



FUELING NEW MEXICO

THE IMPACT OF NEW MEXICO'S OIL AND NATURAL GAS INDUSTRY



A LETTER FROM OUR EXECUTIVE DIRECTOR



The beginning of a new decade is not only an opportunity to start anew, it is an opportunity to reflect on our progress, acknowledge our accomplishments, and build on the successes of the last ten years.

New Mexico enters this new decade stronger, resilient, and more secure, due in large part to the strength of our oil and natural gas industry. Since the decade began, oil and natural gas production has consistently soared to new heights and has provided New Mexico with the opportunity to make record investments in public education, build new roads and highways, and put more first responders on the streets of our communities.

It's only fitting that we start the new decade with yet another record-shattering year. This year, oil and natural gas are providing our state with a record \$3.2 Billion for the state budget and a record \$1.36 Billion for our students, teachers, and public schools. That's an incredible increase of more than \$900 million in just one year.

While most New Mexicans may know that oil and natural gas are produced in southeast and northwest New Mexico, the benefits and contributions are felt statewide. From Taos to Anthony, and Gallup to Clovis, the impact of the industry's success is visible in every community in New Mexico.

NMOGA is not only committed to highlighting the benefits of oil and gas across New Mexico, we are working to invest in local communities and share the success of our industry to help others succeed themselves. Last year, NMOGA launched a new community impact fund called the Brighter Future Fund to award grants to non-profit and educational organizations. The Brighter Future Fund will award a total of \$1 million in New Mexico communities through 2024 with a focus on efforts to enhance STEM education (science, technology, engineering, math), increase economic opportunity, and alleviate child hunger.

It's undisputed that New Mexico's future shines brighter with a strong oil and natural gas industry. As the state's largest and most successful industry, we are committed to safely and responsibly producing the energy we need along with critical funds and tax revenue that support our communities. We have made strides by reducing emissions by 51% in the last decade. At the same time, production of oil and gas has only increased, and we will continue to make progress to ensure that future generations enjoy not only the benefits of a strong energy economy but also a healthy environment.

New Mexico now begins the 2020s with strengthened public schools, expanded economic opportunities, and potentially the opportunity for every New Mexico student to get a college degree tuition-free. As a state and an industry, our future is bright. This new decade promises to offer even more opportunity for New Mexico than the past, and generations of New Mexicans will develop, grow, and thrive with a strong energy sector paving the way.

Yours Truly,

A handwritten signature in black ink, appearing to read "Ryan Flynn". The signature is fluid and cursive, written over a white background.

Ryan Flynn
Executive Director
New Mexico Oil and Gas Association

THE IMPACT OF OIL AND GAS ON THE GENERAL FUND



TOTAL CONTRIBUTION TO STATE BUDGET
FROM OIL AND GAS
\$3.111 BILLION
IN FY19.

GENERAL FUND REVENUES ATTRIBUTED TO OIL AND GAS PRODUCTION THROUGH THE YEARS (millions)



OIL & NATURAL GAS REVENUE INCREASED BY
\$910 MILLION
FROM FY18 TO FY19.

\$ (MILLIONS)

- TOTAL GENERAL FUND REVENUE
- TOTAL GENERAL FUND REVENUE ATTRIBUTED TO OIL AND GAS

THE IMPACT OF OIL AND GAS ON THE GENERAL FUND

FY19 GENERAL FUND REVENUE ATTRIBUTED TO OIL AND GAS PRODUCTION (\$MILLIONS)



TOTAL REVENUES
\$3.111 BILLION
39%

TAX



GROSS RECEIPTS TAX
\$326 MILLION
12.2%



PERSONAL INCOME TAX
\$127 MILLION
7.2%



OIL & GAS SCHOOL TAX
\$555 MILLION
100%



COMPENSATING TAX
\$18 MILLION
22.3%



CORPORATE INCOME TAX
\$3 MILLION
13.0%



OIL & GAS CONSERVATION TAX
\$29 MILLION
100%



NATURAL GAS PROCESSORS TAX
\$15 MILLION
100%

OTHER



FEDERAL MINERAL LEASING
\$1.135 BILLION
99%



LAND GRANT PERMANENT FUND DIST.
\$618 MILLION
96.7%



SEV TAX PERM. FUND INCOME
\$191 MILLION
86.6%



STATE LAND OFFICE BONUSES, ETC.
\$95 MILLION
71.9%

BENEFITS OF THE OIL AND NATURAL GAS INDUSTRY TO NEW MEXICO'S ECONOMY AND BUDGET

THE OIL AND GAS INDUSTRY CONTRIBUTES OVER **ONE-THIRD**
OF THE FUNDING FOR SCHOOLS, INFRASTRUCTURE, HEALTHCARE,
AND PUBLIC SAFETY -
MORE THAN ANY OTHER INDUSTRY IN NEW MEXICO.



VITAL INFRASTRUCTURE

OIL AND GAS FUNDS SUPPORT THE CONSTRUCTION OF NEW ROADS AND HIGHWAYS TO KEEP NEW MEXICO ON THE MOVE.



NEW MEXICO GENERAL FUND

OIL AND NATURAL GAS INDUSTRY SUPPORTS ONE-THIRD, OR **\$3.11 BILLION**, OF THE STATE'S ANNUAL BUDGET



PUBLIC SAFETY

OIL AND NATURAL GAS HELP NEW MEXICO PUT MORE PUBLIC SAFETY OFFICERS ON THE STREETS, KEEPING OUR COMMUNITIES SAFE.



ECONOMIC GROWTH

THE RAPIDLY EXPANDING OIL AND NATURAL GAS INDUSTRY IS GROWING NEW MEXICO'S ECONOMY AND PUTTING MORE NEW MEXICANS TO WORK.



FUNDING FOR LOCAL SCHOOLS

STUDENTS AND TEACHERS RECEIVE MORE THAN **\$1 BILLION** EACH YEAR TO SUPPORT NEW MEXICO'S SCHOOLS



MORE JOBS

MORE THAN **100,000** NEW MEXICANS ARE EMPLOYED AS A RESULT OF OIL AND NATURAL GAS PRODUCTION IN NEW MEXICO.



