

OIL & GAS INDUSTRY INFLUENCE DURING THE 2022 ELECTION CYCLE:

So Much Spending, So Much Losing

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I. Introduction

Once again, the oil and gas industry played an outsized role in the economic fortunes of New Mexico, providing more than a third of the state government's general fund. So, not surprisingly, this industry continues to be a major source of money in state politics, contributing more than \$4.5 million to political campaigns in this state during the 2022 election season.

Despite political rhetoric from all sides about diversifying New Mexico's economy, the state government continues to be as dependent on oil and gas revenues as ever.

However, in last year's election, much of the industry's campaign contributions went to candidates who lost their bids. This is according to a new study by New Mexico Ethics Watch concerning the influence of oil and gas in New Mexico.

The most glaring example was Republican gubernatorial candidate Mark Ronchetti, who decisively lost his race against incumbent Gov. Michelle Lujan Grisham. The industry gave Ronchetti more than four times the amount it gave to Lujan Grisham. Ronchetti's campaign received almost 20 percent of all oil and gas contributions in New Mexico in 2022.

Oil-backed Republicans also tried but failed to make a dent in the Democrats' strong majority in the state House of Representatives. And two of the largest legislative recipients of oil and gas contributions on the Democratic side lost bids for leadership positions shortly after Election Day.

The industry spent nearly \$1.5 million in state House campaigns – almost 60 percent of which went to Republicans -- and over \$1.2 million in the governor's race.

It's true that oil and gas and adjacent issues such as climate change were not driving factors in New Mexico's 2022 campaign, so the success or failure of individual candidates can't be laid at the feet of the industry. Still, it's obvious that the strong financial support by oil and gas interest was hardly a key to victory for New Mexico candidates.

Using data from the New Mexico Secretary of State's Office, in this report New Mexico Ethics Watch looked at campaign contributions and expenditures from oil and gas companies, individual contributors, political action committees and lobbyists from the oil and gas sector in the state during the primary and general elections last year.

About 45 percent of these contributions came from out-of-state companies and individuals.

Meanwhile, individual donors from the oil and gas industry also contributed generously in 2022. As is typical, members of the Yates family – which has been involved in New Mexico's oil business for generations and has been a major source of campaign cash

for state Republicans politics for many years — were a major financial players in the last election.

The oil and gas contributions total for the 2022 election, \$4.5 million, is significantly more than the almost \$2.8 million from the industry going to New Mexico political causes during the 2020 election cycle. That's likely because there was no governor's race in 2020.

For the average New Mexican, the industry's contributions may seem mind-boggling. (The per capita annual income of the average New Mexico citizen, according to the U.S. Census Bureau, is less than \$30,000.) 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.

So, what did the industry get for its money in New Mexico?

Perhaps the biggest victory for the industry was the defeat of a bill known as the Clean Future Act, which would have established statewide greenhouse gas emissions limits. The New Mexico Oil and Gas Association, spent more than a quarter million dollars on an advertising campaign launched expressly to stop that bill.¹

However, the industry last year failed to push through two other bills that would have created "clean" hydrogen projects with the goal of making New Mexico a hub of hydrogen production. Several environmentalist groups opposed these bills, arguing that hydrogen production would only continue the state's reliance on fossil fuels – because hydrogen developers plan to use natural gas to produce hydrogen – and it could stymie efforts to expand renewable energy sources.

Of course, campaign contributions aren't the only way that oil and gas try to influence elections, legislation and public opinion in this state. As journalist Jerry Redfern pointed out in a September article in *Capital and Main*, some oil and gas corporations "have dramatically stepped up their outreach and public relations spending at some of New Mexico's best-known, best-loved events" including Balloon Fiesta and the New Mexico State Fair. And, in a move some see as cynical, donating hundreds of thousands of dollars to relief funds for victims of the devastating Calf Canyon/Hermits Peak wildfire – a fire that was intensified by fossil fuel-driven climate change.

¹ Just one day after receiving a contribution of \$150,000 from the Texas-based, Chevron-backed NM Strong political action committee, the New Mexico Oil and Gas Association (NMOGA), through its chief lobbyist, reported spending more than a quarter million dollars on an advertising campaign aimed at stopping legislation that would have established statewide clean air quality standards. Lobbyist Aimee Barabe, on behalf of NMOGA, her only client, on Feb. 4 reported advertising expenses totaling \$256,000. Her report noted these expenses were for "paid advertising in opposition to House Bill 6," which was being considered by the Legislature. See NMEW Press Release, May 24, 2022, https://www.nmethicswatch.org/uploads/1/3/6/2/136215453/nmew_-_oil_and_gas_lobbying_-_05242022.pdf

Even though the oil and gas industry did not end up with its preferred candidate for governor -- and even though the industry didn't weaken the Democrats' control of the House of Representatives in last year's election -- there is no indication that this sector will slow down on political contributions and in attempting to influence elections and public opinion in New Mexico.

II. The Shifting Influence of the Oil and Gas Industry

In the fiscal year that ended in June 2021, oil and gas revenues contributed \$5.3 billion to the state government's general fund, according to a recent report by the New Mexico Tax Research Institute.² That's more than a third of the state budget. 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.³

And supporters of the oil and gas industry never let people forget those facts, often mentioning the huge amounts of revenue that go to the state. You could even argue that this outsize contribution creates a sense of entitlement within the industry.

There is no doubt that the industry contributes mightily to the well-being of New Mexico's citizens -- not just through the programs and projects receiving general fund money, but also through the provision of jobs, 134,000 of which are claimed to be generated by the industry.⁴

People *are* grateful, but more and more we hear reports of how parts of our state are suffering from harmful air and water pollution due to industry activities⁵, we see fires run amok and devastate communities due to drought resulting from climate change⁶, fueling more dangerous and extreme wildfires, and we see the oil and gas industry working against the passage of legislation that could move our state into a cleaner future.⁷

As mentioned above, the oil and gas industry attempts to influence elections, legislation and public opinion.

Perhaps as a result of these problematic issues resulting from increased oil and gas production in the state gaining more traction in the press and amongst the public, a documented increase in the third spoke of the influence wheel -- influencing public opinion -- occurred during the 2022 election cycle.

² https://www.nmoga.org/nmtri_study_oil_gas_supported_jobs_added_to_economy

³ <https://www.currentargus.com/story/news/2022/12/16/oil-gas-drives-billions-funds-new-mexico-next-year-permian-basin-fossil-fuel-legislature-government/69721648007/>

⁴ <https://www.nmoga.org/>

⁵ <https://www.currentargus.com/story/news/2022/12/01/feds-look-to-curb-oil-and-gas-pollution-amid-criticism-in-new-mexico/69685237007/>

⁶ <https://www.nytimes.com/2022/12/10/business/new-mexico-climate-change-wildfires-floods.html>

⁷ <https://www.abqjournal.com/2468219/oilgas-group-launches-tv-ad-campaign-against-climate-bill-ex-ads-cl.html>

In 2022, Texas-based corporation ExxonMobil became the prime sponsor of the Albuquerque International Balloon Fiesta and a major backer of the state’s popular New Mexico United soccer team.

Also in 2022, Chevron, Occidental Petroleum and ConocoPhillips donated hundreds of thousands of dollars to relief funds following the disastrous Calf Canyon/Hermits Peak wildfire.

As we know from the recent, detailed reporting of environmental journalist Jerry Redfern in *Capital and Main*, since early this year, “oil and gas companies have dramatically stepped up their outreach and public relations spending at some of New Mexico’s best-known, best-loved events.”⁸ Redfern’s story quotes state Rep. Angelica Rubio, D-Las Cruces – who recalled oil companies sponsoring sports teams and scholarships when she was growing up. “It’s kind of like, ‘OK, while we’re poisoning your water, we’re gonna go ahead and pay for this football field,’” Rubio said.⁹ But, as campaign finance reports show, the industry’s contributions for these activities has not diminished its contributions to our state’s politicians in the hopes of solidifying their operations and keeping their pumpjacks pumping.

With increased oil and gas production in the state causing increased environmental problems — and with a legislature that remains lopsidedly Democratic, as well as a Democratic governor - might we see a shift in focus by the industry toward influencing public opinion (through sponsorship of flagship events, etc.) over contributing to political campaigns?

Time will tell, but, for now, industry contributions to political campaigns appear to dwarf what is spent to influence public opinion.¹⁰

III. Oil and Gas Industry Campaign Contributions

A. 2020 Primary and General Elections

2022 was a record-setting election year for political contributions to New Mexico campaigns by the oil and gas industry. Oil and gas companies, their affiliated political action committees, industry associations, company executives and lobbyists contributed a total of more than \$4.5 million, according to data from campaign finance reports compiled by the New Mexico Secretary of State’s Office.

Here’s the list of the top 20 oil and gas industry contributors in New Mexico in 2022:

⁸ <https://capitalandmain.com/a-petroleum-pr-blitz-in-new-mexico>

⁹ Ibid.

¹⁰ See Chapter 3, below.

FIGURE 1:
Top 20 Oil & Gas Contributors, 2022

	Top 20 Oil & Gas Contributors, 2022	Amount
1	Chevron	\$510,809.37
2	New Mexico Strong	\$250,000.00
3	Jalapeño Corporation	\$242,510.00
4	Devon Energy	\$226,600.00
5	Exxon Mobil Corporation	\$222,837.50
6	Marathon Oil Company	\$176,302.60
7	Peyton Yates	\$152,500.00
8	Occidental Petroleum Corporation	\$150,831.00
9	Yates Family Trust	\$125,000.00
10	PNM Resources Responsible Citizens Group	\$114,150.00
11	NextEra Energy Resources LLC	\$104,925.00
12	Murphy Petroleum Corporation	\$94,520.00
13	Conoco Phillips	\$87,350.00
14	Rolla Hinkle	\$83,500.00
15	Harvard Petroleum Company LLC	\$65,800.00
16	John Yates	\$65,500.00
17	Strata Production Company	\$58,700.00
18	Linda Yates	\$57,600.00
19	Brewer Oil Company	\$57,200.00
20	JR Water Transfer LLC	\$50,000.00

Not surprisingly, nine of the top 10 contributors listed above are corporations. Under New Mexico law, the maximum contribution allowed is higher for businesses than the maximum contribution allowed for individuals.

FIGURE 2:
Oil & Gas Non-Individual Contributors, 2022

	Oil & Gas Non-Individual Contributors, 2022	Amount
1	Chevron	\$510,809.37
2	Jalapeño Corporation	\$242,510.00
3	Devon Energy	\$226,600.00
4	Exxon Mobil Corporation	\$222,302.60
5	Marathon Oil Company	\$176,837.50
6	Occidental Petroleum Corporation	\$150,831.00
7	Yates Family Trust	\$125,000.00

8	NextEra Energy Resources LLC	\$104,925.00
9	Murphy Petroleum Corporation	\$94,510.00
10	Conoco Phillips	\$87,350.00
11	Harvard Petroleum Company LLC	\$65,800.00
12	Strata Production Company	\$58,700.00
13	Brewer Oil Company	\$57,200.00
14	PetroYates Inc	\$50,000.00
15	JR Water Transfer LLC	\$50,000.00
16	Mack Energy Corporation	\$38,800.00
17	Process Equipment and Service Company	\$37,400.00
18	Invenergy LLC	\$35,000.00
19	Vladin LLC	\$33,500.00
20	New Mexico Gas Company	\$32,603.00
21	Clines Corner Operating Company	\$30,000.00
22	Bowlin Travel Centers	\$29,950.00
23	Pic Quik Stores	\$28,300.00
24	Hanson McBride Petroleum Company	\$24,800.00
25	NGL Water Solutions Permian	\$22,500.00
26	Piper Energy LLC	\$20,800.00
27	McBride Oil & Gas Corporation	\$20,800.00
28	Hanagan Petroleum Corporation	\$20,800.00
29	New Tex Oil Company	\$17,500.00
30	801 LLC	\$15,400.00
31	Plains Marketing LP	\$15,150.00
32	Platinum Energy Services LLC	\$15,000.00
33	The James B Campanella Living Trust	\$15,000.00
34	Southwest Royalties, Inc	\$12,500.00
35	Polo Oil & Gas Company	\$11,500.00
36	Alpha Energy Solutions LLC	\$10,400.00
37	Trinity Oilfield Services & Rentals LLC	\$10,200.00
38	Santo Petroleum	\$10,000.00
39	Lucky Services Inc	\$10,000.00
40	Butch's Rat Hole & Anchor Service Inc	\$10,000.00
41	Harvard Energy Partners LP	\$10,000.00
42	Oueis Gas Inc/ DBA Oasis No.	\$10,000.00
43	Targa Resources	\$7,500.00
44	Coll Brothers Oil LLC	\$6,900.00
45	Marathon Petroleum Corporation	\$6,500.00
46	PNM Resources	\$5,907.44
47	NM Rural Electric Co-Op Association	\$5,650.00
48	Tri-State Generation and Transmission Assoc, Inc.	\$5,600.00
49	Xcel Energy	\$5,343.00
50	Hilcorp Energy Company	\$5,200.00
51	Worrall Investment Corporation	\$5,200.00
52	Manzano LLC	\$5,200.00
53	Eland Energy Inc	\$5,200.00

The California-based Chevron, once again is the top oil and gas contributor (more than a half million dollars), and other out-of-state companies ranked high on this list.

However, unlike the 2020 election cycle, in 2022, 58 percent of the industry’s contributions came from New Mexico sources as opposed to out-of-state contributors.

