Chevron long has been a major player in New Mexico politics. According to a report by New Mexico Ethics Watch and Common Cause New Mexico in March 2020, Chevron was the major oil and gas contributor from 2017 through 2019. During that period, the company, its lobbyists and its PACs made more than \$2.5 million in political contributions. (That report can be found at http://nmethicswatch.org/wp-content/uploads/2020/05/Oil-and-Gas-Report_05012020.pdf)

"It's concerning but not surprising that one out-of-state corporation could become such a dominant force in financing the campaigns of many New Mexico candidates," said Kathleen Sabo, executive director of New Mexico Ethics Watch.

Among New Mexico Ethics Watch's findings are the following data points:

* Lobbyists for oil and gas related companies spent more than \$950,000 on contributions and expenditures during the past five months. That's around half of all lobbyist spending listed in the recent reports.

* More than 94 percent of contributions from oil and gas lobbyists come from out of state

* Republicans received about 60 percent of the money contributed by oil and gas lobbyists.

* The top candidate recipients of oil and gas lobbyist money in the recent reporting period were: House Speaker Brian Egolf, D-Santa Fe (\$38,000); House Republican Leader James Townsend, R-Artesia (\$13,250); Senate Republican Leader Stuart Ingle, R-Portales (\$12,750); Senate Republican Whip Craig Brandt, R-Rio Rancho (\$11,750); Candace Gould, R-Albuquerque (\$11,250); Rep. Patricia Lundstrom, D-Gallup (\$11,250); Sen. Daniel Ivey Soto, D-Albuquerque (\$11,000) and House Republican Whip Rod Montoya, R-Farmington (\$10,000).

* Besides Chevron, the largest oil and gas related lobbyist contributions came from Occidental Petroleum (\$80,000); ConocoPhillips (\$49,000); New Mexico Gas Company (\$17,000) and the Marathon Petroleum Corporation Employee PAC (\$14,500).

* Chevron lobbyist Killen's report includes \$350,000 made in May to a PAC called New Mexico Strong, much of which was spent for mailers and digital ads for five incumbent conservative Democratic state senators seeking re-election. Four of those five were defeated by challengers in June's Democratic primary. Chevron provided the lion's share of the PAC's money. In the 2018 general election, Chevron gave New Mexico Strong \$2.35 million. Despite its name, New Mexico Strong is headquartered in Texas.

* Besides New Mexico Strong, Chevron's lobbyist also contributed \$25,000 each to all four legislative leadership committees (The Brian Egolf Speaker Fund, which helps House Democrats; House Republicans; Senate Democrats; and PAC 22, the Senate Republican PAC.) Killen also gave \$5,000 to the Senate Majority Leader PAC, which is run by Majority Leader Peter Wirth, D-Santa Fe.

* Chevron's lobbyist gave Democratic Gov. Michelle Lujan Grisham's campaign \$10,000 as well as \$5,000 to the governor's MLG PAC.

* Other PACs receiving Chevron lobbying money were the New Mexico Oil & Gas Association PAC and the New Mexico Association of Commerce & Industry's JOBS PAC. Each organization received \$5,000, according to Killen's report.

As with last month's campaign finance reports, New Mexico Ethics Watch faced challenges compiling numbers from a website of the Office of the Secretary of State. The initial database downloaded the day after the reports were due was missing about half of all lobbyist transactions. Most, but not all of these were added to the database by the weekend, although even as late as Monday, October 12, several reports from lobbyists were still being added.

New Mexico Ethics Watch will continue to analyze general election campaign finance reports as they become available, crunching the numbers on oil and gas and other industry contributions.--

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III. October 16, 2020

FOR IMMEDIATE RELEASE

October 16, 2020

Contact: Kathleen Sabo, Executive Director, 505-274-2442 or ksabo@nmethicswatch.org

Oil And Gas Industry Contributions Keep Pouring Into New Mexico Political War Chests

The oil and gas industry's contributions to New Mexico political campaigns continue to be a commanding presence in New Mexico politics.

This is according to the most recent analysis by New Mexico Ethics Watch of general election campaign finance reports filed with the Office of the Secretary of State. The reporting period ran from September 8 through October 5, 2020.

