

April 13, 2021

The Honorable Deb Haaland
Department of the Interior
1849 C Street, N.W.
Washington DC 20240

Dear Secretary Haaland:

As you know, in the opening weeks of his presidency, President Joe Biden issued two executive orders which halted exploration for oil and natural gas on federal lands and waters and also ordered your department to begin a comprehensive review all existing oil and gas leasing permits. As a native New Mexican, you must recognize the significance of oil and gas leases for western states. A sweeping ban on federal leasing will deal a major fiscal blow to states like New Mexico, Wyoming, Texas, and Colorado, all of which are heavily comprised of federal lands. During my tenure as the Administrator of the Energy Information Administration, I saw firsthand the recognizable benefits pragmatic energy policies like federal leasing brought American communities. It's equally clear the damage a leasing ban can inflict. Wyoming, New Mexico, and Colorado accounted for 88% of total onshore natural gas produced on federal land in 2017.

In New Mexico alone, a fracking ban would cost the state \$3.1 billion, according to 2019 statistics. This translates to nearly \$20 billion in energy sector-related tax revenues. These revenues have provided over 30% of the annual state budget since 2010. The Administration's move would be a massive step backward for the state, and likewise, for the country. New Mexico has ascended from the seventh to the third largest oil producing state in the country. These gains afforded residents some of the lowest energy costs in the country, with residential natural gas prices 40% below the national average.

Finally, a federal leasing ban sits at odds with the objective of improving the health of our environment. Curtailment of federal leasing and development of natural gas will result in increased consumption of coal thereby causing in higher CO2 emissions in the power sector. Federal leasing also serves as an important component of conservation efforts across the U.S. The disbursement of tax revenue from federal leasing is critical for funding environmental protection and conservation programs in states with federal onshore and offshore leasing.

I present many of these ideas in an article published in the Albuquerque Journal in November of last year.

Link: <https://www.abqjournal.com/1520401/unsung-energy-hero-nm-is-worth-protecting.html>

I appreciate you considering the facts I've laid out above as the department weighs the costs of a ban on federal leasing.

Kindly,

Guy Caruso
Former Administrator, Energy Information Administration