B. 2015-2020

FIGURE 3:
Oil & Gas Contributors, 2015 – 2022

Year	Number of Contributions	Amount
2015	50	\$152,450
2016	1,454	\$1,545,038
2018	1,595	\$2,944,256
2020	1,690	\$2,777,286
2022	1,477	\$4,547,458

When we group the oil and gas industry contribution numbers in Figure 3, above, by election cycles, we see the following amounts:

- **2015/2016:** \$1,545,038
- **2017/2018:** \$2,944,256
- **2019/2020** \$2,777,286
- **2021/2022:** \$4,547,458

As shown here, political contributions from the oil and gas industry have risen dramatically since the 2016 cycle. Though the total dipped slightly in the 2020 cycle, it should be noted that there were no elections for governor that year.

IV. Who Gives and Who Receives?

A. Donors

a. Individual Contributors

FIGURE 4:
Oil & Gas Individual Contributors, 2022

	Oil and Gas Individual Contributors, 2022	Amount
1	Peyton Yates	\$152,500.00
2	Rolla Hinkle	\$83,500.00
3	John Yates	\$65,500.00
4	Linda Yates	\$57,600.00
5	Edward David	\$46,200.00
6	Mark Veteto	\$34,480.00

7	Oscar Andrade	\$28,300.00
8	James Campanella	\$27,400.00
9	Mark Murphy	\$24,960.60
10	Larry Gandy	\$23,500.00
11	Hal Brunson	\$22,000.00
12	Ray Westall	\$21,783.21
13	H Lee Harvard	\$20,800.00
14	Olen Featherstone	\$20,800.00
15	Kenneth Barbe Jr.	\$19,600.00
16	Gregg Fulfer	\$15,700.00
17	Charlotte Yates	\$15,600.00
18	Nelson Spear	\$14,400.00
19	Scott Branson	\$13,300.00
20	Frank Yates	\$11,267.32
21	John Yates Jr.	\$11,150.00
22	Vonda Veteto	\$10,500.00
23	Mark McClellan	\$10,400.00
24	Dannette Hanagan	\$10,400.00
25	Michael Hanagan	\$10,400.00
26	Charley Brewer	\$10,400.00
27	Debra Chase	\$10,400.00
28	Adam Beren	\$10,400.00
29	Mary Featherstone	\$10,400.00
30	Jene Harvard	\$10,400.00
31	Charles Saulsbury	\$10,400.00
32	Bill Fenn	\$10,400.00
33	Steven Burleson	\$10,400.00
34	Jeff Harvard	\$10,400.00
35	Robert Chase	\$10,400.00
36	James Strickler	\$10,300.00
37	Valarie Branson	\$10,200.00
38	Robin Morgan	\$10,100.00
39	H Michael Krimbill	\$10,000.00
40	Kyle Stallings	\$10,000.00
41	Carol Rinehart	\$8,500.00
42	Richard Rinehart	\$8,000.00
43	Karen Westall	\$7,900.00
44	Charles Brewer	\$7,600.00
45	Danny Watson	\$7,000.00
46	Janice Yates	\$6,660.00
47	Ken Waits	\$6,250.00
48	Tom Bearden	\$6,200.00
49	Harvey Yates	\$6,185.00
50	Ray & Karen Westall	\$6,000.00
51	Michael Krimbill	\$5,200.00
52	Phelps Anderson	\$5,175.00
53	George W. Krumme	\$5,000.00
54	Brad Cox	\$5,000.00
55	Paula McClellan	\$5,000.00

56	Clay Wilson	\$4,600.00
57	Sam Henry	\$4,500.00
58	Thomas Jennings	\$4,250.00
59	Robert Frenzel	\$4,000.00
60	Donald Gregory	\$3,700.00
61	Clarke Coll	\$3,200.00
62	Fred Yates	\$3,000.00
63	Cliff Brunson	\$2,750.00
64	Debbie Fleischaker	\$2,700.00
65	Linda Wilson	\$2,600.00
66	Wendy King	\$2,500.00
67	Kane Oueis	\$2,500.00
68	John Yates Jr.	\$2,500.00
69	John Dabbar	\$2,500.00
70	Richard Griffin	\$2,250.00
71	Madison Hinkle	\$2,000.00
72	Ronald Yates	\$1,741.02
73	Walter Ray Ables	\$1,500.00
74	John Mancini	\$1,500.00
75	Dwayne Taylor	\$1,400.00
76	Pamela Fleischaker	\$1,250.00
77	David Fleischaker	\$1,250.00
78	Helen Nave	\$1,120.00
79	Jean Brewer	\$1,000.00
80	Fred Deal	\$1,000.00
81	Ernest Angelo	\$1,000.00
82	Eileen Grooms	\$1,000.00
83	David Hudson	\$1,000.00
84	David Perini	\$1,000.00
85	G. Ray Westall	\$1,000.00
86	Jo Ann Yates	\$1,000.00
87	Nick Martin	\$1,000.00

As far as individual oil and gas contributors in New Mexico's 2022 election, one might say, it was the Yates family and everyone else.

Founded nearly 100 years ago by Martin and Mary Yates, the Yates petroleum empire is now run by their sons, nephews and other relatives.

Perhaps the best known Yates family member is Harvey Yates, a former state Republican Party chairman and former member of the Republican National Committee. Harvey Yates' oil interests include the Jalapeño Corporation and PetroYates.

And, though not an oil business, Harvey Yates of Albuquerque and Peyton Yates of Artesian last year became part owners of Española's *Rio Grande Sun*, a newspaper that in the past was known as a hard-hitting investigative publication. Ryan Cangiolosi,

a former Jalapeño Corporation executive and a past Republican state chairman, also is among the new owners of the *Sun*.¹¹

And the figures below reveal the dominance of the Yates family as individual contributors from the oil and gas industry in the recent election.

The top individual contributors on this list are members of the Yates family. Peyton Yates contributed more than \$100,000 more in this past election than he did in 2020. John Yates, who was New Mexico's top individual contributor in the oil and gas industry in 2020, upped his political contributions this year by more than \$25,000. Linda Yates contributed \$57,600, well over the \$3,600 she gave to politicians last year.

Altogether, family members made nearly \$340,000 in contributions last year, all going to Republican candidates, party organizations and political action committees.

When you add Yates oil and gas businesses as well as trusts, that figure rises to about \$750,000. The Jalapeño Corporation contributed \$242,510 in 2022 to Republican candidates and committees; PetroYates contributed \$50,000; Yates family trusts made another \$60,700 in political contributions last election.

Besides Yates family members, other top contributing individuals from the oil and gas business in New Mexico included Rolla Hinkle, president of the R.R. Hinkle Company in Roswell, (\$83,500); Edward David of David Petroleum in Roswell, (\$46,200); Mark Veteto of Veteto Oil & Gas in Hobbs, \$34,480); Oscar Andrade, owner of Pic Quik stores in Las Cruces, (\$28,300).

FIGURE 5:
Yates Family and Business Contributions, 2014-2022

Year	Number Of contributions	Amount
2022	136	\$752,313
2020	110	\$404,717
2019	8	\$86,494
2018	78	\$171,330
2016	58	\$66,759
2015	1	\$5,400
2014	115	\$219

¹¹ http://www.riograndesun.com/news/new-owners-support-vibrant-balanced-coverage/article_fa85a7c0-b68b-11ec-8cb0-ab5ac8e48236.html

b. PACs

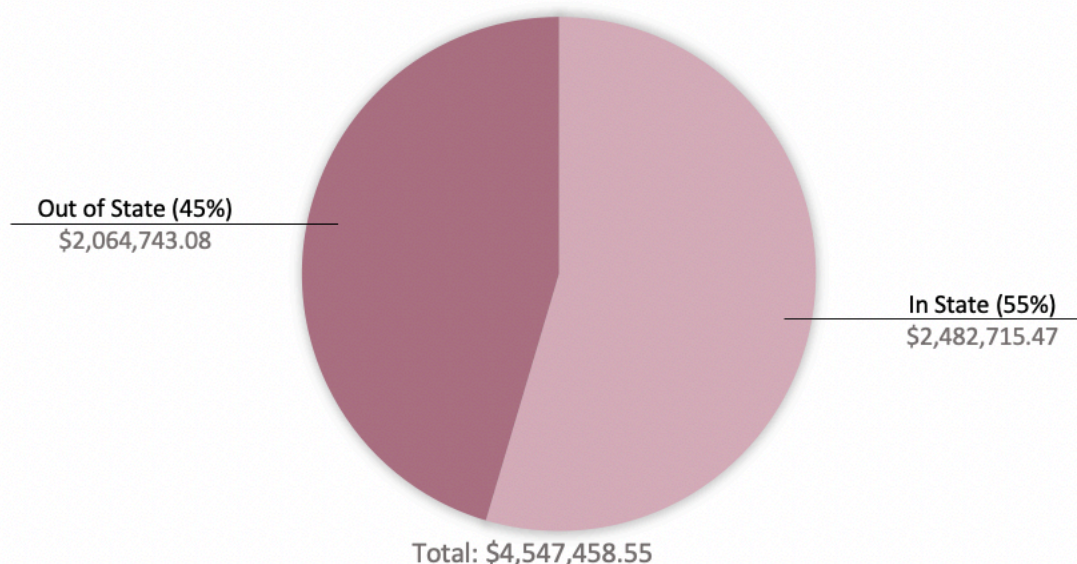
FIGURE 6:
Oil & Gas Industry Associated PACs' Contributions

Oil and Gas PAC Contributors, 2020	Contributions to other PACs	Contributions to Candidates	Total Contributions
New Mexico Strong	\$250,000.00	\$-	\$250,000.00
PNM Resources Responsible Citizens Group	\$-	\$114,150.00	\$114,150.00
New Mexico Gas Company HEAT PAC	\$-	\$34,300.00	\$34,300.00
Affordable Energy PAC	\$-	\$28,000.00	\$28,000.00
Enbridge Inc. PAC	\$15,000.00	\$12,500.00	\$27,500.00
Merrion Oil & Gas Corporation Political Action Committee	\$10,000.00	\$14,150.00	\$24,150.00
El Paso Electric Company Employee PAC	\$-	\$23,500.00	\$23,500.00
Halliburton Company PAC	\$-	\$15,000.00	\$15,000.00
Marathon Petroleum Corporation	\$-	\$9,500.00	\$9,500.00
NMOGA PAC	\$-	\$5,200.00	\$5,200.00
Energy Transfer Employee Management Company PAC	\$-	\$5,000.00	\$5,000.00
Apache Corporation PAC	\$-	\$2,500.00	\$2,500.00
Coterra Energy PAC	\$-	\$2,500.00	\$2,500.00
Grand Total	\$275,000.00	\$266,300.00	\$541,300.00

In Figure 5, above, we chart the amount that oil and gas industry PACs spent on campaign contributions in 2022.

c. Out-of-State Contributors

FIGURE 7:
In-State v. Out-of-State Contributions, 2022



d. Chevron

Once again, Chevron is the top company in terms of political contributions in New Mexico, giving more than \$510,000 to political causes in the last election cycle. It's also one of the top oil producers in New Mexico, currently holding 748 active or new drill permits, some that have been in use since the late 1930s, according to data from the state Energy, Minerals and Natural Resources Department.¹²

Early in the year, Chevron announced that it had raised its projected oil production in the Permian Basin, which also includes part of west Texas and expected a 15 percent increase in production in 2022.

Though Chevron was the leading political contributor from the oil and gas sector in 2022, the California-based company actually contributed significantly less money in New Mexico last year, than it did in the 2020 election. That year it gave almost \$1.8 million to candidates and political committees in New Mexico.

¹² New Mexico Energy, Minerals and Natural Resources Department Well Search https://wwwapps.emnrd.nm.gov/OCD/OCDPermitting/Data/WellSearchResults.aspx?OperatorSearchClause=Contains&ogrid_name=Chevron&WellSearchClause=BeginsWith&WellNumberSearchClause=BeginsWith&PoolSearchClause=BeginsWith§ion=00&CancelledAPDs=Exclude&PluggedWells=Exclude&SearchLocation=Surface

Chevron's biggest contributions were \$25,000 checks to three entities: the New Mexico House Republican Campaign Committee; the Republican Campaign Committee of New Mexico; and the Brian Egolf Speaker Fund, which gave money to various Democrat incumbents and candidates.

B. Recipients

a. Leadership PACs v. Other PACs

The state Legislature in 2019 changed the law to give legislative leaders of both parties the power to form "legislative caucus committees." These were political action committees that are allowed to accept contributions up to \$25,000 from a single donor for a primary election and another \$25,000 for the general election.¹³ (That figure rose to \$26,000 for the 2022 cycle.)

This is five times the allowable contribution from individuals or businesses to most candidates – except for gubernatorial candidates, who are allowed to receive contributions of up to \$11,000 in the general and primary elections. (The New Mexico Secretary of State's website has a chart of all the contribution limits.¹⁴)

The registered caucus committees are the New Mexico House Republican Campaign Committee, the Brian Egolf Speaker Fund, New Mexico Senate Democrats and PAC-22 (for Senate Republicans). Because 2022 was an election year in which state senators were not up for election, the two House PACs were far more active than the two Senate PACs.

At the time these changes were being debated in the Legislature, some Republicans complained and most voted against it.

However, in 2022, the House GOP's legislative caucus committee, officially named the New Mexico House Republican Campaign Committee, wasn't exactly shy about taking contributions large or small. This PAC reported \$468,691 from the oil and gas industry alone, making it the top non-individual recipient of oil and gas money in the last election cycle.

The House Democrats' equivalent, the Brian Egolf Speaker Fund, (now known simply as The Speaker Fund, since Speaker Egolf did not seek re-election) reported \$107,761, which is less than a quarter of the House Republican PAC's total.

Altogether, PACs of all stripes received more than \$1.2 million from oil and gas.