During the second campaign reporting period of the 2020 general election, the oil and gas industry spent more than a quarter million dollars on political activities in New Mexico. More than half that amount came from out-of-state.

These contributions are on top of the almost \$900,000 in oil and gas contributions documented last month in the first general election reporting period. That period covered about three months beginning in early June of this year.

Earlier this month, oil and gas lobbyists reported about \$2 million in contributions to politicians and political organizations in the state over the previous five months. (Lobbyists in New Mexico have different reporting schedules than candidates and political action committees (PACs).)

The per capita annual income of the average New Mexican, according to the U.S. Census Bureau, is just over \$26,000.

"As is obvious with every round of campaign finance reports, the oil and gas industry is not shy about flexing its financial muscles in this state," said Kathleen Sabo, executive director of New Mexico Ethics Watch. "Though so many New Mexicans are barely scraping by during the ongoing financial crisis, the oil and gas industry seems to have no trouble fueling the campaigns of New Mexico politicians."

New Mexico Ethics Watch's latest findings for the second general election reporting period include:

* Individuals, businesses, and PACs associated with the oil and gas industry made nearly \$255,000 in contributions.

* More than 60 percent of oil and gas contributions went to Republicans, though some of the largest recipients of these contributions went to Democratic Party leaders in the Legislature.

* The California-based Chevron corporation, which led the industry in political contributions during this year's primary (almost \$900,000) and the first general election reporting period (\$388,000), virtually disappeared in this latest batch of reports. The company made a single contribution of \$5,000 in late September.

* The top contributors from the oil and gas industry in the last month include: Occidental Petroleum (\$50,250); ConocoPhillips (\$40,500); PNM Responsible Citizens Group (\$25,600); Pic Quick, a major gasoline retailer (\$22,500), and the Jalapeño Corporation (\$17,500).

* The largest individual contributors from the oil and gas sector during this reporting period were Peyton Yates, a founder and co-manager of Santo Petroleum in Artesia, (\$32,000); Mark Veteto, president of Me-Tex Oil & Gas in Hobbs, (\$1,500) and Sealy Cavin, president of Hat Mesa Oil Company (\$1,000)

* The top five candidates receiving the most oil and gas money in the first general election reports are: House Speaker Brian Egolf, D-Santa Fe, (\$13,000); House Minority Leader James Townsend, (\$10,750); Senate Minority Leader Start Ingle, R-Portales, (\$10,000); State Sen. Candace Gould, R-Albuquerque, (\$9,500); and State Rep. Patricia Lundstrom, D-Gallup, (\$6,750). Lundstrom is chairwoman of the House Appropriations and Finance Committee. Gould is a freshman senator who is running a competitive race this year. She's married to Marathon Petroleum lobbyist Leland Gould.

Once again, the efforts of New Mexico Ethics Watch were hampered by the Secretary of State's new campaign website, launched last month. The site remains difficult to navigate, even for those with years of experience in analyzing campaign finance data.

New Mexico Ethics Watch and Common Cause New Mexico collaborated on a comprehensive report on oil and gas industry involvement in financing political campaigns, from 2017 through 2019, earlier this year. That report can be found at http://nmethicswatch.org/wp-content/uploads/2020/05/Oil-and-Gas-Report_05012020.pdf

New Mexico Ethics Watch will continue to analyze general election campaign finance reports as they become available, crunching the numbers on oil and gas and other industry contributions.--

[Download a PDF of the press release.](#)

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IV. November 2, 2020

FOR IMMEDIATE RELEASE

November 2, 2020

Contact: Kathleen Sabo, Executive Director, 505-274-2442 or ksabo@nmethicswatch.org

Oil And Gas Industry Contributions Keep Pouring Into New Mexico Political War Chests

Oil and gas related interests have made nearly \$1.5 million in contributions to New Mexico political campaigns so far during the 2020 general election cycle, with about half of the money coming from out of state.

This is according to the most recent analysis by New Mexico Ethics Watch of general election campaign finance reports filed with the Office of the Secretary of State. The third and most recent reporting period ran from October 6 through October 27, 2020.

During this most recent time frame, the oil and gas industry spent more than \$321,000 on political activities in New Mexico. Most of those contributions came from New Mexico sources, though more than 38 percent of that amount came from out-of-state.