ENERGY SECURITY

PRODUCING OIL AND NATURAL GAS IN NEW MEXICO MAKES AMERICA LESS RELIANT ON OTHER COUNTRIES FOR OUR ENERGY NEEDS.

BENEFITS OF OIL AND NATURAL GAS TO
NEW MEXICO SCHOOLS

THE OIL AND GAS INDUSTRY'S BENEFIT TO NEW MEXICO SCHOOLS



THE OIL AND GAS INDUSTRY CONTRIBUTES OVER
ONE-THIRD
OF THE
FUNDING FOR SCHOOLS

TOTAL EDUCATION FUNDING
PROVIDED BY THE OIL AND
NATURAL GAS INDUSTRY
IN NEW MEXICO

\$1,361,667,521



\$1,058,907,732

TOTAL AMOUNT: **K-12**



\$302,759,789

TOTAL AMOUNT: **HIGHER EDUCATION**



20,974

TEACHERS



332,602

STUDENTS

\$1,361,667,521 COULD PROVIDE NEW MEXICO SCHOOLS WITH



28,971

TEACHERS



6,808,337

COMPUTERS



642,296,000

SCHOOL LUNCHES



9,077,783

DESKS



64,841,310

BACKPACKS

THE OIL AND GAS INDUSTRY'S IMPACT ON EDUCATION IN BERNALILLO COUNTY



TOTAL EDUCATION FUNDING PROVIDED BY THE OIL AND NATURAL GAS INDUSTRY TO BERNALILLO COUNTY

\$435,918,488



678,701
COUNTY POPULATION



212
K-12 SCHOOLS



96,737
K-12 STUDENTS



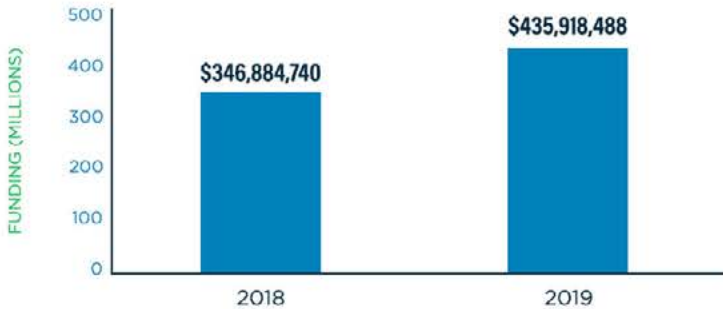
6,254
TEACHERS



\$304,537,200
THAT BERNALILLO COUNTY RECEIVES FOR K-12 EDUCATION IS SUPPORTED BY THE OIL AND GAS INDUSTRY.



\$131,381,288
THAT BERNALILLO COUNTY RECEIVES FOR HIGHER EDUCATION IS SUPPORTED BY THE OIL AND GAS INDUSTRY.



\$304,537,200 COULD PROVIDE BERNALILLO SCHOOLS WITH



6,479
TEACHERS



1,522,686
COMPUTERS



143,649,623
SCHOOL LUNCHES



2,030,248
DESKS



14,501,771
BACKPACKS

THE OIL AND GAS INDUSTRY'S IMPACT ON EDUCATION IN CATRON COUNTY



**TOTAL EDUCATION FUNDING PROVIDED BY THE OIL AND NATURAL GAS INDUSTRY TO
CATRON COUNTY**

\$1,991,033



3,578
COUNTY POPULATION



5
K-12 SCHOOLS



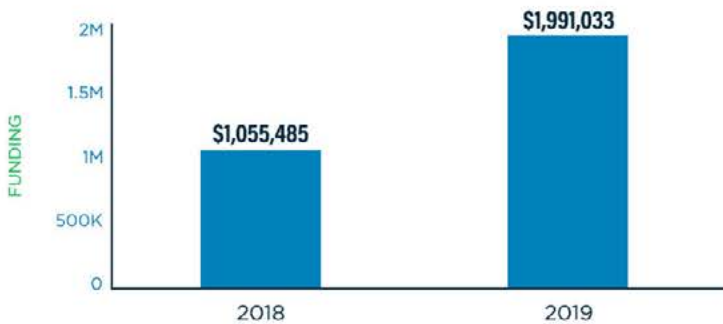
278
K-12 STUDENTS



38
TEACHERS



\$1,991,033
THAT CATRON COUNTY RECEIVES FOR K-12 EDUCATION IS SUPPORTED BY THE OIL AND GAS INDUSTRY.



\$1,991,033 COULD PROVIDE CATRON SCHOOLS WITH



42
TEACHERS



9,955
COMPUTERS



939,166
SCHOOL LUNCHES



13,273
DESKS



94,811
BACKPACKS

THE OIL AND GAS INDUSTRY'S IMPACT ON EDUCATION IN CHAVES COUNTY



TOTAL EDUCATION FUNDING PROVIDED BY THE OIL AND NATURAL GAS INDUSTRY TO **CHAVES COUNTY**

\$43,120,494



64,689
COUNTY POPULATION



31
K-12 SCHOOLS



11,904
K-12 STUDENTS



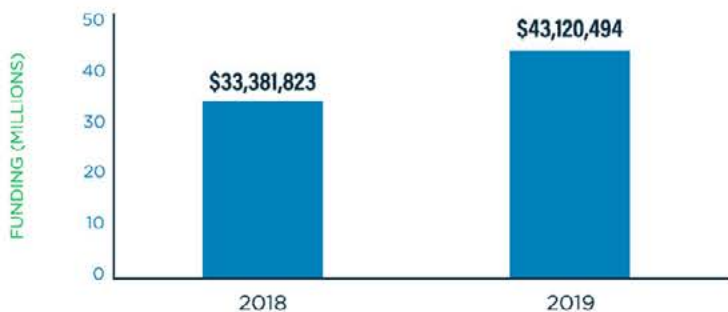
719
TEACHERS



\$37,604,824
THAT CHAVES COUNTY RECEIVES FOR K-12 EDUCATION IS SUPPORTED BY THE OIL AND GAS INDUSTRY.



\$5,515,670
THAT CHAVES COUNTY RECEIVES FOR HIGHER EDUCATION IS SUPPORTED BY THE OIL AND GAS INDUSTRY.