¹³ <https://www.abqjournal.com/1291230/gop-lawmakers-blast-campaign-finance-bill.html>

¹⁴ <https://www.sos.state.nm.us/candidate-and-campaigns/how-to-become-a-candidate/campaign-contribution-limits/>

FIGURE 8:
Non-Individual Recipients of Oil & Gas Contributions

	Non-Individual Recipients of Oil Non-Individual Recipients, 2022	Amount
1	NMHRCC-New Mexico House Republican Campaign Committee	\$468,691.25
2	Republican Campaign Committee of New Mexico	\$166,150.00
3	New Mexico Oil & Gas Association (NMOGA)	\$155,200.00
4	Brian Egolf Speaker Fund	\$107,761.35
5	Our Values PAC	\$80,000.00
6	Save New Mexico	\$57,500.00
7	Working Together New Mexico PAC	\$50,000.00
8	A Stronger New Mexico	\$50,000.00
9	Jobs PAC	\$17,570.87
10	New Mexico Turn Around	\$16,920.00
11	PAC 22	\$14,000.00
12	Affordable Energy PAC	\$10,400.00
13	RNML	\$10,000.00
14	MLG PAC	\$10,000.00
15	Democratic Party of New Mexico	\$7,850.00
16	Democratic Governors Association	\$5,200.00
17	New Mexico Patriot PAC	\$5,000.00
18	Republican Party of Chavez County	\$4,820.00
19	New Mexico Senate Democrats	\$4,500.00
20	Republican Party of Bernalillo County	\$2,995.00
21	New Mexico Gas Company HEAT PAC	\$2,753.10
22	Taos County Democratic Party	\$1,000.00
23	Lea County Republican Central Committee	\$700.00
25	Grant County Democratic Party	\$250.00
26	PNM Responsible Citizens Group	\$105.00
27	Republican Party of Eddy County	\$100.00
29	Republican Party of Lincoln County (RPLC)	\$50.00
30	Libertarian Party of New Mexico	\$30.00
	Grand Total	1,249,546.57

b. Democrats v. Republicans

It's not surprising that the oil and gas industry gave nearly 2.5 times the amount of campaign contributions to Republicans than it did Democrats last year. GOP candidates, who are staunch supporters of and advocates for the industry accepted more than \$2.2 million from oil and gas interests, while Democrats took in less than

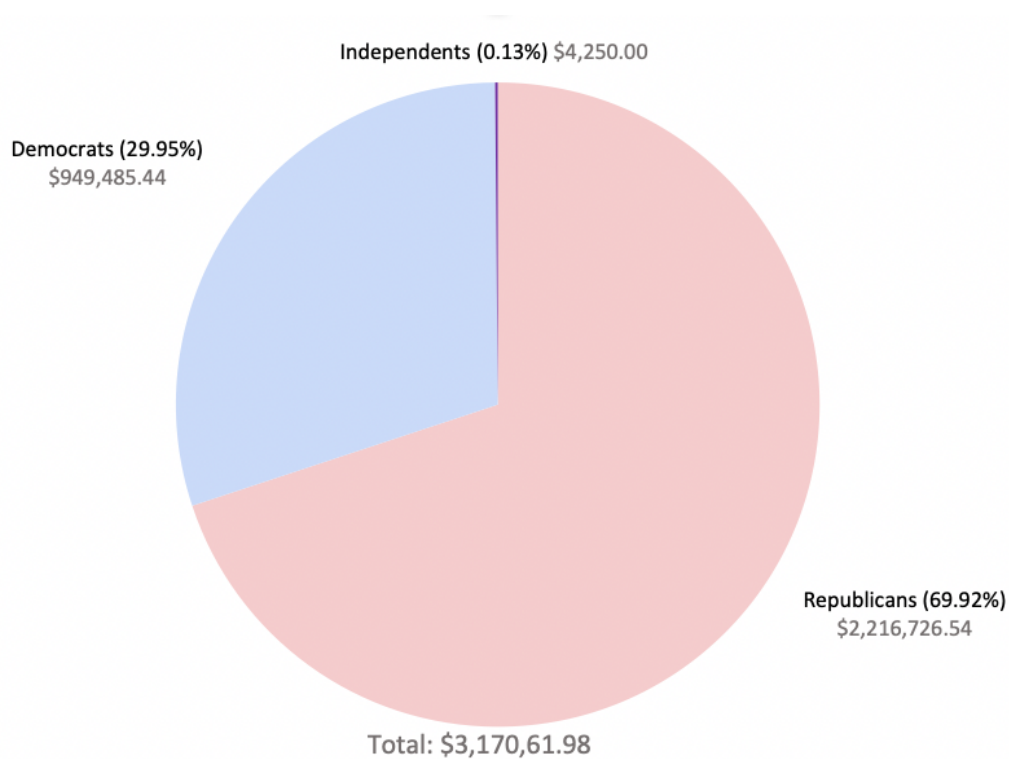
\$950,000. (Another \$4,2500 went to independent candidates, including Phelps Anderson of Roswell, a former Republican who did not seek re-election.)

However, despite this skewed partisan giving, some of the largest recipients of oil and gas industry contributions in individual reporting periods were Democratic Party leaders.

Gov. Michelle Lujan Grisham, a Democrat who was re-elected to a second term last year, reported contributions totaling more than \$200,000 from oil and gas interests. She ranked number two in oil and gas contributions for all individual candidates last election cycle.

However, Lujan Grisham’s defeated opponent, Republican Mark Ronchetti received almost \$900,00 from the industry. About 20 percent of the total contributions from oil and gas went to the Ronchetti campaign.

FIGURE 9:
Party Breakdown for Individual Recipients of
Oil and Gas Contributions, 2022



c. Individual State Legislators

Figure 10:
Candidate Recipients of Oil & Gas Contributions, 2022

	Individual Recipients of Oil & Gas Contributions, 2022	Office Sought	Amount
R	Mark Ronchetti	Governor	\$897,347.73
D	Michelle Lujan Grisham	Governor	\$206,757.44
R	Rebecca Dow	Governor	\$152,600.00
D	Javier Martinez	House District 11	\$78,450.00
R	Jeremy Gay	Attorney General	\$75,771.20
D	Patricia Lundstrom	House District 9	\$65,900.00
R	Anthony Thornton	Lt. Governor	\$61,300.00
R	Randall Pettigrew	House District 61	\$51,700.00
R	James Townsend	House District 54	\$50,800.00
R	Jane Powdrell-Culbert	House District 44	\$46,550.00
R	Kurstin Johnson	House District 30	\$43,200.00
R	Luis Terrazas	House District 39	\$42,450.00
D	Joseph L. Sanchez	House District 40	\$40,350.00
R	Nicole Chavez	House District 28	\$39,700.00
D	Ambrose Castellano	House District 70	\$36,000.00
D	Doreen Gallegos	House District 52	\$35,900.00
R	Gregory Cunningham	House District 29	\$33,899.40
R	Larry Scott	House District 62	\$33,750.00
R	Robert Moss	House District 68	\$31,100.00
R	Jason Harper	House District 57	\$30,750.00
R	Greg Nibert	House District 59	\$29,000.00
R	Kimberly Ann Skaggs	House District 36	\$28,300.00
R	Rodney Montoya	House District 1	\$26,600.00
R	T. Ryan Lane	House District 3	\$25,650.00
D	Meredith Dixon	House District 20	\$25,600.00
D	Nathan Small	House District 36	\$25,600.00
R	Tanya Mirabal Moya	House District 32	\$24,100.00
R	William Rehm	House District 31	\$24,050.00
R	Jenifer Jones	House District 32	\$23,900.00
D	Dayan 'Day' Hochman- Vigil	House District 15	\$22,750.00
R	Gregory Baca	Senate District 29	\$21,900.00
D	Candie Sweetser	House District 32	\$21,700.00
R	Joshua Hernandez	House District 60	\$20,650.00
R	Gail "Missy" Armstrong	House District 49	\$20,000.00
R	Harry Montoya	Senate District 23	\$19,721.20
R	Alan Martinez	House District 23	\$19,600.00
D	Reena Szczepanski	House District 47	\$19,600.00
D	Daniel Ivey-Soto	Senate District 15	\$18,650.00
R	Brian Baca	House District 8	\$18,350.00

R	Stefani Lord	House District 22	\$18,250.00
D	Brian Colón	Attorney General	\$18,200.00
D	Marian Matthews	House District 27	\$18,100.00
D	Howie Morales	Lt. Governor	\$18,100.00
D	Harry Garcia	House District 69	\$17,700.00
R	Candy Spence Ezzell	House District 58	\$17,450.00
R	Jimmy Mason	House District 66	\$17,400.00
R	Cathrynn Brown	House District 55	\$17,250.00
D	Willie Madrid	House District 53	\$16,800.00
D	Eliseo Alcon	House District 6	\$15,700.00
D	Antonio "Moe" Maestas	House District 16	\$14,900.00
D	Micaela Lara Cadena	House District 33	\$13,750.00
D	Marlo Martinez	House District 41	\$13,700.00
D	Cynthia Borrego	House District 17	\$13,700.00
R	Rachel Black	House District 51	\$13,000.00
R	Harlan Vincent	House District 56	\$12,900.00
D	Benny Shendo	Senate District 22	\$12,650.00
R	Martin Zamora	House District 63	\$12,350.00
D	Henry Roybal	House District 46	\$12,200.00
R	Andrea Reeb	House District 64	\$12,150.00
D	Doreen Johnson	House District 5	\$11,900.00
D	Raymundo Lara	House District 34	\$11,750.00
R	Preston Duncan	House District 2	\$11,650.00
R	Jefferson Byrd	Commissioner of Public Lands	\$11,400.00
D	Derrick Lente	House District 65	\$11,300.00
D	George Munoz	Senate District 4	\$11,150.00
R	Elizabeth Winterrowd	House District 53	\$10,950.00
R	Crystal Diamond	Senate District 35	\$10,950.00
R	Jackey Chatfield	House District 67	\$10,650.00
R	Rebecca Jones	House District 61	\$10,500.00
R	John Foreman	House District 52	\$10,400.00
D	Florence Miera	House District 42	\$10,200.00
D	Anthony Allison	House District 4	\$9,700.00
D	Art De La Cruz	House District 12	\$9,700.00
D	Joseph Cervantes	Senate District 31	\$9,500.00
D	Cherise Quezada	House District 26	\$9,200.00
D	Mimi Stewart	Senate District 17	\$9,000.00
R	James Mason	Magistrate Judge Division 2	\$8,250.00
D	Peter Wirth	Senate District 25	\$7,950.00
R	Craig Brandt	Senate District 40	\$7,500.00
R	Gay Kernan	Senate District 42	\$7,400.00
D	Pete Campos	Senate District 8	\$7,250.00
R	Robert S. Godshall	House District 27	\$6,750.00
R	Mark Moores	Senate District 21	\$6,450.00
D	Michael Padilla	Senate District 14	\$5,950.00
R	David Gallegos	Senate District 41	\$5,450.00
R	Greg Zanetti	Governor	\$5,300.00
R	Robert Austin Salazar	House District 20	\$5,250.00
R	Elaine Sena Cortez	House District 62	\$5,200.00

R	Solomon Pena	House District 14	\$5,000.00
R	Khalid Emshadi	House District 24	\$5,000.00
D	Emma Ortiz	County Commissioner District 1	\$5,000.00
R	Lisa Meyer-Hagen	House District 11	\$5,000.00
R	Patricia Kimble	County Commissioner District 3	\$5,000.00
D	James Fietze	Doña Ana County Sheriff	\$5,000.00
R	Jay Block	Governor	\$5,000.00
R	Mike Herrington	Chavez County Sheriff	\$5,000.00
D	Christine Chandler	House District 43	\$4,900.00
R	John Block	House District 51	\$4,662.01
R	Ron Griggs	Senate District 34	\$4,200.00
R	Sandra Hammack	House District 38	\$4,000.00
D	Roberto 'Bobby' Gonzales	Senate District 6	\$3,450.00
R	Steven Neville	Senate District 2	\$2,950.00
D	Raul Torrez	Attorney General	\$2,750.00
R	Pat Woods	Senate District 7	\$2,600.00
R	William E Sharer	Senate District 1	\$2,500.00
I	Elain Allen	House District 56	\$2,500.00
D	Ravi Bhasker	House District 38	\$2,500.00
R	Randal Crowder	House District 64	\$2,000.00
R	Toby Austin	Division 1 Magistrate Judge	\$2,000.00
R	Stuart Ingle	Senate District 27	\$1,950.00
R	Amy Barela	County Commissioner District 2	\$1,700.00
D	Siah Correa Hemphill	Senate District 28	\$1,600.00
D	Ramon M Montoya	House District 23	\$1,500.00
R	Ellis McMath	House District 17	\$1,500.00
R	Gary Schubert	County Commissioner District 2	\$1,500.00
D	Matthew McQueen	House District 50	\$1,400.00
R	Cliff Pirtle	Senate District 32	\$1,250.00
D	Laura Montoya	State Treasurer	\$1,250.00
I	Larry E Marker	Commissioner of Public Lands	\$1,250.00
R	Gary McDaniel	County Commissioner District 2	\$1,000.00
D	Carrie Hamblen	Senate District 38	\$1,000.00
D	Stephanie Garcia Richard	Commissioner of Public Lands	\$1,000.00
R	Elisa Martinez	House District 2	\$1,000.00
D	Martin Hickey	Senate District 20	\$1,000.00
D	Gail Chasey	House District 18	\$1,000.00
D	G Andres Romero	House District 10	\$950.00
D	Nancy Rodriguez	Senate District 24	\$750.00
R	Mark Fischer	County Commissioner District 5	\$750.00
R	David Elliot Finger	District Court Judge Division 1	\$500.00
I	Phelps Anderson	House District 66	\$500.00
D	Pamelya Herndon	House District 28	\$500.00
D	Maggie Toulouse Oliver	Secretary of State	\$500.00
R	Keith Clayton	Magistrate Judge Division 4	\$500.00
D	Damian Lara	Bernalillo County Assessor	\$500.00
D	Georgene Louis	House District 26	\$500.00
D	Gerald Ortiz Y Pino	Senate District 12	\$500.00
D	Katherine Bruch	County Commissioner District 1	\$500.00

D	Elizabeth Thomson	House District 24	\$500.00
R	Alonzo Baldonado	House District 8	\$500.00
D	Bill O'Neill	Senate District 13	\$500.00
D	Tara Lujan	House District 48	\$500.00
D	Patricio Ruiloba	Bernalillo County Sheriff	\$500.00
D	Kristina Ortez	House District 42	\$500.00
R	Paul A. Pacheco	County Sheriff	\$500.00
R	Kelly Fajardo	House District 7	\$500.00
D	Bill Tallman	Senate District 18	\$500.00
D	Andrea Romero	House District 46	\$400.00
R	Joshua Baker	County Sheriff Sierra County	\$400.00
D	Roger Montoya	House District 40	\$250.00
D	Joy Garratt	House District 29	\$250.00
R	Michael Perry	County Commissioner District 5	\$200.00
D	Raul Villanueva	County Sheriff District 6	\$128.00
R	Adelious Stith	House District 29	\$125.00
R	Audrey Trujillo	Secretary of State	\$100.00
D	Sabrina Rael	Magistrate Judge Division 3	\$100.00
R	Thomas C Montoya	Justice to the Supreme Court	\$100.00
R	Jeanette Nowers-Clark	County Commissioner District 1	\$100.00
R	Kerri Morris	Justice to the Supreme Court	\$100.00
		Grand Total	\$3,170,461.98

All the oil and gas money flowing into Rochetti's gubernatorial campaign didn't stop Michelle Lujan Grisham from winning that election decisively. The same can be said about elections for state House of Representatives candidates. Republicans failed to put a dent in the Democrats' commanding majority.