This ocean of money is flowing into New Mexico at a time when the per capita annual income of the average New Mexican, according to the U.S. Census Bureau, is just over \$26,000.

“Once again, oil and gas is playing a big role in financing legislative campaigns in this election,” said Kathleen Sabo, executive director of New Mexico Ethics Watch. “It will be interesting to see how much influence these contributions might have in next year’s Legislature.”

New Mexico Ethics Watch’s latest findings for the third general election reporting period include:

* As was the case in previous reporting periods, Republicans by far benefited most from oil and gas contributions, with nearly 68 percent going to GOP candidates and committees. However, some of the largest recipients of these contributions went to Democratic Party leaders in the Legislature.

* As usual, the latest reports show that the Yates family — which has been involved in the petroleum industry in New Mexico for decades — is a major force in campaign contributions in this state. Individual family members and their companies have contributed nearly \$287,000 during the entire election cycle. For the entire general election cycle, the top four individual oil and gas contributors are members of the Yates family.

In the most recent reporting period, various individuals from the family contributed more than \$15,000 to candidates here. Their companies also are huge contributors. These include Strata Production Company, (\$25,000 since Oct. 6); Petroleum Yates Inc (\$20,000); and The Jalapeño Corporation (\$16,000). The John A. Yates Sr. Trust contributed \$50,000 during the most recent reporting period.

* The Democrat receiving the most oil and gas contributions in this general election cycle is House Speaker Brian Egolf of Santa Fe. Although he has the support of many environmental groups, Egolf’s personal campaign reported \$4,500 from the industry in his most recent report for a cumulative total of \$20,000 for the general election cycle. His Republican opponent, Raye Byford has received only \$1,000 from the industry, a contribution from Brewer Oil. The speaker’s political action committee (PAC), the Brian Egolf Speaker Fund -- which is used to fund Democratic House candidates -- took in \$30,000 in oil money during the latest reporting period, for a cumulative total of \$56,000.

* The candidate who received the most oil and gas contributions since Oct. 6 is incumbent state Sen. George Muñoz, a Gallup Democrat. He received \$8,500, from the industry according to his most recent report. During the 2020 primary, Muñoz was one of five incumbent Democratic state senators who received major support from the industry. He is the only one of those five who won their primary. He faces Republican Angela Olive in Tuesday’s election. Muñoz is a long-time recipient of the industry’s money, having led all senators in oil and gas contributions in 2016. He received more than \$60,000 from the industry that election cycle.

* Other top candidate recipients of oil and gas contributions in the most recent round of campaign finance reporting are incumbent Rep. Rebecca Dow, R-Truth or Consequences, (\$6,000); Crystal Diamond, a Republican from Elephant Butte running for a state Senate seat, (\$6,000); Republican Dinah Vargas of Albuquerque, who is challenging incumbent Rep. Andres Romero (\$5,000); Justin Salazar Torres of Española, who is running for an open House seat (\$5,000); and Rep. Patricia Lundstrom, D-Gallup, who chairs the House Appropriations and Finance Committee (\$5,000).

* The top contributors among oil and gas businesses during the general election have been Chevron (\$393,100); Strata Production Company (\$73,000); the John A. Yates, Sr. Trust (\$65,000); Marathon Oil Company (\$64,750); and Occidental Petroleum (\$64,750).

The reports filed last week are the last ones required before Tuesday's election. "Last minute" contributions won't be known until the final reports, which are due by January 7, 2021. New Mexico Ethics Watch will analyze those reports as they become available, crunching the numbers on oil and gas and other industry contributions

New Mexico Ethics Watch and Common Cause New Mexico collaborated on a comprehensive report on oil and gas industry involvement in financing political campaigns, from 2017 through 2019, earlier this year. That report can be found at http://nmethicswatch.org/wp-content/uploads/2020/05/Oil-and-Gas-Report_05012020.pdf

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New Mexico Ethics Watch is a nonprofit, nonpartisan organization and a principal leader in ethics reform in New Mexico. Our values are that ethics is for everyone; that good government leads to improved schools, healthier communities, and better business, and attention to ethics in public life leads to more equitable opportunities for all.