\$37,604,824 COULD PROVIDE CHAVES SCHOOLS WITH



800
TEACHERS



188,024
COMPUTERS



17,738,124
SCHOOL LUNCHES



250,698
DESKS



1,790,706
BACKPACKS

THE OIL AND GAS INDUSTRY'S IMPACT ON EDUCATION IN CIBOLA COUNTY



TOTAL EDUCATION FUNDING PROVIDED BY THE OIL AND NATURAL GAS INDUSTRY TO
CIBOLA COUNTY

\$12,499,804



26,746
COUNTY POPULATION



11
K-12 SCHOOLS



3,525
K-12 STUDENTS



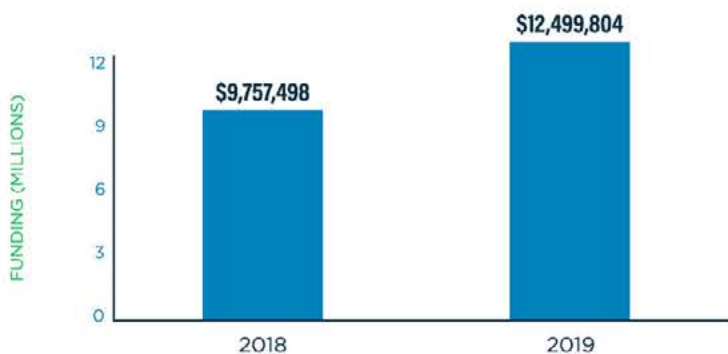
241
TEACHERS



\$11,199,571
THAT CIBOLA COUNTY RECEIVES FOR K-12 EDUCATION IS SUPPORTED BY THE OIL AND GAS INDUSTRY.



\$1,300,233
THAT CIBOLA COUNTY RECEIVES FOR HIGHER EDUCATION IS SUPPORTED BY THE OIL AND GAS INDUSTRY.



\$11,199,571 COULD PROVIDE CIBOLA SCHOOLS WITH



238
TEACHERS



55,997
COMPUTERS



565,835
SCHOOL LUNCHES



7,997
DESKS



533,312
BACKPACKS

THE OIL AND GAS INDUSTRY'S IMPACT ON EDUCATION IN COLFAX COUNTY



TOTAL EDUCATION FUNDING PROVIDED BY THE OIL AND NATURAL GAS INDUSTRY TO COLFAX COUNTY

\$6,847,349



12,110
COUNTY POPULATION



15
K-12 SCHOOLS



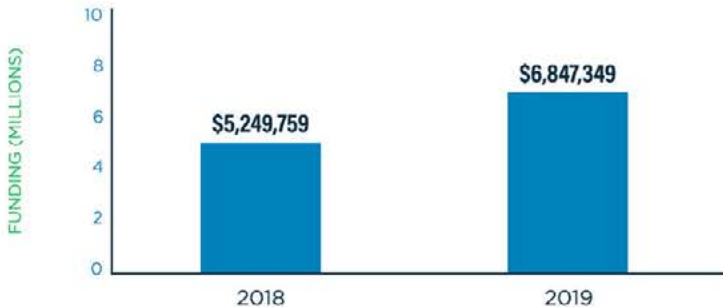
1,632
K-12 STUDENTS



136
TEACHERS



\$6,847,349 THAT COLFAX COUNTY RECEIVES FOR K-12 EDUCATION IS SUPPORTED BY THE OIL AND GAS INDUSTRY.



\$6,847,349 COULD PROVIDE COLFAX SCHOOLS WITH



145
TEACHERS



34,236
COMPUTERS



3,229,881
SCHOOL LUNCHES



45,649
DESKS



326,064
BACKPACKS

THE OIL AND GAS INDUSTRY'S IMPACT ON EDUCATION IN CURRY COUNTY



TOTAL EDUCATION FUNDING PROVIDED BY THE OIL AND NATURAL GAS INDUSTRY TO
CURRY COUNTY

\$31,402,455



49,437

COUNTY POPULATION



27

K-12 SCHOOLS



9,058

K-12 STUDENTS



544

TEACHERS



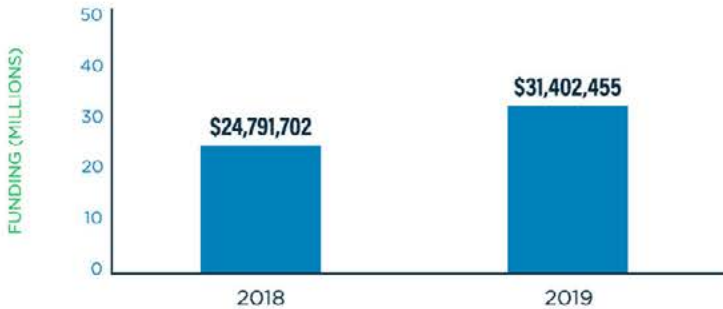
\$27,689,761

THAT CURRY COUNTY RECEIVES FOR K-12 EDUCATION IS SUPPORTED BY THE OIL AND GAS INDUSTRY.



\$3,712,694

THAT CURRY COUNTY RECEIVES FOR HIGHER EDUCATION IS SUPPORTED BY THE OIL AND GAS INDUSTRY.



\$27,689,761 COULD PROVIDE CURRY SCHOOLS WITH



589
TEACHERS



138,448
COMPUTERS



13,061,208
SCHOOL LUNCHES



184,598
DESKS



1,318,560
BACKPACKS

THE OIL AND GAS INDUSTRY'S IMPACT ON EDUCATION IN DE BACA COUNTY



TOTAL EDUCATION FUNDING PROVIDED BY THE OIL AND NATURAL GAS INDUSTRY TO
DE BACA COUNTY

\$1,421,232



1,781
COUNTY POPULATION



3
K-12 SCHOOLS



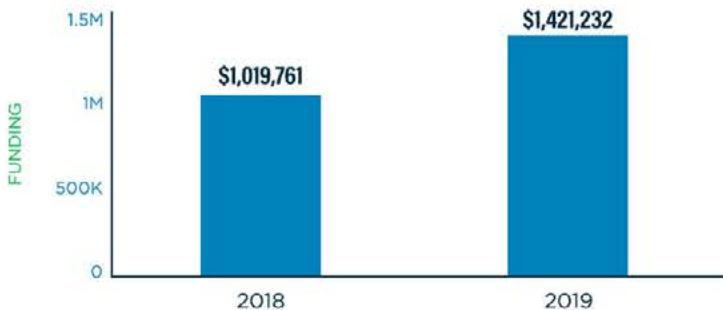
305
K-12 STUDENTS



29
TEACHERS



\$1,421,232
THAT DE BACA COUNTY RECEIVES FOR K-12 EDUCATION IS SUPPORTED BY THE OIL AND GAS INDUSTRY.