Of the top 20 state House recipients of oil and gas money reported 14 are Republicans. Altogether, GOP House candidates received nearly \$900,000 or close to 60 percent of the money contributed by the oil and gas industry to state House candidates in the 2022 general election cycle, and more than 20 percent of overall industry general election contributions.

Even so, as noted above, some of the biggest recipients of oil and gas money last year were Democrats, even though Republicans by far received the most money from the industry.

Newly elected House Speaker Javier Martinez, D-Albuquerque, was the House member who took the most oil and gas contributions last year, reporting more than \$82,000 in contributions from oil and gas.

In second place was another Democrat, Rep. Patricia Lundstrom, of Gallup, who reported nearly \$72,000 in oil and gas contributions in 2022. (In a Democratic Caucus meeting shortly after the election, Lundstrom unsuccessfully challenged Martinez for the caucus' endorsement for the speakership. After he was formally elected speaker on the

first day of the current session, Martinez removed Lundstrom as chairwoman of the House Appropriations and Finance Committee.)

FIGURE 11:
% of Total Contributions Received by 2022 Candidates from
Oil & Gas Industry, 2022

	Candidate	Oil and Gas Contributions	Total Contributions	Percent of Contributions
R	Mark Ronchetti	\$897,347.73	\$9,541,074.39	9.4%
D	Michelle Lujan Grisham	\$206,757.44	\$13,460,617.68	1.5%
R	Rebecca Dow	\$152,600.00	\$1,517,390.52	10%
D	Javier Martinez	\$78,450.00	\$505,675.02	15.5%
R	Jeremy Gay	\$75,771.20	\$513,723.48	15%
D	Patricia Lundstrom	\$65,900.00	\$362,918.64	18%
R	Anthony Thornton	\$61,300.00	\$302,336.28	20%
R	Randall Pettigrew	\$51,700.00	\$145,841.49	35%
R	James Townsend	\$50,800.00	\$221,036.19	23%
R	Jane Powdrell-Culbert	\$46,550.00	\$167,678.52	28%
R	Kurstin Johnson	\$43,200.00	\$275,816.14	16%
R	Luis Terrazas	\$42,450.00	\$249,545.63	17%
D	Joseph L. Sanchez	\$40,350.00	\$167,027.34	24%
R	Nicole Chavez	\$39,700.00	\$258,193.44	15%
D	Ambrose Castellano	\$36,000.00	\$172,166.39	21%
D	Doreen Gallegos	\$35,900.00	\$291,102.32	12%
R	Gregory Cunningham	\$33,899.40	\$198,894.63	17%
R	Larry Scott	\$33,750.00	\$132,936.07	25%
R	Robert Moss	\$31,100.00	\$139,990.51	22%
R	Jason Harper	\$30,750.00	\$136,165.31	23%
R	Greg Nibert	\$29,000.00	\$136,761.84	21%
R	Kimberly Ann Skaggs	\$28,300.00	\$228,926.12	12%
R	Rodney Montoya	\$26,600.00	\$107,702.88	25%
R	T. Ryan Lane	\$25,650.00	\$91,741.01	28%
D	Meredith Dixon	\$25,600.00	\$430,501.69	5.9%
D	Nathan Small	\$25,600.00	\$313,144.09	8.2%
R	Tanya Mirabal Moya	\$24,100.00	\$118,713.10	20.3%
R	William Rehm	\$24,050.00	\$118,283.46	20.3%
R	Jenifer Jones	\$23,900.00	\$180,278.73	13%
D	Dayan 'Day' Hochman- Vigil	\$22,750.00	\$204,620.12	11%

V. Role of Associations and Advocacy Groups

A. The New Mexico Oil and Gas Association¹⁵

The New Mexico Oil and Gas Association or NMOGA¹⁶, began 2022 with a tweet on January 1st, 2022, that read

Happy New Year! For 2022, our new year's resolution is to keep working towards increasing U.S. energy security and providing important benefits to New Mexico families and communities. #nmpol #nmleg¹⁷

On behalf of the oil and gas industry, one supposes.

Just over 300 tweets later, on December 31, 2022, NMOGA tweeted

From Raton to Las Cruces and Gallup to Tucumcari, the positive impact of our industry is tremendous for all New Mexicans. #nmpol #nmleg

Thus, the year was bookended by tweets from NMOGA touting the “important benefits” and “positive impact” of the industry for New Mexicans – families, communities and, well, ALL New Mexicans!

And the industry did have much to tout this year, as it still does on its website, that

New Mexico's Oil & Natural Gas Industry:

- *Funds New Mexico's schools*
- *Provides cleaner, reliable, more affordable energy*
- *Funds one-third of the state's annual budget since FY14*
- *Employs 134,000 New Mexicans*

But did they tell you how they worked to defeat HB 6, the Clean Future Act, that surely would have been a benefit to ALL New Mexicans?

Here are some tweets about HB 6:

February 8, 2022

¹⁵ www.nmoga.org

¹⁶ 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.

¹⁷ Tweeting at <https://twitter.com/nmoilandgas> and with the handle of @NMOilandGas

*If House Bill 6 passes, it will bring inflation on steroids – causing prices to skyrocket for every family and community in New Mexico.*¹⁸

(Accompanied by text reading, “Say NO to House Bill 6”.)

February 9, 2022

House Bill 6 will bring inflation on steroids – raising basic energy costs or every family and community in New Mexico. #nmpol #nmleg

(And accompanied by a quote and be text reading, “Say NO to House Bill 6.”)

Our economy is recovering and growing again thanks to the oil and natural gas industry. We cannot afford to risk our future by placing our economy on hold. #nmpol #nmleg

(And again accompanied by the same text urging “Say NO to House Bill 6.”)

NMOGA tweeted five more times against HB 6 from February 9th through the 12th.

HB 6, the Clean Futures Act, carried the following bill title

*Relating to climate; Enacting the Clean Future Act; Establishing greenhouse gas emission limits; Requiring reporting; Providing powers and duties; Enacting new sections of the Air Quality Control Act; Directing the environmental improvement board to adopt rules to reduce greenhouse gas emissions; Directing the assessment of fees; Creating a fund; Making an appropriation.*¹⁹

Despite being pre-filed on January 13th 2022, it was not heard as a substitute bill in its second assigned committee, the House Energy, Environment and Natural Resources Committee, until February 12th, when it was passed. However, it was never heard on the floor of the House and thus never was sent to the Senate.

HB 6 formally died when the 30-day 2022 legislative session ended at noon on February 17th.²⁰

Not only was NMOGA tweeting against HB 6 in the leadup to the February 12th committee hearing, it was actively working against the bill.

¹⁸ A bit ironic from an industry whose exorbitant profit-taking helped to fuel historic inflation in 2022 for ALL New Mexicans.

¹⁹ <https://www.nmlegis.gov/Sessions/22%20Regular/bills/house/HB0006.pdf>

²⁰ In his February 3, 2022 article in *Capital and Main*, Jerry Redfern wrote that in committee hearings, Republicans echoed industry concerns and muddled the intent of the legislation, and insisted on grandstanding and delaying both the Clean Future Act, HB 6, and the Environmental Rights Act, HJR 2. <https://capitalandmain.com/new-mexico-republicans-line-up-against-environmental-bills>

In fact, a Chevron-backed political action committee, the Texas-based New Mexico Strong, gave \$150,000 to the New Mexico Oil and Gas Association which then spent more than a quarter million dollars on a successful advertising campaign launched expressly to defeat that bill.

Meanwhile, as oil and gas production in southeastern New Mexico rushes full-speed-ahead, a national study by the American Lung Association published last year showed that counties in the Permian Basin have some of the worst air pollution in the state. And that's directly tied to ground level ozone from oil production.

The successful campaign against HB 6 was surely a benefit to the oil and gas industry, but – harkening back to NMOGA's tweet to begin the year – was it a benefit to ALL New Mexicans?!

B. Power the Future

As we noted in our 2021 report on the influence of the oil and gas industry in New Mexico, Power the Future – which has proclaimed itself to be “the voice of energy workers pushing back on radical green groups and the ideologues who fund them”²¹ – became one of one of the most vocal and visible advocates of energy companies and one of the most vehement critics of renewable energy in New Mexico.²²

Although this Washington, D.C. advocacy group did not contribute to political campaigns in New Mexico in 2022, their western states director, Larry Behrens, a former spokesman for former Gov. Suzanna Martinez, consistently advocated in favor of the oil and gas industry, often chiding environmentalists and Democratic politicians.²³

C. The Independent Petroleum Association of New Mexico²⁴

While apparently eschewing the Twitter platform (having not tweeted since 2017²⁵) the Independent Petroleum Association of New Mexico's (IPANM) president, Jim Winchester²⁶, DID appear at the Carlsbad Energy Summit on October 20, 2022.

²¹ Power the Future website, <https://powerthefuture.com>

²² 2021 report, Chapter 5(B), p. 26.

²³ On Jan 26, 2023, Behrens (@LarryBehrens) tweeted “Are the lights on at the Roundhouse? It's not because of windmills and sun panels”. And in case you were wondering, rather than tweeting about NM's HB 6 on February 12th, 2022, Power the Future was reminding you, presumably in advance of the upcoming Valentine's Day holiday, that the broadcast of the Rom Com you were about to watch at home was made possible by the oil and gas industry.

²⁴ 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.” www.ipanm.org

²⁵ <https://mobile.twitter.com/ipanewmexico>

²⁶ Jim Winchester served as the Communications Director for both the New Mexico Energy, Minerals & Natural Resources Department (EMNRD) and the New Mexico Environment Department (NMED) from 2011 to 2015 working as an appointee under Governor Martinez. <https://ipanm.org/administration-staff/>

As reported by Adrian Hedden of the Carlsbad Current Argus

Oil and gas industry leaders in New Mexico and the Permian Basin said they were fighting to defend fossil fuels during a shifting political landscape and government agendas seeking to transition to lower-polluting forms of energy.

At the time, IPAM had filed a lawsuit against NMED rules which Winchester said were unfair to the small producers his group represents. He also said, reported Hedden, that the oil and gas industry needed to make its case for continued oil and gas production to state lawmakers.

“We support good environmental regulation,” Winchester said. “What we are seeking is a good, level playing field.”²⁷

VI. New Mexico’s Oil and Gas Industry Ties

A. Lobbyists

Whether they’re working for gigantic international corporations or small independent companies, oil and gas lobbyists are extremely active trying to influence state legislators or other state officials.

In 2022, Ethics Watch found 54 oil and gas industry lobbyists registered with the Secretary of State, employed by 45 different companies, PACs and organizations.

Several of these entities employ more than one lobbyist. Conoco-Phillips and PNM each have six lobbyists, while Marathon Oil has five. And some lobbyists may have more than one oil and gas client. And several of these also may have several clients who are not part of the oil and gas industry.