Please subscribe to NMEW's social media pages for news and breaking alerts:

Facebook: [@NMEthicsWatch](#) Twitter: [@NMEthicsWatch](#)

Appendix 3: Notes re: Methodology

Unless otherwise stated, the data for this report is from the New Mexico Campaign Finance Information System (CFIS). All campaign finance data, including lobbying reports, PAC reports, and Candidate reports, were downloaded and compiled into Excel spreadsheets to create the numbers shown.

Primary Campaign finance data, lobbying reports, and PAC reports are from the old CFIS website (<https://www.cfis.state.nm.us/>). The new CFIS website (<https://login.cfis.sos.state.nm.us/#/index>) was published in September 2020. The General election data was posted to the new website and downloaded as reports were released.

Due to the data downloads from the new and old site being organized differently, the data needed to be reorganized by Ethics Watch to be better able to capture a whole picture of oil and gas spending during 2020.

Known oil and gas entities were filtered from reorganized data. Then their transactions were collected to be used in this report.

Ethics watched used the same methodology as FollowTheMoney.org to determine which contributors were in the oil and gas industry.

For this report, we have adopted a broad definition of the oil and gas industry to include: oil and gas producers; oilfield service, equipment and exploration; natural gas transmission and distribution; petroleum refining and marketing; gasoline service stations; fuel oil dealers; and liquid propane dealers and producers. Individuals included have ties to the oil and gas industry. There are many other industries associated with oil and gas – railroads, trucking, and other means of transport. They have not been included here, although we have included what may seem like unlikely partners – convenience stores, such as Allsup's, and travel centers, such as Bowlin's, that sell gasoline, as we did in our prior 2020 report.

Appendix 4: NMEW Discussion Draft, Lobbyist Regulation Act Amendments

_____ BILL

55TH LEGISLATURE – STATE OF NEW MEXICO – FIRST SESSION, 2021

INTRODUCED BY

DISCUSSION DRAFT

AN ACT

RELATING TO LOBBYIST REGULATION; PROHIBITING FORMER STATEWIDE ELECTED OFFICIALS, FORMER PUBLIC REGULATION COMMISSIONERS, FORMER LEGISLATORS AND FORMER CABINET SECRETARIES FROM ACCEPTING COMPENSATION AS LOBBYISTS FOR A PERIOD OF TWO YEARS AFTER THEIR PUBLIC SERVICE; REQUIRING POST-SESSION REPORTS ON LEGISLATION FROM A LOBBYIST OR LOBBYIST'S EMPLOYER; REQUIRING A LOBBYIST'S EMPLOYER TO FILE A LOBBYING EXPENSES; REPORT ON AN ANNUAL BASIS; REQUIRING PUBLIC DISCLOSURE BY A LEGISLATOR WHEN A FAMILY MEMBER IS LOBBYING A BILL ON WHICH LEGISLATORS MUST VOTE; PROVIDING THE SECRETARY OF STATE WITH AUTHORITY TO ADOPT AND PROMULGATE RULES AND REGULATIONS; REQUIRING THE SECRETARY OF STATE TO CONDUCT AN ANNUAL EXAMINATION OF REPORTS FILED PURSUANT TO THE LOBBYIST REGULATION ACT; PROVIDING PENALTIES.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

SECTION 1. A new section of the Lobbyist Regulation Act is enacted to read:

**“[NEW MATERIAL] RESTRICTION ON LOBBYING BY CERTAIN FORMER
PUBLIC OFFICIALS—PENALTY.—**

A. A former statewide elected official, a former public regulation commissioner, a former state legislator or a former cabinet secretary shall not accept compensation as a lobbyist for a period of two calendar years after service as a statewide elected official, a former public regulation commissioner, a former state legislator or a former cabinet secretary.

B. A lobbyist’s employer shall not compensate a former statewide elected official, a former public regulation commissioner, a former state legislator or a former cabinet secretary as a lobbyist for a period of two calendar years after the person served as a statewide elected official, a former public regulation commissioner, a former state legislator or a former cabinet secretary.

C. The penalty provisions set forth in Section 2-9-11 NMSA 1978 shall be assessed to any person who knowingly and willfully violates any of the provisions of this section.”