\$1,421,232 COULD PROVIDE DE BACA SCHOOLS WITH



30
TEACHERS



7,106
COMPUTERS



670,392
SCHOOL LUNCHES



9,474
DESKS



67,677
BACKPACKS

DOÑA ANA COUNTY



TOTAL EDUCATION FUNDING PROVIDED BY THE OIL AND NATURAL GAS INDUSTRY TO DOÑA ANA COUNTY

\$195,217,748



217,522

COUNTY POPULATION



77

K-12 SCHOOLS



40,474

K-12 STUDENTS



2,449

TEACHERS



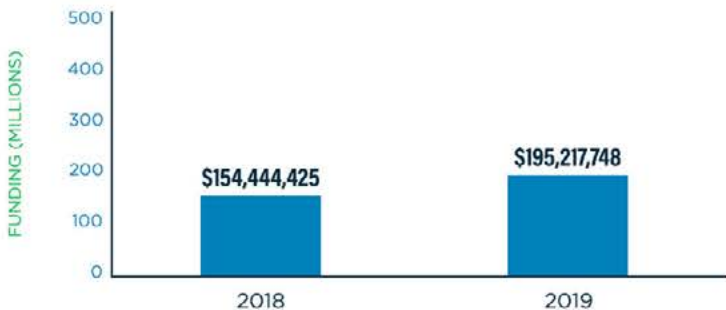
\$124,664,468

THAT DOÑA ANA COUNTY RECEIVES FOR K-12 EDUCATION IS SUPPORTED BY THE OIL AND GAS INDUSTRY.



\$70,553,280

THAT DOÑA ANA COUNTY RECEIVES FOR HIGHER EDUCATION IS SUPPORTED BY THE OIL AND GAS INDUSTRY.



\$124,664,468 COULD PROVIDE DOÑA ANA SCHOOLS WITH



2,652
TEACHERS



623,322
COMPUTERS



58,803,994
SCHOOL LUNCHES



831,096
DESKS



5,936,403
BACKPACKS

THE OIL AND GAS INDUSTRY'S IMPACT ON EDUCATION IN EDDY COUNTY



TOTAL EDUCATION FUNDING PROVIDED BY THE OIL AND NATURAL GAS INDUSTRY TO
EDDY COUNTY
\$40,507,959



57,900
COUNTY POPULATION



27
K-12 SCHOOLS



11,653
K-12 STUDENTS



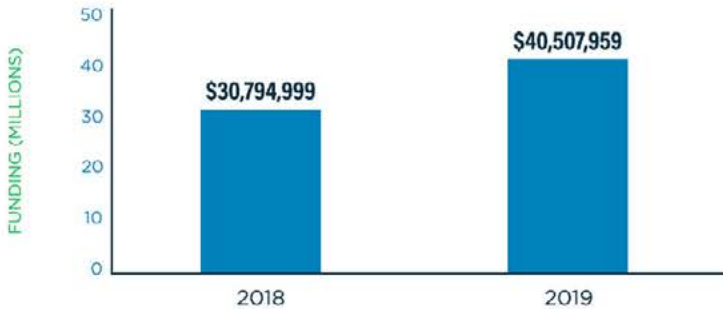
684
TEACHERS



\$38,845,412
THAT EDDY COUNTY RECEIVES FOR K-12 EDUCATION IS SUPPORTED BY THE OIL AND GAS INDUSTRY.



\$1,662,547
THAT EDDY COUNTY RECEIVES FOR HIGHER EDUCATION IS SUPPORTED BY THE OIL AND GAS INDUSTRY.



\$38,845,412 COULD PROVIDE EDDY SCHOOLS WITH



826
TEACHERS



194,227
COMPUTERS



18,323,307
SCHOOL LUNCHES



258,969
DESKS



1,849,781
BACKPACKS

THE OIL AND GAS INDUSTRY'S IMPACT ON EDUCATION IN GRANT COUNTY



**TOTAL EDUCATION FUNDING
PROVIDED BY THE OIL AND
NATURAL GAS INDUSTRY TO
GRANT COUNTY**

\$22,824,821



27,346
COUNTY POPULATION



16
K-12 SCHOOLS



4,035
K-12 STUDENTS



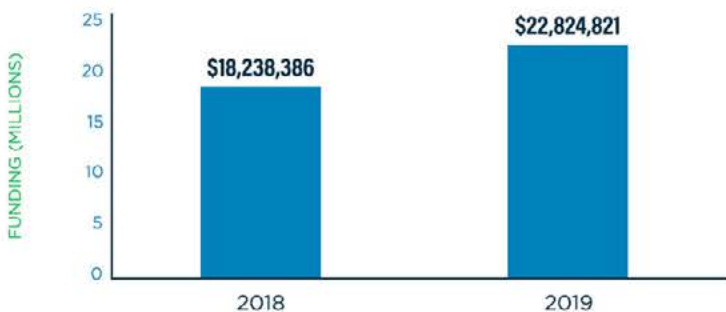
283
TEACHERS



\$15,088,662
THAT GRANT COUNTY
RECEIVES FOR K-12 EDUCATION
IS SUPPORTED BY THE OIL
AND GAS INDUSTRY.



\$7,736,160
THAT GRANT COUNTY
RECEIVES FOR HIGHER
EDUCATION IS SUPPORTED
BY THE OIL AND GAS INDUSTRY.