FIGURE 12:
Oil and Gas Lobbyists Registered in 2022

Employer	Name (Last, First)
7-Eleven Inc.	Najjar, Daniel
American Fuel & Petrochemical Manufacturers	Barnett, Mickey
American Fuel & Petrochemical Manufacturers	Espinoza, Jason
American Fuel & Petrochemical Manufacturers	Najjar, Daniel
Apache Corporation	Trujillo, Anthony
Artesia Renewable Diesel Company, LLC	Crociata, Katherine
Avangrid Renewables LLC	Trujillo, Anthony

²⁷ <https://www.currentargus.com/story/news/2022/10/20/oil-gas-plans-defend-policy-new-mexico-permian-basin-air-pollution-climate-change-fossil-fuel/69577233007/>

Avangrid, Inc.	Ning, Natasha
Avangrid, Inc.	Setter, Drew
Bowlin Travel Centers, Inc.	Scanland, Scott
Centennial Resource Development	Casteel, William
Chevron USA, Inc.	Killen, Patrick
Chevron USA, Inc.	Otero, Luke
COG Operating LLC	Gerholt, Gabrielle
ConocoPhillips	Gerholt, Gabrielle
ConocoPhillips	Gibson, Kari
ConocoPhillips	Moore, J.
ConocoPhillips	Ning, Natasha
ConocoPhillips	Setter, Drew
ConocoPhillips	Valverde, Randi
Constellation Energy Generation, LLC	Kelley, Casey
Consumers For Practical Energy Solutions	Montano, Larry
Cross Country Well Services LLC	Rivers, Teddie
Devon Energy	Hull, Arthur
Devon Energy	Legant, Kimberly
Dimension Energy	Bullington, James
Eddy Lea Energy Alliance	Moore, J.
Eddy Lea Energy Alliance	Valverde, Randi
El Paso Electric	Gonzales, Ricardo
El Paso Electric	Trujillo, Anthony
Enchant Energy	Trujillo, Anthony
EnergyAdvocate LLC	Seligman, Deborah
Exelon Generation Company, LLC	Kelley, Casey
Exxon Mobil Corporation	Dula, Lee
Exxon Mobil Corporation	Weaks, Jason
Exxon Mobil Corporation	Wagner, Ashley
Guzman Energy LLC	Espinoza, Jason
HF Sinclair	Seligman, Deborah
HF Sinclair	Crociata, Katherine
HF Sinclair	Jemente, Josh
Hilcorp San Juan	Alarid, Vanessa
Independent Petroleum Association of New Mexico (IPANM)	Schermerhorn, James
Invenergy LLC.	Gonzales, Marco
Kit Caron Electric Cooperative, Inc.	Romero, Robert
Low Carbon Fuels Coalition	Thompson, Jason
Mack Energy Corporation	Trujillo, Anthony
Mack Energy Corporation	Trujillo, Jennifer
Marathon Oil Company	Chavez, Rikki-Lee
Marathon Oil Company	Gutierrez, Hugo
Marathon Oil Company	Bradfute, Jennifer
Marathon Petroleum Corporation and its Subsidiaries	Gould, Leland
Marathon Petroleum Corporation and its Subsidiaries	Shafer, Brad
McKinley County Electric Generating Facility Econ. Dist. Authority	Weaks, Jason
New Mexico Gas Company	Jones, LaVanda
New Mexico Oil & Gas Association	Ackerman, Douglas
New Mexico Oil & Gas Association	Barabe, Aimee

New Mexico Oil & Gas Association	Gould, Leland
New Mexico Propane Gas Association	Scanland, Scott
New Mexico Rural Electric Cooperative Association	Groenewold, Keven
New Mexico Rural Electric Cooperative Association	Najjar, Daniel
New Mexico Rural Electric Cooperative Association	Rougemont, Edward
New Mexico Trucking Association	johnson, johnny
Newpoint Gas, LLC	Thompson, Joseph
Nextera Energy	Hull, Arthur
Nextera Energy	Legant, Kimberly
NGL Energy Partners	Romero, Robert
Occidental Petroleum	Trujillo, Anthony
Onward Energy	Bullington, James
Plains All American Pipeline	Trujillo, Anthony
PNM	Hull, Arthur
PNM	Jaramillo, Matthew
PNM	Lucero, Carlos
PNM	Park, Alfred
PNM	Weeks, Jason
PNM	Yamada, Sayuri
Renewable Energy Group	Alarid, Vanessa
The HollyFrontier Companies	Seligman, Deborah
The HollyFrontier Companies	Jemente, Josh
Tri-State Generation and Transmission Association	Martinez, Severo
Tri-State Generation and Transmission Association	Mitchell, Rhonda
Xcel Energy	Thompson, Joseph
Xcel Energy	Treat, Bernarr
Xcel Energy	D'Antonio, Michael

In compiling the statistics on lobbyist's political contributions, when a lobbyist has only one client from the industry, we considered all of his or her campaign contributions to be on behalf of that client, unless otherwise specified.

But one enduring problem for those who analyze campaign finance reports, many lobbyists with multi-clients do not specify for whom some or all of their contributions are on behalf. Unfortunately, this means that any total of lobbyist contributions from any particular sector is bound to be short.

And monetary contributions are hardly the only tool a lobbyist has for influencing public officials. Lobbyists traditionally spent big cash bucks on parties, private meals and gifts for lawmakers and other officials.

For instance, Aimee Barabe, lobbyist for the New Mexico Oil and Gas Association and the New Mexico Gas Company, reported spending more than \$10,000 on meals, beverages, entertainment and "special events" for policymakers last year.

Chevron's New Mexico lobbyist Patrick Killen reported spending a total of \$3,327 for meals and beverages with officials on behalf of his employer. His report noted that he made "no expenditure of \$100 or more per individual."

One of those events Chevron paid for via Killen was a NMOGA-sponsored April 6 “luncheon meet and greet” for state Rep. Patty Lundstrom, D-Gallup. According to an invitation from Barabe, obtained by New Mexico Ethics Watch, the event took place in Chevron’s Houston office. Killen reported spending \$695 on a Houston catering company for the event (as well as \$200 at a Houston restaurant called Xochi to discuss issues with New Mexico officials).

This Houston “meet and greet” for Lundstrom – who at the time chaired the House Appropriations and Finance Committee as well as the Legislative Finance Committee – took place during the World Hydrogen North America conference held in Houston, with several New Mexico legislators attending. Lundstrom last year emerged as a champion of the hydrogen industry.

During this year’s regular legislative session, Lundstrom was the sponsor of two bills, backed by Gov. Michelle Lujan Grisham – as well as the state’s two U.S. senators – to make New Mexico a hub of “blue hydrogen” production. Neither House Bill 4 nor HB 228 got a vote in the 2022 session.

In March, lobbyist Drew Setter, whose clients include Conoco-Phillips as well as Avengrid spent \$5,000 on a reception for Hydrogen Business Roundtable at the Governor’s Mansion. The event was for the governor’s staff and other unspecified attendees.

Chevron’s Killen last year spent a total of more than \$4,900 on meals and beverages for various officials. That total includes the above-mentioned Houston events as well as \$1,000 for two events in Denver during last year’s National Conference of State Legislatures meeting in August, one at the Four Season Hotel, one at Denver’s Meow Wolf.²⁸

NMOGA’s president and CEO, Douglas Ackerman, also a registered lobbyist for the association, reported spending more than \$2,200 on meals and beverages for legislators last year.

Exxon-Mobil lobbyist Lee Dula reported spending more than \$16,200 on various meals and special events. The largest single event was an October event for the Speaker’s Fund, for which Dula paid \$14,230.

Among the personal gifts to legislators from the oil and gas industry, Dula reported giving Balloon Fiesta jackets, valued at \$200 each, to Rep. James Townsend, R-Artesia and Rep. Ambrose Castellano, D- Serafina.

²⁸ <https://login.cfis.sos.state.nm.us//Files/ReportsOutput//LAR/08b62e25-eddf-4b32-b019-45aec588588d.pdf>

B. Legislators

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 Resources Committee. Reps. Townsend, Larry Scott, R-Hobbs and Greg Nibert, R-Roswell, are all members of this committee, where all oil and gas bills go.

Townsend is retired, but his resume includes work at Southern Union Gas Company, Southern Union Refining Company, Navajo Refining Company, Holly Energy Partners, and UNEV Pipeline Company.²⁹

Scott is president of Lynx Petroleum Consultants, Inc. and, in his 2022 financial disclosure report, he listed oil and gas (along with stock market holdings and real estate) as his sources of income over \$5,000.³⁰

Nibert, is a lawyer whose 2022 financial disclosure says his legal practice specializes in oil and gas, but notes he's "no longer a recognized specialist by the state bar."³¹

Jim Strickler, a Republican from San Juan County, had served on the committee but didn't seek re-election last year. According to his 2022 financial disclosure report³², he's president of JMJ Land and Minerals Company in Farmington.

VII. Does Industry Spending Get Results?

A. Legislation: 2022's HB 4, HB 228 and HB 6

We examined three bills that drew the interest of the oil and gas industry during the 2022 legislative session. House Bill 4 and House Bill 228 were similar bills that were both titled the "Hydrogen Hub Development Act".

HB 4 provided special incentives to establish "hydrogen hubs" in targeted areas where public-private partnerships could receive state-sponsored loans and grants to build needed infrastructure, potentially attracting a broad range of hydrogen-connected businesses to turn those zones into bustling industrial parks.³³ The Hydrogen Hub Development Act was designated as a priority by Governor Michelle Lujan Grisham, sponsored by Reps. Patricia Lundstrom and Nathan Small, and championed by the fossil fuel industry. The environmental community opposed the bill, noting that while hydrogen fuel itself doesn't emit carbon, the process used today for creating hydrogen is carbon intensive.³⁴

²⁹ <https://jimtowntsendforNM.com/about/>

³⁰ <https://login.cfis.sos.state.nm.us//Files/ReportsOutput//SFI/d0d29945-c830-4320-8752-e6825abceb19.pdf>

³¹ <https://login.cfis.sos.state.nm.us//Files/ReportsOutput//SFI/1e4c912e-b2f8-4bd7-9026-ad64f3b12609.pdf>

³² <https://login.cfis.sos.state.nm.us//Files/ReportsOutput//SFI/9ff1ea0b-1901-417f-b938-fa4bc40c101c.pdf>

³³ "Hydrogen bill hits roadblock in first hearing", Kevin Robinson-Avila, Albuquerque Journal, January 27, 2022, <https://www.abqjournal.com/2465102/hydrogen-bill-hits-roadblock-in-first-committee-hearing.html>

³⁴ *Ibid*

When HB 4 faltered, HB 228 (Rep. Lundstrom) was introduced as a slimmed-down hydrogen energy bill that used the “dummy” bill process in a last-ditch effort to advance the hydrogen hub debate directly to the House floor. Backers of the measure, including Gov. Michelle Lujan Grisham’s administration, touted hydrogen energy as an economic boon for the state, particularly in northwest New Mexico.³⁵ Critics responded that going all in on the hydrogen technology would continue the state’s reliance on fossil fuels – because hydrogen developers plan to use natural gas to produce hydrogen – and it could stymie efforts to expand renewable energy sources.³⁶

Finally, HB 6 (Reps. Nathan Small, Brian Egolf, and Kristina Ortez, and Senators Mimi Stewart and Siah Correa Hemphill) was the “The Clean Future Act”. The act would have mandated that by 2030 greenhouse gas emissions be 50 percent less than 2005 levels and 90 percent less than 2005 levels by 2050. Though it successfully passed through two legislative committees, the bill died while waiting to be heard by the full House of Representatives.

As noted in a previous chapter, New Mexico Ethics Watch reported last year that just one day after receiving a contribution of \$150,000 from the Texas-based, Chevron-backed NM Strong political action committee, the New Mexico Oil and Gas Association (NMOGA), through its chief lobbyist, reported spending more than a quarter million dollars on an advertising campaign aimed at stopping this legislation. Lobbyist Aimee Barabe, on behalf of NMOGA, her only client, on Feb. 4 reported advertising expenses totaling \$256,000. Her report noted these expenses were for “paid advertising in opposition to House Bill 6,” which was being considered by the Legislature. In its campaign against the bill, the New Mexico Oil and Gas Association said the Democratic-backed proposal would lead to rampant price inflation and could end up hurting public schools by reducing state revenue levels.³⁷

House Bill 4: Hydrogen Hub Development Act (Reps. Lundstrom, Small, Javier Martinez and Harry Garcia):

Relating to economic development; Providing for the designation of hydrogen hubs; Allowing public partners to enter into public-private partnership agreements to facilitate development of hydrogen hub projects; creating the hydrogen hub development board and specifying powers; Establishing criteria for approval of hydrogen hub projects; Creating the hydrogen hub project fund; Authorizing grants, loans and revenue bonds; Specifying powers and duties of the New Mexico finance authority; Requiring reports; Creating the hydrogen production and energy generation income tax credit, the hydrogen production and energy generation corporate income tax credit and gross receipts and compensating tax deductions for hydrogen-related sales and use; Specifying additional duties of the department of the environment; adding an exemption

³⁵ “Hydrogen bill stays alive in slimmer form”, Dan Boyd and Kevin Robinson-Avila, Albuquerque Journal, February 11, 2022, <https://www.abqjournal.com/2469391/retooled-nm-hydrogen-bill-still-alive-as-session-nears-end.html>

³⁶ *Ibid*

³⁷ “Oil and gas group launches TV ad campaign against climate bill”, Dan Boyd, Albuquerque Journal, February 7, 2022, <https://www.yahoo.com/lifestyle/oil-gas-group-launches-tv-161400755.html>

to the Procurement Code; Amending definitions in the Rural Electric Cooperative Act and the Renewable Energy Act; Declaring an emergency.

Actions: HB 4 was referred to the House Energy, Environment and Natural Resources Committee, where it was Tabled by a vote of 6-4. The committee is chaired by Rep. Matthew McQueen.

Motion to Table.

Yes votes: Though McQueen is on record as backing the bill, legislative committee reports do not identify the Yes votes.

No votes: Dixon, Herndon, Ortez, Sarinana

Excused: Barreras

House Commerce and Economic Development Committee Substitute for House Bill 228: Hydrogen Hub Development Act (Lundstrom):

Relating to the public peace, health, safety and welfare; Enacting the Hydrogen Hub Development Act; Providing for the designation of hydrogen hubs; Allowing public partners to enter into public-private partnership agreements to facilitate development of hydrogen hub projects; Creating the hydrogen hub development board and specifying powers; Establishing criteria for approval of hydrogen hub projects; Creating the hydrogen hub project fund; Authorizing grants, loans and revenue bonds; Specifying powers and duties of the New Mexico finance authority; Requiring reports; Adding an exemption to the Procurement Code; Amending definitions in the Rural Electric Cooperative Act and the Renewable Energy Act; Declaring an emergency.