SECTION 2. A new section of the Lobbyist Regulation Act is enacted to read:

**“[NEW MATERIAL] POST-SESSION REPORTS ON LEGISLATION FROM A
LOBBYIST OR LOBBYIST’S EMPLOYER.—**A lobbyist or lobbyist’s employer that is required to file an expenditure report, pursuant to the provisions of Section 2-11-6 NMSA 1978, shall file an additional report with the secretary of state within fourteen days following the conclusion of a legislative session. The report shall list the legislation on which the lobbyist or lobbyist’s employer lobbied and shall indicate whether the lobbyist or lobbyist’s employer supported, opposed or took another position on each

piece of legislation.”

SECTION 3. A new section of the Lobbyist Regulation Act is enacted to read:

“NEW MATERIAL] LOBBYIST EMPLOYERS--ANNUAL LOBBYING EXPENSES REPORTS.—

A. No later than July 15 of each year, a lobbyist’s employer shall file a lobbying expenses report for the preceding fiscal year with the secretary of state on a prescribed form or in an electronic format approved by the secretary of state.

B. Lobbying expenses reports filed by lobbyist employers shall be kept and maintained on the secretary of state’s lobbyist disclosure web site and shall be available in searchable and downloadable formats.

C. As used in this section, “lobbying expenses” means an aggregate total of:

(1) expenditures paid by a lobbyist that are reimbursed by the lobbyist’s employer;

(2) political contributions made by a lobbyist that are reimbursed by the lobbyist’s employer;

(3) expenses incurred by a lobbyist that are reimbursed by the lobbyist’s employer, including living expenses, expenses for maintaining an office, and other expenses incidental to lobbying;

(4) all compensation paid to a lobbyist for lobbying by the lobbyist’s employer; and

(5) any other lobbying expenditures incurred by the lobbyist’s employer that are not included in Paragraphs (1) through (4) of this subsection.”

SECTION 4. A new section of the Lobbyist Regulation Act is enacted to read:

“NEW MATERIAL] REQUIRING PUBLIC DISCLOSURE BY A LEGISLATOR

WHEN A FAMILY MEMBER IS LOBBYING A BILL.—

A. A legislator shall make a public disclosure when a legislator’s family member is lobbying a bill on which legislators must vote.

B. As used in this section, “family member” means a spouse, daughter, son, parent or sibling.”

SECTION 5. A new section of the Lobbyist Regulation Act is enacted to read:

“NEW MATERIAL] RULES AND REGULATIONS.—The secretary of state may adopt and promulgate rules and regulations to implement the provisions of the Lobbyist Regulation Act. In adopting and promulgating these rules and regulations, the secretary of state shall comply with the provisions of the State Rules Act.”

SECTION 6. A new section of the Lobbyist Regulation Act is enacted to read:

“NEW MATERIAL] EXAMINATION OF REPORTS--PENALTY.—

A. The secretary of state shall conduct a thorough and random annual examination of at least ten percent of all reports filed during a year by reporting individuals to determine compliance with the provisions of the Lobbyist Regulation Act. The examination may include an investigation of any discrepancies, including a cross-reference to reports filed by any other reporting individual. A reporting individual shall be notified in writing if a discrepancy is found in the report filed and shall be permitted to file a written explanation for the discrepancy within ten days of the date of the notice.

B. The secretary of state shall prepare an annual report of any unresolved discrepancies found after an examination of the random sample provided for in

Subsection A of this section. The penalty provisions set forth in Section 2-9-11 NMSA 1978 shall be assessed to any person who knowingly and willfully violates any of the provisions of this section.”

SECTION 7. EFFECTIVE DATE.—The effective date of the provisions of this act is July 1, 2021.

Appendix 5: NMEW'S DRAFT AMENDMENT TO HB 1

DRAFT HAFC AMENDMENT TO HB 1, aka “the feed bill”

1. on page 2, between lines _____ and _____, insert the following new item with the appropriation:

“(5) effective July 1, 2021, for the expense of providing meals for interim committees when meetings are held at the State Capitol and standing legislative committees and House and Senate floor sessions, when legislative business requires the provision of meals, subject to policy development by the Legislative Council Service.....
\$50,000;
2. Renumber items to correspond with this amendment.
3. Revise subtotals and totals to correspond with this amendment.