\$15,088,662 COULD PROVIDE GRANT SCHOOLS WITH



321
TEACHERS



75,443
COMPUTERS



7,117,293
SCHOOL LUNCHES



100,591
DESKS



718,507
BACKPACKS

THE OIL AND GAS INDUSTRY'S IMPACT ON EDUCATION IN GUADALUPE COUNTY



**TOTAL EDUCATION FUNDING PROVIDED BY THE OIL AND NATURAL GAS INDUSTRY TO
GUADALUPE COUNTY**

\$2,892,761



4,341
COUNTY POPULATION



7
K-12 SCHOOLS



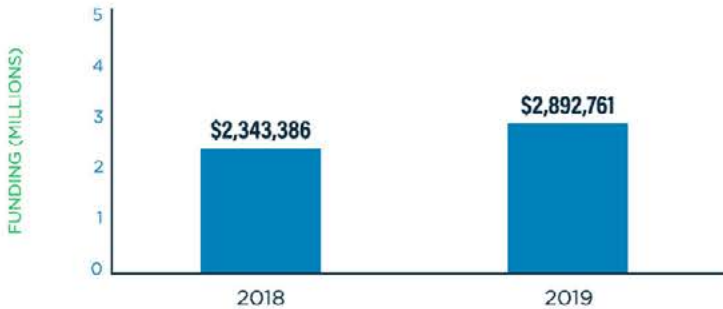
728
K-12 STUDENTS



58
TEACHERS



\$2,892,761
THAT GUADALUPE COUNTY RECEIVES FOR K-12 EDUCATION IS SUPPORTED BY THE OIL AND GAS INDUSTRY.



\$2,892,761 COULD PROVIDE GUADALUPE SCHOOLS WITH



61
TEACHERS



14,463
COMPUTERS



1,364,510
SCHOOL LUNCHES



19,285
DESKS



137,750
BACKPACKS

THE OIL AND GAS INDUSTRY'S IMPACT ON EDUCATION IN HARDING COUNTY



TOTAL EDUCATION FUNDING PROVIDED BY THE OIL AND NATURAL GAS INDUSTRY TO
HARDING COUNTY

\$1,150,959



655
COUNTY POPULATION



4
K-12 SCHOOLS



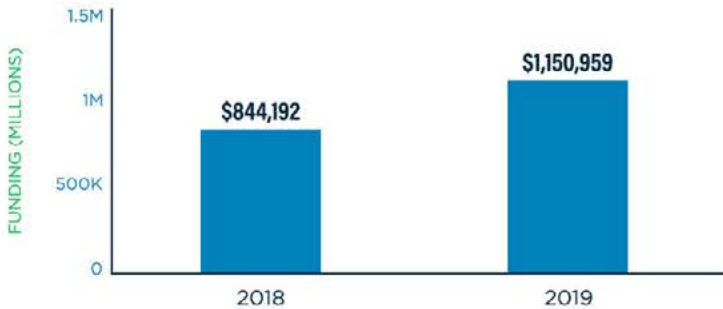
88
K-12 STUDENTS



17
TEACHERS



\$1,150,959
THAT HARDING COUNTY RECEIVES FOR K-12 EDUCATION IS SUPPORTED BY THE OIL AND GAS INDUSTRY.



\$1,150,959 COULD PROVIDE HARDING SCHOOLS WITH



24
TEACHERS



5,754
COMPUTERS



542,905
SCHOOL LUNCHES



7,673
DESKS



54,807
BACKPACKS

THE OIL AND GAS INDUSTRY'S IMPACT ON EDUCATION IN HIDALGO COUNTY



TOTAL EDUCATION FUNDING PROVIDED BY THE OIL AND NATURAL GAS INDUSTRY TO
HIDALGO COUNTY

\$3,028,328



4,240
COUNTY POPULATION



7
K-12 SCHOOLS



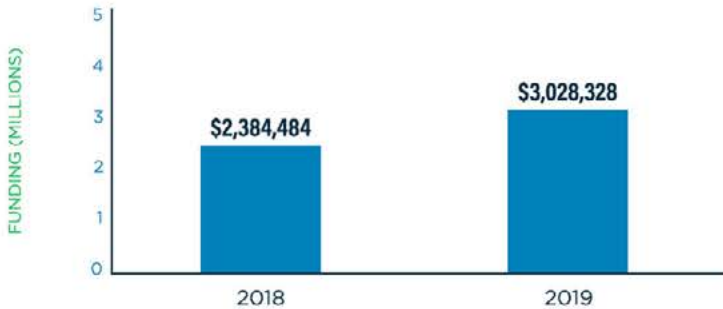
675
K-12 STUDENTS



45
TEACHERS



\$3,028,328
THAT HIDALGO COUNTY RECEIVES FOR K-12 EDUCATION IS SUPPORTED BY THE OIL AND GAS INDUSTRY.



\$3,028,328 COULD PROVIDE HIDALGO SCHOOLS WITH



64
TEACHERS



15,141
COMPUTERS



1,428,456
SCHOOL LUNCHES



20,188
DESKS



144,206
BACKPACKS

LEA COUNTY



TOTAL EDUCATION FUNDING PROVIDED BY THE OIL AND NATURAL GAS INDUSTRY TO
LEA COUNTY
\$49,712,720



69,611
 COUNTY POPULATION



37
 K-12 SCHOOLS



15,268
 K-12 STUDENTS



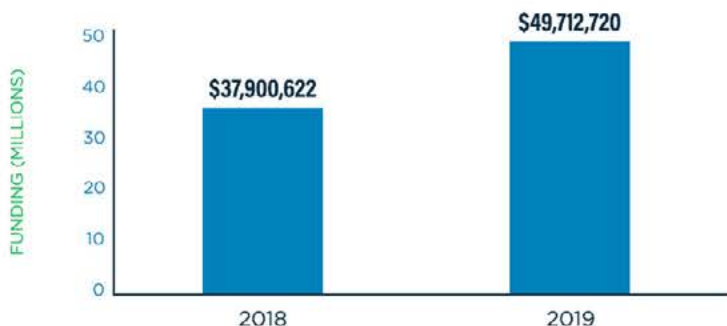
844
 TEACHERS



\$47,277,385
 THAT LEA COUNTY RECEIVES FOR K-12 EDUCATION IS SUPPORTED BY THE OIL AND GAS INDUSTRY.