HB 228 was similar to HB 4 and used a “dummy” bill in an attempt to revive passage of a Hydrogen Hub Development Act. Dummy bills are placeholders that are used by legislators to create last-minute legislation or, as in this case, to save legislation that previously failed.

Actions: The House Commerce and Economic Development Committee Substitute for HB 228 was passed by that committee on a vote of 7-3.

Yes: 7 (Legislative committee reports do not identify the Yes votes.)

No: Dow, Figueroa, Serrato

House Bill 6: The Clean Future Act (Reps. Small, Brian Egolf, and Kristina Ortez, and Sens. Mimi Stewart and Siah Correa Hemphill):

Relating to climate; Enacting the Clean Future Act; Establishing greenhouse gas emission limits; Requiring reporting; Providing powers and duties; Enacting new sections of the Air Quality Control Act; Directing the environmental improvement board to adopt rules to reduce greenhouse gas emissions; Directing the assessment of fees; Creating a fund; Making an appropriation.

Actions: HB 6 was referred to the House Energy, Environment and Natural Resources Committee, where it was passed without recommendation on a vote of 5-3.

Yes: 5 (Legislative committees reports do not identify the Yes votes.)

No: Rod Montoya, Scott, Strickler, Townsend
Absent: Miguel García

The bill then went to the House Government, Elections and Indian Affairs Committee, where it passed on a 6-3 vote.

Yes: 6 (Legislative committees reports do not identify the Yes votes.)
No: Nibert, Rehm, Zamora

HB 6 passed its final committee on Feb. 12, five days before the end of the session. It never got a vote on the House floor. Even if it had passed the full House the next day, there probably wouldn't have been time for the bill to make its way through the state Senate.

B. Candidates for Office and Leadership

The oil and gas industry threw its financial clout – about \$900,000, behind the Republican gubernatorial candidate, Mark Ronchetti. However, Gov. Michelle Lujan Grisham won re-election to a second four-year term, defeating Ronchetti in a hotly contested race that could wind up being the most expensive race for governor in New Mexico's history.³⁸

In elections for state House of Representatives, four major recipients of oil and gas money in the general election cycle (Republicans Kurstin Johnson, incumbent Jane Powdrell-Culbert, Gregory Cunningham and Nicole Chavez) lost their races. As we mentioned in a previous chapter, of the top 20 state House recipients of oil and gas money reported so far, 14 are Republicans.

Meanwhile, two of the largest legislative recipients of oil and gas contributions on the Democratic side — Reps. Lundstrom of Gallup and Doreen Gallegos of Las Cruces — were re-elected but lost their bids for leadership positions when House Democrats met in caucus a few days after Election Day. Gallegos lost her bid for House majority leader to Rep. Gail Chasey of Albuquerque. Lundstrom tried to get the Democrats' nomination for Speaker of the House, but lost to Rep. Javier Martinez of Albuquerque.

The 2023 legislative session began with another twist, as Lundstrom was removed from her post as chairwoman of the powerful House Appropriations and Finance Committee by Speaker Martinez, on the first day of the 2023 session. Lundstrom will be succeeded by Rep. Small of Las Cruces.³⁹

³⁸ "NM election results certified by board", Dan Boyd, Albuquerque Journal, November 29, 2022

³⁹ https://www.santafenewmexican.com/news/legislature/conservative-democrat-lundstrom-loses-influential-appropriations-committee-post/article_fc3e5c4e-96cb-11ed-9a1d-4f93a997349b.html

VIII. Environmental Group Contributions v. Oil and Gas Industry Contributions

In May 2022, after New Mexico Ethics Watch reported oil and gas political contributions from an early filing period, Larry Behrens, a spokesman for the pro-fossil fuel organization Power the Future, pushed back, tell the *Carlsbad Current Argus* – falsely, as it turned out – that national environmentalist groups had “spent millions” in political contributions during New Mexico’s primary election.⁴⁰

Behrens also said that New Mexico Ethics Watch only analyzed oil and gas political contributions and did not look at the contributions of environmentalist groups.

So we did.

We found that during the primary, environmental advocacy groups’ campaign contributions came nowhere near the totals of the oil and gas industry.

Looking at data for the general election as well as the primary, the biggest player among environmentalists is Conservation Voters New Mexico. The group’s CVNM Action Fund contributed about \$125,000 in contributions during the 2022 election

But beyond monetary contributions to candidates, another Conservation Voters PAC, Verde Voters, during the general election, spent more than \$700,000 to produce and buy time for television and digital ads, at least some of which were earmarked for the governor’s race.

Verde Voters also spent more than \$84,000 on “print ads for climate change comparison pieces,” as well as at least \$142,549 on postage and \$45,000 for polling during the general election cycle. That’s on top of the \$40,000 the PAC spent on campaign literature, plus another \$11,000 on postage, during the primary. The total spent by Verde Voters on these ads, polling and postage during the 2022 election cycle exceeded \$945,000.

Combining these expenditures with contributions to candidates by CVNM Action Fund brings Conservation Voters’ total spending during 2022 to slightly more than \$1 million.

Other active environmentalist groups include the Rio Grande Chapter of the Sierra Club, which made about \$7,000 in contributions to candidates during last year’s election.

The Sierra Club’s Healthy Communities PAC spent less than \$6,000 reimbursing the national Sierra Club for airtime and production costs for television ads. Healthy Communities also spent nearly \$24,000 on campaign materials and in-kind contributions to various candidates during the 2022 election.

⁴⁰ <https://www.currentargus.com/story/news/2022/05/27/oil-and-gas-spends-thousands-against-pollution-policy-new-mexico-greenhouse-gas-climate-change/9910425002/>

The national Sierra Club made a \$15,000 contribution to the Speaker Fund late last year.

Another environmentalist group, the New Mexico Wild Action Fund spent more than \$115,000 in political contributions, while lobbyists for the group contributed over \$47,000 to candidates.

Lobbyists for Natural Resources Defense Council spent \$10,453 on political contributions.

Other lobbyists and officials from various environmental groups reported lightly less than \$43,000 in contributions during the primaries.

So including monetary contributions, as well as expenditures for advertising and other expenditures, environmentalist groups and their lobbyists spent more than \$1.3 million, less than a quarter of the oil and gas industry's contributions

In July, in response to Mr. Behren's statement that national environmentalist groups had "spent millions" during New Mexico's primary election, New Mexico Ethics Watch reached out to Mr. Behrens to confirm it had captured total primary spending by environmental groups and found that the total spent by environmentalist organizations was far short of the millions he'd claimed. To date, we have not received a response from him.

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.

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.

It must be noted that Ethics Watch has been making the same recommendations for years – and that other “good government” groups have been advocating for these or similar measures.

Still, it’s the strong desire of Ethics Watch for legislators to introduce these reforms, vote in favor of them, and pass them on to the governor for signature into law, whether this year 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.

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.

This year, Sen. Harold Pope, D-Albuquerque, has introduced Senate Bill 34, which would accomplish this goal.

This reform can be found in Section 1 of our Lobbyist Regulation Act amendments discussion draft in Appendix 3 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 2023. This reform can be found in Section 4 of our Lobbyist Regulation Act amendments discussion draft in Appendix 3 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.**⁴¹

Lobbyists pay for many parties, banquets, large luncheons during legislative sessions. And there are many private meals between legislators and lobbyists – who pick up the tab – during a legislative session and interim committee meetings.

But besides those, lobbyists spring for meals for many committees during long meetings. One might argue that this system makes for more efficiency, since legislators don't have to leave the Roundhouse to go out for meals. And surely lawmakers, whose per diem is barely enough to cover a hotel room in Santa Fe, appreciate these meals.

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.

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. Though large parties for lawmakers sponsored by lobbyists have seemed to slow down since the pandemic year of 2020, it has not stopped completely.

For instance, as we reported in a previous chapter, Exxon-Mobil lobbyist Lee Dula spent more than \$14,000 on an October event for the Speaker's Fund. Aimee Barabe, lobbyist for the New Mexico Oil and Gas Association and the New Mexico Gas Company, spent more than \$10,000 on meals, beverages, entertainment and "special events" for legislators and other officials last year. Drew Setter, whose clients include Conoco-Phillips as well as Avengrid, spent \$5,000 on a reception for Hydrogen Business Roundtable at the Governor's Mansion.

- **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.)

⁴¹ 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 4 in this report.

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.

In the current, 2023 session, this issue is addressed in Senate Bill 218 (Sens. Jeff Steinborn, D-Las Cruces and Mark Moores, R-Albuquerque). The bill has yet to be heard in committee.

- **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- Rep. 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.)

In the current legislative session Senate Bill 217, sponsored by Steinborn and Sen. Gregg Schmedes, R-Tijeras, would, among other things, require the total compensation and expenses he or she is paid or owed. The bill has yet to be heard in committee.

- **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 is now published on the New Mexico Legislature's web site, beginning in 2021. Let's hope the Senate follows suit.

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 3 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 current campaign finance website, which went online in the middle of the 2020 election, remains difficult to search. Under the old system, you could look up individual and businesses to check their contributions, but not in the new system. 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.⁴²

Provisions in the Campaign Reporting Act (CRA) were tested in 2020. In September 2020, 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

⁴² The most recent opinion in the case, from the U.S. Court of Appeals for the Tenth Circuit, filed January 18, 2023, can be found here: <https://law.justia.com/cases/federal/appellate-courts/ca10/22-2004/22-2004-2023-01-18.html>

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.

In December of 2020, 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 a 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. To settle the lawsuit brought by the State Ethics Commission, the Council for a Competitive New Mexico disclosed that it received \$470,000 in contributions from PNM Resources that CCNM used to fund advertisements supporting and opposing candidates in the 2020 Democratic primary election.⁴³

X. Conclusion

As this report demonstrates, through the 2022 election cycle, there is no indication that the oil and gas industry is cutting back on its attempts to influence elections, legislation and public opinion in New Mexico.

With its record political contributions, efforts to defeat environmental legislation that would benefit all New Mexicans, its contributions to communities hard hit by wildfires fueled by fossil fuel-exacerbated climate change, and its growing sponsorship of New Mexico's flagship events, the industry showed its willingness and ability to keep giving on multiple fronts.

As we've shown in this report, however, industry attempts to influence legislative races for office and leadership, as well as the governor's race, did not pay off. There was so much spending...but so much losing. New Mexico's legislative bodies and the governor's office remain in democratic control. And on track to transition away from fossil fuel dependency.

Yet, the oil and gas industry was able to marshal its forces in 2022, with the help of the NM Strong PAC and the New Mexico Oil and Gas Association (NMOGA) and stop the progress of HB 6, the Clean Future Act.

And, despite the Oil Conservation Division (OCD) and the New Mexico Environment Department (NMED) implementing strict rules to rein in fugitive emissions from oil and gas facilities (in the case of OCD) and ozone precursors (in the case of NMED), over

⁴³ See the State Ethics Commission's press release re: the settlement, here: <https://www.sec.nm.gov/wp-content/uploads/2021/02/2021-02-12-SEC-v.-CCNM-Press-Release-1.pdf>

the last two years, the legislature has refused to fund requests for additional personnel to hire people to enforce the rules.⁴⁴

So, the industry does win, sometimes. While New Mexico's citizens lose in terms of protections for their health and wellbeing.

As we go to press on this report, we note that three legislative measures discussed – if not proposed – at the start of the 2023 legislative session would, in the words of *Capital and Main's* Jerry Redfern,

„,shift the state's focus on the oil and gas industry by emphasizing public safety and environmental protections, denying permits and increasing penalties for companies in violation of the law, and making it easier for citizen groups to sue scofflaw operators.

The measures would dramatically redirect the Oil and Gas Act, which was written to protect oil and gas resources for the state's benefit, to include protecting the environment and the public — particularly marginalized communities.

The legislation could be the largest change to the act since it was written in 1935.⁴⁵

These bills⁴⁶ and the way the oil and gas industry seeks to influence the legislation and public opinion surrounding the bills, bear watching.

Our hope is that through the multiple reports published by New Mexico Ethics Watch on the power and influence of the oil and gas industry⁴⁷, citizens and others have been educated and know which tools will serve them to follow and watchdog this influential industry.

⁴⁴ As Source NM explains, “State funding is a tug of war between the Governor’s Office and the Legislature. Last year, Lujan Grisham’s budget request included more inspectors and affiliated staff for both agencies, but the Legislature shot them down on the recommendation of the LFC under Lundstrom. Both OCD and NMED again asked for more enforcement staff this year, but in the LFC budget recommendation for this session, the committee didn’t fund either department’s request for new enforcement personnel, despite oil and gas providing a record state budget.” See <https://sourcenm.com/2023/01/24/new-mexicos-legislative-session-funded-by-oil-and-gas-promises-fireworks/>

⁴⁵ <https://sourcenm.com/2023/01/19/proposed-legislation-would-dramatically-alter-new-mexicos-principal-oil-and-gas-law/>

⁴⁶ At the time of publication, it was unclear whether the three bills had actually been introduced. See the Jerry Redfern article cited in footnote 47, above, to learn more about these bills. (And watch *Capital and Main* for further reporting on them. www.capitalandmain.com)

⁴⁷ www.nmethicswatch.org

Appendices

Appendix 1: Primary and General Election Reporting 2022 Press Releases

A. April 28, 2022

FOR IMMEDIATE RELEASE

April 28th, 2022

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

New Mexico Politicians Directly Benefit from Oil & Gas Industry

Partly due to massive revenues from oil and gas operations in the state, New Mexico will start sending a one-time \$500 rebate to state taxpayers. But in addition to those checks, many politicians here already are benefiting in a more direct way from the oil and gas industry.

With the recent filing of the first campaign finance reports in the 2022 elections in New Mexico, it's clear that the oil and gas industry is continuing its tradition of generously contributing large amounts of campaign cash to candidates in this state.