\$2,435,335
 THAT LEA COUNTY RECEIVES FOR HIGHER EDUCATION IS SUPPORTED BY THE OIL AND GAS INDUSTRY.



\$47,277,385 COULD PROVIDE LEA SCHOOLS WITH



1,006
 TEACHERS



236,387
 COMPUTERS



22,300,653
 SCHOOL LUNCHES



315,182
 DESKS



2,251,304
 BACKPACKS

THE OIL AND GAS INDUSTRY'S IMPACT ON EDUCATION IN LINCOLN COUNTY



TOTAL EDUCATION FUNDING PROVIDED BY THE OIL AND NATURAL GAS INDUSTRY TO **LINCOLN COUNTY**

\$14,925,544



19,556
COUNTY POPULATION



14
K-12 SCHOOLS



2,856
K-12 STUDENTS



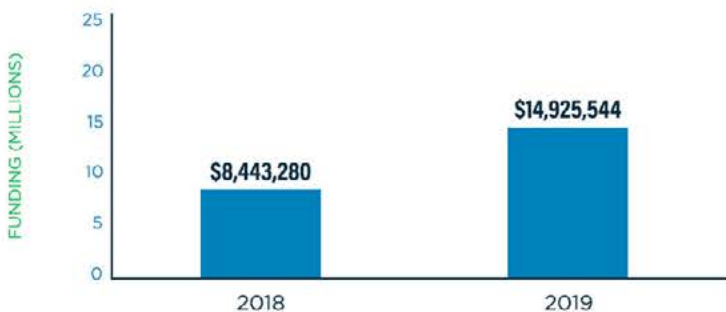
194
TEACHERS



\$10,527,782
THAT LINCOLN COUNTY RECEIVES FOR K-12 EDUCATION IS SUPPORTED BY THE OIL AND GAS INDUSTRY.



\$4,397,762
THAT LINCOLN COUNTY RECEIVES FOR HIGHER EDUCATION IS SUPPORTED BY THE OIL AND GAS INDUSTRY.



\$10,527,782 COULD PROVIDE LINCOLN SCHOOLS WITH



224
TEACHERS



52,639
COMPUTERS



4,965,934
SCHOOL LUNCHES



70,185
DESKS



501,322
BACKPACKS

THE OIL AND GAS INDUSTRY'S IMPACT ON EDUCATION IN LOS ALAMOS COUNTY



TOTAL EDUCATION FUNDING PROVIDED BY THE OIL AND NATURAL GAS INDUSTRY TO LOS ALAMOS COUNTY

\$12,168,386



19,101
COUNTY POPULATION



8
K-12 SCHOOLS



3,711
K-12 STUDENTS



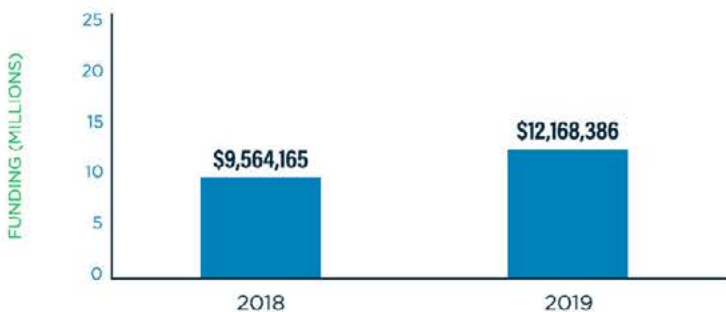
244
TEACHERS



\$11,484,913
THAT LOS ALAMOS COUNTY RECEIVES FOR K-12 EDUCATION IS SUPPORTED BY THE OIL AND GAS INDUSTRY.



\$683,473
THAT LOS ALAMOS COUNTY RECEIVES FOR HIGHER EDUCATION IS SUPPORTED BY THE OIL AND GAS INDUSTRY.



\$11,484,913 COULD PROVIDE LOS ALAMOS SCHOOLS WITH



244
TEACHERS



57,424
COMPUTERS



5,417,411
SCHOOL LUNCHES



76,566
DESKS



546,900
BACKPACKS

THE OIL AND GAS INDUSTRY'S IMPACT ON EDUCATION IN LUNA COUNTY



TOTAL EDUCATION FUNDING PROVIDED BY THE OIL AND NATURAL GAS INDUSTRY TO
LUNA COUNTY
\$18,043,344



23,963
COUNTY POPULATION



13
K-12 SCHOOLS



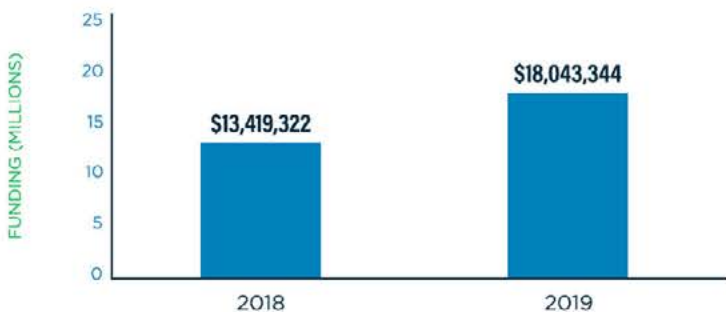
5,493
K-12 STUDENTS



354
TEACHERS



\$18,043,344
THAT LUNA COUNTY RECEIVES FOR K-12 EDUCATION IS SUPPORTED BY THE OIL AND GAS INDUSTRY.



\$18,043,344 COULD PROVIDE LUNA SCHOOLS WITH



384
TEACHERS



90,216
COMPUTERS



8,511,011
SCHOOL LUNCHES



120,288
DESKS



859,206
BACKPACKS

THE OIL AND GAS INDUSTRY'S IMPACT ON EDUCATION IN MCKINLEY COUNTY



**TOTAL EDUCATION FUNDING
PROVIDED BY THE OIL AND
NATURAL GAS INDUSTRY TO
MCKINLEY COUNTY**

\$38,799,482



72,290

COUNTY POPULATION



43

K-12 SCHOOLS



12,906

K-12 STUDENTS



890

TEACHERS



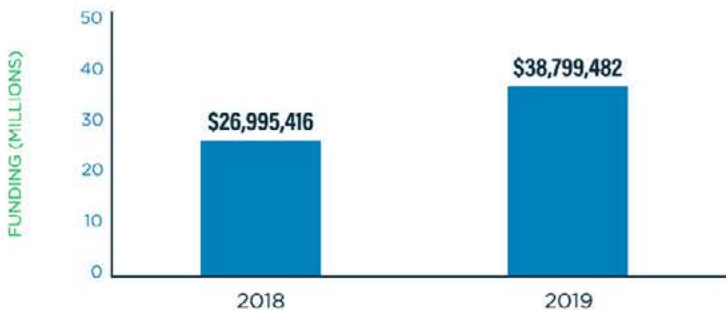
\$35,345,823

THAT LUNA COUNTY
RECEIVES FOR K-12 EDUCATION
IS SUPPORTED BY THE OIL
AND GAS INDUSTRY.



\$3,453,659

THAT MORA COUNTY
RECEIVES FOR HIGHER
EDUCATION IS SUPPORTED
BY THE OIL AND GAS INDUSTRY.



\$35,345,823 COULD PROVIDE LUNA SCHOOLS WITH



752
TEACHERS



176,729
COMPUTERS



16,672,558
SCHOOL LUNCHES



235,639
DESKS



1,683,134
BACKPACKS

THE OIL AND GAS INDUSTRY'S IMPACT ON EDUCATION IN MORA COUNTY



TOTAL EDUCATION FUNDING PROVIDED BY THE OIL AND NATURAL GAS INDUSTRY TO
MORA COUNTY
\$2,747,077



4,506
COUNTY POPULATION



6
K-12 SCHOOLS



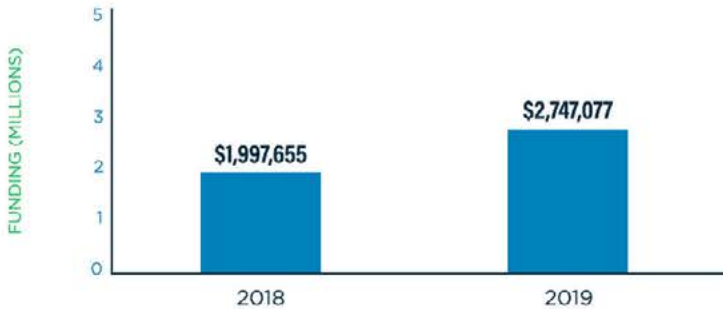
487
K-12 STUDENTS



47
TEACHERS



\$2,747,077
THAT MORA COUNTY RECEIVES FOR K-12 EDUCATION IS SUPPORTED BY THE OIL AND GAS INDUSTRY.



\$2,747,077 COULD PROVIDE MORA SCHOOLS WITH



58
TEACHERS



13,735
COMPUTERS



1,295,791
SCHOOL LUNCHES



18,313
DESKS



130,813
BACKPACKS

OTERO COUNTY



TOTAL EDUCATION FUNDING PROVIDED BY THE OIL AND NATURAL GAS INDUSTRY TO

OTERO COUNTY

\$27,707,596



66,781
COUNTY POPULATION



23
K-12 SCHOOLS



7,235
K-12 STUDENTS



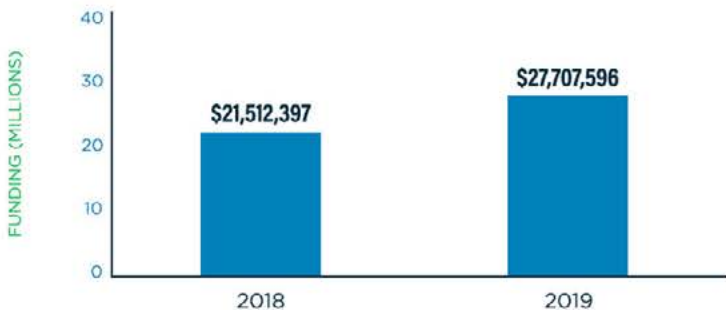
423
TEACHERS



\$24,398,490
THAT OTERO COUNTY RECEIVES FOR K-12 EDUCATION IS SUPPORTED BY THE OIL AND GAS INDUSTRY.



\$3,309,106
THAT OTERO COUNTY RECEIVES FOR HIGHER EDUCATION IS SUPPORTED BY THE OIL AND GAS INDUSTRY.



\$24,398,490 COULD PROVIDE OTERO SCHOOLS WITH



519
TEACHERS



121,992
COMPUTERS



11,508,721
SCHOOL LUNCHES



162,656
DESKS



1,161,832
BACKPACKS

THE OIL AND GAS INDUSTRY'S IMPACT ON EDUCATION IN QUAY COUNTY



TOTAL EDUCATION FUNDING PROVIDED BY THE OIL AND NATURAL GAS INDUSTRY TO QUAY COUNTY
\$8,117,281



8,253
COUNTY POPULATION



13
K-12 SCHOOLS



1,521
K-12 STUDENTS



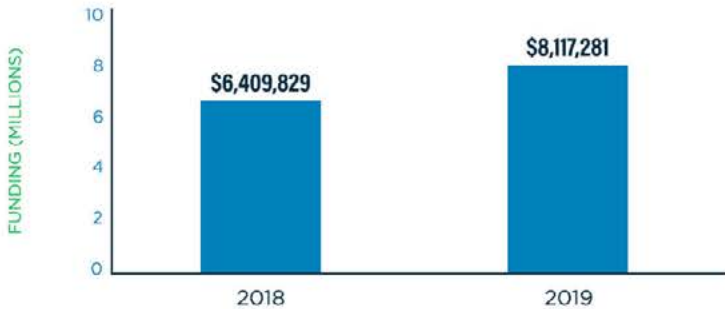
117
TEACHERS



\$6,511,100
THAT QUAY COUNTY RECEIVES FOR K-12 EDUCATION IS SUPPORTED BY THE OIL AND GAS INDUSTRY.