According to an analysis of oil and gas contributions by New Mexico Ethics Watch, the industry – companies, political action committees and individuals – has contributed more than \$1.1 million to state politicians in the six month period from October 5, 2021 through April 4, 2022.

This initial round of reporting, not surprisingly, shows that candidates for governor are getting the lion's share of oil and gas contributions. Gubernatorial candidates received nearly \$500,000 of that \$1.1 million. The rest of the contributions mostly went to those running for legislative seats and for statewide offices.

The three top recipients of oil and gas money are gubernatorial candidates. Of these, Mark Ronchetti, one of five Republican candidates for that office, seems to be the industry's choice, at least for now. He reported just under \$300,000 in oil and gas money. Interests from this sector gave Ronchetti's chief GOP rival, state Rep. Rebecca Dow, more than \$122,000 for her campaign. Democratic incumbent Gov. Michelle Lujan-Grisham reported slightly less than \$66,000 in oil and gas contributions during the past reporting period.

Nearly 70 percent of the industry's contributions to candidates during this first primary reporting period went to Republicans. In 2020, GOP candidates received about 60 percent of oil and gas contributions in New Mexico.

In addition to their contributions to candidates running in 2022, the oil and gas industry gave more than \$145,000 to state senators – none of whom are up for election until 2024 – and state representatives who are not seeking re-election this year.

The largest oil and gas contributors in New Mexico so far are mostly familiar names. As was the case throughout the 2020 election cycle, the Chevron corporation contributed the most between October and April. The company gave more than \$71,000 during this first reporting period.

Peyton Yates, founder and co-manager of Artesia's Santo Petroleum, contributed nearly \$66,000 during this time

Other top oil and gas contributors during the first reporting period include: Occidental Petroleum (\$60,413); Exxon (\$60,000); JR Water Transfer (\$50,000); NextEra Energy Resources (\$41,500); Conoco Phillips (\$37,850); Devon Energy (\$36,200); the John A. Yates Sr. Trust (\$35,800); and Marathon Oil Company (\$30,000).

During this initial reporting period, political action committees (PACs) associated with oil and gas contributed more than \$51,000 to New Mexico campaigns. PACs also received almost \$261,000 from the industry, more than half of which, \$135,000, went to the New Mexico House Republican Campaign Committee.

The largest PAC expenditure during the first reporting period was \$150,000, which New Mexico Strong, which has been funded mostly by Chevron, gave to the New Mexico Oil & Gas Association in February.

Between October 2021 and early April, almost 37 percent of oil and gas contributions to New Mexico campaigns came from out-of-state sources. That percentage is likely to change as the election progresses, however. For the 2020 election, just over 70 percent of oil and gas contributions came from out-of-state companies, committees and individuals.

Huge oil and gas industry contributions are nothing new for New Mexico. Although the state has a small population, in the 2020 election, the state ranked fifth in the amount of political contributions from oil and gas, according to statistics from FollowtheMoney.org. In terms of per capita oil and gas contributions, our state was second in 2020, behind only Alaska.

"New Mexico Ethics Watch will continue to analyze the oil and gas industry's campaign contributions, as well as those of other industries, throughout the year," noted Executive Director Kathleen Sabo. "The oil and gas industry plays an outsized role in the economic fortunes of New Mexico, and we believe citizens need to be aware of the industry's continuing influence upon our public officials."

Read our most recent report on this industry, please visit www.nmethicswatch.org/oil-and-gas-report-follow-up.html

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B. May 24, 2022

FOR IMMEDIATE RELEASE

May 24th, 2022

Contact: Kathleen Sabo, Executive Director, 505-507-7548 or ksabo@nmethicswatch.org

Oil and Gas Industry Continues to Spend Big to Promote Candidates, Stop Legislation

Just one day after receiving a contribution of \$150,000 from the Texas-based, Chevron-backed NM Strong political action committee, the New Mexico Oil and Gas Association (NMOGA), through its chief lobbyist, reported spending more than a quarter million dollars on an advertising campaign aimed at stopping legislation that would have established statewide clean air quality standards.

This is just one finding in a recent analysis by New Mexico Ethics Watch of lobbyist reports filed early this month with the Secretary of State's Office.

Lobbyist Aimee Barabe, on behalf of NMOGA, her only client, on Feb. 4 reported advertising expenses totaling \$256,000. Her report noted these expenses were for "paid advertising in opposition to House Bill 6," which was being considered by the Legislature.

This bill, titled "The Clean Future Act," would have mandated that by 2030 greenhouse gas emissions be 50 percent less than 2005 levels and 90 percent less than 2005 levels by 2050. Though it successfully passed through two legislative committees, the bill died while waiting to be heard by the full House of Representatives.

With oil prices hovering around \$100 or more per barrel in recent months and oil companies ramping up production in the Permian Basin in southeastern New Mexico, oil and gas lobbyists continue to pump more and more money into state government political campaigns in New Mexico.

And, while oil and gas production in southeastern New Mexico rushes full-speed-ahead, a national study by the American Lung Association published last month shows that counties in the Permian Basin have some of the worst air pollution in the state. And that's directly tied to ground level ozone from oil production.

"New Mexicans need to be aware that the oil and gas industry, through its lobbyists, is not only working to elect candidates favorable to its interests," noted Ethics Watch executive director, Kathleen Sabo, "but to also defeat legislation beneficial to the well-being of citizens."

Between January 1 and May 2, 2022, lobbyists for the energy companies and organizations contributed more than \$260,000 to candidates running in the June primary. A majority of these contributions –54 percent – went to Republican candidates. 93 percent came from lobbyists for out of state companies.

The Chevron USA corporation, through its lobbyist Patrick Killen, contributed more than \$173,000 to New Mexico candidates, about two thirds of the total contributions attributable to oil and gas-related companies made during the recent lobbyist reporting period. He also contributed another \$1,000 to candidates on behalf of himself.

Chevron, one of the biggest petroleum producers in the state, recently announced that it has raised its projected oil production in the Permian Basin, which also includes part of west Texas. The company expects a 15 percent increase in production in 2022.

Other major oil and gas lobbyists contributing to New Mexico campaigns for their companies include ConocoPhillips' Gabrielle Gerholt (\$40,000); Marathon Oil lobbyist Hugo Gutierrez (\$20,000); Austin-based ConocoPhillips lobbyist Kari Gibson (\$10,400); Enchant Energy's Anthony Trujillo (\$10,000) and Bowlin Travel Center, a major gasoline retailer, whose lobbyist Scott Scanland contributed a total of \$7,500 on behalf of the company.

The above numbers are for lobbyists who specified they were contributing on behalf of oil and gas companies. In addition to that \$260,000-plus, lobbyists for oil and gas companies also contributed another \$81,000 to candidates, not attributed to lobbyist employers.

Besides direct campaign contributions, lobbyists for oil and gas interests reported other expenditures between January 1 and early May.

In addition to NMOGA's advertising campaign, Barabe reported spending more than \$5,000 on meals, beverages, entertainment and "special events" for policymakers between January and May. NMOGA's president and CEO Douglas Ackerman reported spending more than \$600 on meals and beverages for legislators in late April.

Chevron's Killen reported spending a total of \$3,327 for meals and beverages with officials on behalf of his employer. His report noted that he made "no expenditure of \$100 or more per individual."

One of the events Chevron paid for via Killen was a NMOGA-sponsored April 6 "luncheon meet and greet" for state Rep. Patty Lundstrom, D-Gallup. According to an invitation from Barabe, obtained by New Mexico Ethics Watch, the event took place in Chevron's Houston office. Killen reported spending \$695 on a Houston catering company for the event (as well as \$200 at a Houston restaurant called Xochi to discuss issues with New Mexico officials).

This Houston "meet and greet" for Lundstrom -- who chairs the House Appropriations and Finance Committee as well as the Legislative Finance Committee -- took place during the World Hydrogen North America conference held in Houston, with several New Mexico legislators attending. Lundstrom this year emerged as a champion of the hydrogen industry.

During this year's regular legislative session, Lundstrom was the sponsor of two bills, backed by Gov. Michelle Lujan Grisham -- as well as the state's two U.S. senators -- to make New Mexico a hub of "blue hydrogen" production. Neither House Bill 4 nor HB 228 got a vote.

Chevron is among the several large oil and gas companies heavily investing in hydrogen energy. Though touted by the industry as a way to cut carbon emissions, Lundstrom's bills were opposed by environmentalist groups, who argue that hydrogen would only intensify demand for fossil gas production.

Lundstrom recently raised some eyebrows among New Mexico political observers by contributing \$1,000 apiece to four candidates seeking to oust incumbent Democrats in the upcoming primary. It's unusual for legislators to contribute to incumbents' primary opponents. Lundstrom told the *Albuquerque Journal* that she was disappointed in some Democrats' lack of

support for her hydrogen legislation. The challengers have also received support from the Working Together New Mexico PAC which has received the vast majority of its contributions from the Chevron-based PAC New Mexico Strong.

The major recipients of money specifically from oil and gas lobbyists were House Minority Whip Rod Montoya, R-Farmington (\$10,650) and Gov. Michelle Lujan Grisham, (\$10,400). Others include Reps. Randall Pettigrew, R-Lovington and Luis Terazas, R-Santa Clara. Both received \$8,050 from the industry. Rep. Lundstrom has also received \$7,400 in contributions attributable to oil and gas industry lobbyists.

When you include unattributable contributions made by oil and gas lobbyists, Democrat Lujan Grisham got a total of \$36,100, while Lundstrom received a total of \$13,400.

Our recent review of the first round of candidates' campaign finance reports showed that candidates for governor were getting the biggest share of oil and gas contributions. However, that's not the case with the latest lobbyist reports. Of the Republican candidates, Rebecca Dow received \$7,000 from oil and gas lobbyists -- \$5,000 of which was contributed by lobbyists on behalf of oil and gas clients. Candidate Greg Zanetti took in \$1,000 from oil and gas lobbyists. No contributions from oil and gas lobbyists were found for any other gubernatorial candidate, including Mark Ronchetti, who is leading in general campaign fundraising as well as in the polls.

Read our most recent report on this industry: www.nmethicswatch.org/oil-and-gas-report-follow-up.html

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C. July 28, 2022

FOR IMMEDIATE RELEASE

July 28, 2022

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

Oil and Gas Money Continues to Be a Primary Source of Campaign Contributions

While record-breaking heat continues to bake much of the U.S. and other parts of the world this summer – an uncomfortable reminder of the worsening effects of petroleum-fueled climate change -- oil and gas interests continue to pour vast amounts of cash into New Mexico political campaigns to advance and protect their interests.

The oil and gas industry contributed more than \$2.5 million to New Mexico candidates and political committees during the recent primary election season, which covers contributions from October 2021 until early July (nearly a month after the primary itself).

That's according to an analysis by New Mexico Ethics Watch, based on campaign finance reports submitted to the New Mexico Secretary of State's Office.

Republican Mark Ronchetti, who easily won the GOP gubernatorial primary in June, was by far the top recipient of oil and gas money during the primary cycle. The former television weatherman pulled in more than a half million dollars from oil and gas industry contributors, which was 21 percent of the total oil and gas money contributed during the primary campaign.

By comparison, Ronchetti's chief rival for the Republican nomination, state Rep. Rebecca Dow, R-Truth or Consequences, received just over \$154,000 from oil and gas sources in her unsuccessful race. The New Mexico House Republican Campaign Committee took in more than \$216,000 from oil and gas donors during the primary season.

Incumbent Gov. Michelle Lujan Grisham, who had no challengers in the Democratic primary, received more than \$137,000 in oil and gas money, slightly more than a quarter of Ronchetti's total contributions from the industry.

Overall, the governor's race attracted the most contributions from oil and gas. About a third of their contributions went to gubernatorial candidates. State House of Representatives candidates received nearly 29 percent of the industry's contributions in the primary, while political action committees received slightly more than 26 percent.

Of the state representative candidates, incumbent Rep. Patricia Lundstrom, D-Gallup, who chairs the House Appropriations Committee, reported the most contributions from oil and gas. She received \$44,000 from the industry. The New Mexico Oil & Gas Association threw a fundraiser for Lundstrom at Chevron's Houston headquarters earlier this year. But Lundstrom's total was only \$1,000 more than the amount of oil and gas money contributed to Rep. Randall Pettigrew, R- Lovington.

As has been the case in recent years, the top oil and gas industry contributor during the primary was the Chevron corporation, handing out more than \$250,000 in contributions during the primary cycle.

Other major industry contributors were the Oklahoma-based Devon Energy, which contributed nearly \$122,000; Exxon, nearly \$104,000; Marathon Oil Company of Houston, more than \$86,000; and Occidental Petroleum, also based in Houston, which contributed more than \$81,000.

Earlier this year, after New Mexico Ethics Watch reported oil and gas political contributions from an early filing period, Larry Behrens, a spokesman for the pro-fossil fuel organization Power the Future, pushed back, saying our organization did not look at the political contributions of environmentalist groups.

In our recent examination of environmental group campaign spending in New Mexico, we found that their primary season political contributions came nowhere near the totals of the oil and gas

industry for the same period. The environmentalists reported about \$160,000 in political contributions during the primary cycle – less than 7 percent of the oil and gas industry’s total.

The biggest player in this sector is Conservation Voters New Mexico. The group’s CVNM Action Fund contributed about \$44,000 in contributions during the primary. Another Conservation Voters PAC, Verde Voters, spent more than \$40,000 on campaign literature (and another \$11,000 on postage).

The Rio Grande Chapter of the Sierra Club made about \$2,000 in contributions to candidates, while the group’s Healthy Communities PAC spent nearly \$24,000 on campaign materials and in-kind contributions to various candidates during the primary. The national Sierra Club made a \$15,000 contribution to the Speaker Fund late last year. Another environmentalist group, the New Mexico Wild Action Fund spent less than \$12,000 in political contributions, while lobbyists for the group contributed another \$4,250 to candidates. Lobbyists for Natural Resources Defense Council spent less than \$3,700 on political contributions. Other lobbyists and officials from various environmental groups reported slightly more than \$3,000 in contributions during the primaries.

New Mexico Ethics Watch reached out to Mr. Behrens to confirm it had captured total primary spending by environmental groups. To date, we have not received a response from him.

“The overwhelming majority of scientists recognize the connection between fossil fuel use and climate change,” noted New Mexico Ethics Watch executive director Kathleen Sabo, “yet the oil and gas industry continues to press the case for increased oil and gas production in the state with minimal regulation, while contributing mightily to the state’s political candidates.”

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D. October 27, 2022

FOR IMMEDIATE RELEASE

October 27, 2022

Contact: Kathleen Sabo, Executive Director, 505-507-7548 or ksabo@nmethicswatch.org

The Oil and Gas Industry: A Tale of Two Hands

While the federal government and many car manufacturers are committed to the transition away from oil and gas and toward the use of alternative energies, the oil and gas industry appears committed to extracting every last ounce of precious fossil fuels from New Mexico’s lands. And it knows just the politicians it can enlist to achieve that goal. But at what cost?

While Chevron works with the State Land Commissioner Stephanie Garcia Richard to build a new solar array on state trust land, it also spends money to defeat legislation establishing statewide clean energy standards. (Chevron-backed political action committee NM Strong fed \$150,000 to the NM Oil and Gas Association which then spent more than a quarter million dollars on an advertising campaign to defeat 2022's House Bill 6, the "Clean Future Act".)

While Texas-based corporation ExxonMobil becomes the prime sponsor of the Albuquerque International Balloon Fiesta and a major backer of the state's popular New Mexico United soccer team, it also pours money into the campaign coffers of industry-friendly politicians.

And, while Chevron, Occidental Petroleum and ConocoPhillips donate hundreds of thousands of dollars to relief funds following the disastrous Calf Canyon/Hermits Peak wildfire, the continuing oil and gas operations run by these companies push climate change, fueled by fossil fuels, upon us, making wildfires more dangerous and extreme.

As we know from the recent, detailed reporting of environmental journalist Jerry Redfern in *Capital and Main*, since early this year, "oil and gas companies have dramatically stepped up their outreach and public relations spending at some of New Mexico's best-known, best-loved events."

Redfern's story quotes state Rep. Angelica Rubio, D-Las Cruces – who recalled oil companies sponsoring sports teams and scholarships when she was growing up. "It's kind of like, 'OK, while we're poisoning your water, we're gonna go ahead and pay for this football field,'" Rubio said.

But, as campaign finance reports show, the industry's contributions for these activities has not diminished its contributions to our state's politicians in the hopes of solidifying their operations and keeping their pumpjacks pumping.

One hand giveth...while the other hand gives more, for sometimes irreconcilable purposes.

Republicans Overwhelmingly Reap the Benefits of Oil and Gas Industry Contributions

The industry has contributed nearly \$1.4 million to New Mexico candidates and political organizations so far during this year's general election cycle – and 80 percent of that has gone to Republicans.

This is according to the most recent analysis by New Mexico Ethics Watch of general election campaign finance reports filed by candidates and committees with the Office of the Secretary of State. The period covered began on July 3 and ended on October 3.

In the governor's race, GOP candidate Mark Ronchetti has collected more than \$318,000 from oil and gas interests, which is more than four times the amount brought in by his opponent, incumbent Democratic Gov. Michelle Lujan Grisham (almost 75,000.)

But even more money from the industry – so far more than \$560,000 -- is going to state House races, with the New Mexico House Republican Campaign Committee receiving more than \$240,000 from oil and gas and individual Republican House candidates pulling in more.

Currently Democrats have a firm grip on the House of Representatives -- 45 Democrats, 24 Republicans, and one representative. No seats in the State Senate – which Democrats control 26-15 – are up for election this year.

The huge preference for Republicans by oil and gas is even more pronounced this year than in the 2020 election about this time. That year, the GOP received about 68 percent of the contributions from the industry.

Chevron and the Yates Family Remain the Largest Corporate and Individual Contributors

The largest contributors from the oil and gas sector so far during the general election are Chevron which contributed \$250,000, nearly all of which came from its lobbyist, Patrick Killen. Chevron's contributions amount to more than a quarter of the total contributions from the oil and gas sector during the general election cycle.

Other large contributors from oil and gas companies are: the Jalapeno Corporation, owned by Harvey Yates of Albuquerque (just over \$115,000); the Oklahoma-based Devon Energy (more than \$70,000); Marathon Oil, a Texas company (nearly \$53,000); ExxonMobil (\$45,500) and Harvard Petroleum, a company based in Roswell, (\$45,500).

As is usually the case, the largest individual contributors from the industry so far this general election season are members of the Yates family, a long-established New Mexico family involved in oil and gas, most of whom are based in Artesia. Peyton Yates has contributed almost \$51,000 during the general election season. Charlotte Yates and the Charlotte Yates Foundation have contributed just shy of \$47,000; John Yates has contributed more than \$23,000, while Linda Yates has contributed more than \$21,000.

Other major individual contributors so far are Rolla Hinkle of Roswell, who has contributed \$21,600; and Jeff Harvard of Roswell (\$20,800) and Edward David of Roswell, (\$20,500)

The per capita annual income of the average New Mexican, according to the U.S. Census Bureau, is about \$28,000.

About a quarter of oil and gas contributions went to political action committees. The biggest recipients among PACs were the New Mexico House Republican Campaign Committee (\$243,000-plus) and the Republican Campaign Committee of New Mexico (\$70,000).

The governor's race is the only statewide race attracting oil and gas money.

Surprisingly, basically no money from this sector is going to the state land commissioner race so far. This is a race that in 2018 saw a Chevron-backed PAC pour almost \$2 million into ads supporting unsuccessful Republican candidate Patrick Lyons for state land commissioner.

The state Land Office is responsible for drilling leases on state land.

This year incumbent state Land Commissioner Stephanie Garcia Richard, a Democrat, is facing Republican challenger Jeff Byrd, currently a public regulation commissioner.

Recently Garcia Richard sent a campaign email with the subject line “When a foe becomes a partner” touting Chevron’s new solar array built on state trust land. Chevron hasn’t contributed any money to Garcia’s reelection campaign. But they haven’t spent a dime on Byrd either.

Lobbyists from out-of-state oil and gas corporations dominate the giving, mostly to State House candidates.

Ethics Watch also looked at the recently filed reports from lobbyists, which cover the period between early May and early October. (These reports include contributions made during the last month of the primary cycle.)

During this reporting period, lobbyists for oil and gas companies contributed nearly \$470,000 to politicians and political committees. More than 70 percent of that went to state House candidates.

By far, the major portion of these contributions came from three out-of-state companies: California-based Chevron (just shy of \$250,000); Ohio-based Marathon Oil (\$90,000) and Texas-based ExxonMobil (\$87,000).

Compared to the oil and gas industry in general, their lobbyists have been far more even-handed when it comes to the partisan split of their contributions. Republicans received about 52 percent of oil lobbyist contributions with Democrats getting about 48 percent.

In addition to their contributions that are specified as being for a particular oil company, lobbyists who represent oil and gas companies also made nearly \$200,000 in other political contributions, not on behalf of any specific company. In addition to their oil and gas clients, nearly all of these lobbyists represent some companies and organizations that are not part of the oil and gas industry.

Money contributed directly to candidates’ campaigns and to political action committees is not the only way lobbyists, including those representing oil and gas interests, try to influence public policy.

As recent lobbyist reports show, lobbyists also have continued their traditional practice of spending considerable dollars on wining, dining and entertaining politicians.

Lobbyists for oil and gas interests spent more than \$55,000 on meals, beverages, entertainment and other items for lawmakers and others since early May. In addition, lobbyists who represent oil companies along with other clients not involved in that industry, spent more than \$20,000 feeding and entertaining lawmakers.

And in addition to meals and entertainment, sometimes lobbyist give politicians expensive gifts. For instance, in early October, ExxonMobil lobbyist Lee Dula gave House Republican leader James Townsend a Balloon Fiesta jacket valued at \$200.

“Oil and gas industry money can certainly fund worthwhile events and projects and needs in this state, and pay our citizens good wages” noted Kathleen Sabo, executive director of New Mexico Ethics Watch. “Perhaps New Mexicans need to calculate how much harm, and for how long

they are willing to endure damage to our air quality and ground water quality even as state government and event coffers are flush with cash generated by oil and gas production in the state,” Sabo continued.

Link to Redfern story: <https://capitalandmain.com/a-petroleum-pr-blitz-in-new-mexico>

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E. November 23, 2022

FOR IMMEDIATE RELEASE

November 23, 2022

Contact: Kathleen Sabo, Executive Director, 505-507-7548 or ksabo@nmethicswatch.org

New Mexico’s Oil and Gas Industry-Backed Candidates Fall Short With Voters

The most common observation concerning the 2022 election among political pundits of all stripes is that the “Red Wave” Republicans touted and Democrats feared failed to materialize.

That was true in New Mexico, where Republicans hoped — in vain, it turned out — to defeat the incumbent Gov. Michelle Lujan Grisham, a Democrat, and to put a serious dent in the Democrats’ control of the state Legislature.

In the two weeks leading up to the 2022 general election, the oil and gas industry made more than \$630,000 in contributions to New Mexico politicians and political committees. The total amount of oil and gas contributions in the general election cycle — so far — tops \$2 million.

However, much of that money went to candidates who lost their bids. The most obvious example was Republican gubernatorial candidate Mark Ronchetti, who received \$356,000-plus from the oil and gas industry. That’s better than three and a half times the \$86,000-plus that Lujan Grisham, has taken from industry-related sources.

This is according to an analysis by New Mexico Ethics Watch of campaign finance reports filed with the Secretary of State’s Office. The latest reports were due on November 3. The next batch of reports, covering last-minute and post-election contributions and expenditures, is due on January 9, 2023.

In elections for state House of Representatives, four of the top five oil and gas contribution recipients in the general election cycle lost their races. Those four (Kurstin Johnson, Jane

Powdrell-Culbert, Gregory Cunningham and Nicole Chavez) are Republicans. Of the top 20 state House recipients of oil and gas money reported so far, 15 are Republicans.

Altogether, GOP House candidates have received in excess of \$500,000, or about 71 percent of the money contributed by the oil and gas industry to state House candidates in the 2022 general election cycle, and more than a quarter of overall industry general election contributions.

Meanwhile, two of the largest legislative recipients of oil and gas contributions on the Democratic side — Reps. Patty Lundstrom of Gallup and Doreen Gallegos of Las Cruces — were re-elected but lost their bids for leadership positions when House Democrats met in caucus a few days after Election Day. Gallegos lost her bid for House majority leader to Rep. Gail Chasey of Albuquerque. Lundstrom tried to get the Democrats' nomination for speaker of the House, but lost to Rep. Javier Martinez of Albuquerque. Martinez is the Democrat who has received the most oil and gas money so far, taking in more than \$30,000 from the industry (compared with Lundstrom's \$22,000).

In addition to political contributions made during the general election, the oil and gas industry also spread around upwards of \$2.5 million among New Mexico candidates and political committees during this year's primary election season, which covered contributions from October 2021 until early July. This \$4.5 million is significantly more than the \$3.3 million the industry spent on New Mexico political causes in the 2020 election, when all state senate seats were up for grabs, but there was no gubernatorial election.

The top oil and gas industry contributors in the general election reported so far this year are familiar names. Chevron once again is the number one source of industry money in this year's campaign, contributing nearly \$264,000 to New Mexico campaigns and committees. This figure is on top of the \$250,000-plus in contributions the California company made during the primary cycle. But that's well below the almost \$1.8 million that Chevron contributed during the 2020 election.

Other big contributors include the Albuquerque-based Jalapeño Corporation, which gave just over \$170,000, and Devon Energy, an Oklahoma company, which reported almost \$84,000 in contributions. Other top oil and gas companies contributing during the general election cycle were Occidental Petroleum of Houston, Texas (\$62,000); X-based Marathon Oil, also of Houston, (\$57,7000); Strata Production, an Ohio company (\$56,200) and the Roswell-based Murphy Oil (\$50,000).

As usual, the list of the largest individual oil-and-gas contributors during the general election reported so far is dominated by members of the Yates family, a well-established New Mexico oil and gas family. At the top of the list is Peyton Yates (\$66,600); followed by Rolla Hinkle, the only non-Yates in the top five (\$51,800); Linda Yates (\$41,600); the Charlotte Yates Trust (\$36,400) and John Yates (\$29,200).

Political action committees were big players during this year's election and some of them received considerable money from the oil companies. These committees include the New Mexico House Republican Campaign Committee, which has reported receiving \$250,600 in oil and gas contributions during the general election period; the Republican Campaign Committee of New Mexico (\$120,000); Our Values PAC, a single-candidate super PAC in support of defeated Republican Congresswoman Yvette Herrell, (\$75,000); and Save New Mexico, an Albuquerque-based committee whose largest contributor by the Jalapeño Corporation (\$55,00).

“While oil and gas industry money continues to be a major source of political contributions, this election showed that all that cash doesn’t always determine who’s going to win an election,” said Kathleen Sabo, executive director of New Mexico Ethics Watch. “Energy and climate change were not major issues in this year’s campaign, but overall New Mexico voters were not in tune with the candidates backed by oil and gas interests.”

...

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:
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Appendix 2: 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.

Known oil and gas entities were filtered from the CFIS 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 3: 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 4: 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, 2023, 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.