\$1,606,181
THAT QUAY COUNTY RECEIVES FOR HIGHER EDUCATION IS SUPPORTED BY THE OIL AND GAS INDUSTRY.



\$6,511,100 COULD PROVIDE QUAY SCHOOLS WITH



138
TEACHERS



32,555
COMPUTERS



3,071,273
SCHOOL LUNCHES



43,407
DESKS



310,052
BACKPACKS

THE OIL AND GAS INDUSTRY'S IMPACT ON EDUCATION IN RIO ARRIBA COUNTY



TOTAL EDUCATION FUNDING PROVIDED BY THE OIL AND NATURAL GAS INDUSTRY TO RIO ARRIBA COUNTY

\$21,897,663



39,006

COUNTY POPULATION



30

K-12 SCHOOLS



5,069

K-12 STUDENTS



362

TEACHERS



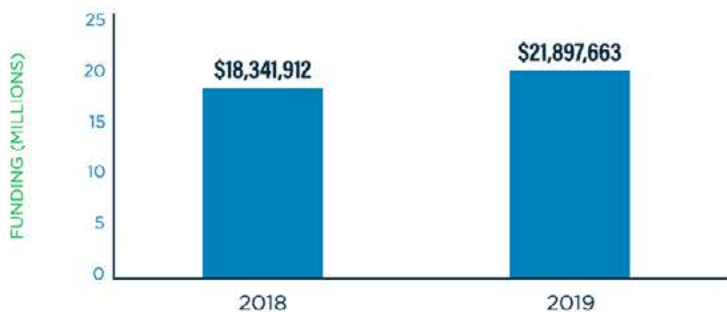
\$17,720,192

THAT RIO ARRIBA COUNTY RECEIVES FOR K-12 EDUCATION IS SUPPORTED BY THE OIL AND GAS INDUSTRY.



\$4,177,471

THAT RIO ARRIBA COUNTY RECEIVES FOR HIGHER EDUCATION IS SUPPORTED BY THE OIL AND GAS INDUSTRY.



\$17,720,192 COULD PROVIDE RIO ARRIBA SCHOOLS WITH



377
TEACHERS



88,600
COMPUTERS



8,358,581
SCHOOL LUNCHES



118,134
DESKS



843,818
BACKPACKS

THE OIL AND GAS INDUSTRY'S IMPACT ON EDUCATION IN ROOSEVELT COUNTY



TOTAL EDUCATION FUNDING PROVIDED BY THE OIL AND NATURAL GAS INDUSTRY TO IN ROOSEVELT COUNTY

\$24,308,630



18,743
COUNTY POPULATION



13
K-12 SCHOOLS



3,414
K-12 STUDENTS



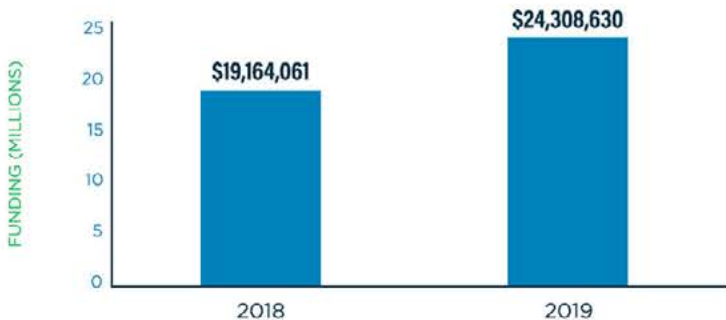
233
TEACHERS



\$12,229,363
THAT ROOSEVELT COUNTY RECEIVES FOR K-12 EDUCATION IS SUPPORTED BY THE OIL AND GAS INDUSTRY.



\$12,079,267
THAT ROOSEVELT COUNTY RECEIVES FOR HIGHER EDUCATION IS SUPPORTED BY THE OIL AND GAS INDUSTRY.



\$12,229,363 COULD PROVIDE ROOSEVELT SCHOOLS WITH



260
TEACHERS



61,147
COMPUTERS



5,768,567
SCHOOL LUNCHES



81,529
DESKS



582,350
BACKPACKS

THE OIL AND GAS INDUSTRY'S IMPACT ON EDUCATION IN SANDOVAL COUNTY



TOTAL EDUCATION FUNDING PROVIDED BY THE OIL AND NATURAL GAS INDUSTRY TO **SANDOVAL COUNTY**

\$74,628,213



145,179
COUNTY POPULATION



39
K-12 SCHOOLS



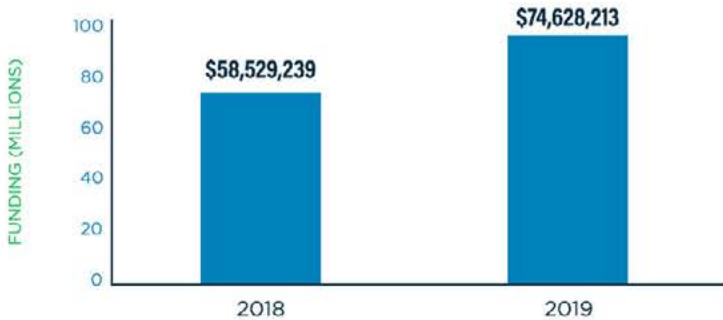
22,059
K-12 STUDENTS



1,334
TEACHERS



\$74,628,213 THAT SANDOVAL COUNTY RECEIVES FOR K-12 EDUCATION IS SUPPORTED BY THE OIL AND GAS INDUSTRY.



\$74,628,213 COULD PROVIDE SANDOVAL SCHOOLS WITH



1,587
TEACHERS



373,141
COMPUTERS



35,201,987
SCHOOL LUNCHES



497,521
DESKS



3,553,724
BACKPACKS

THE OIL AND GAS INDUSTRY'S IMPACT ON EDUCATION IN SAN JUAN COUNTY



TOTAL EDUCATION FUNDING PROVIDED BY THE OIL AND NATURAL GAS INDUSTRY TO
SAN JUAN COUNTY

\$73,885,659



125,043
COUNTY POPULATION



52
K-12 SCHOOLS



23,710
K-12 STUDENTS



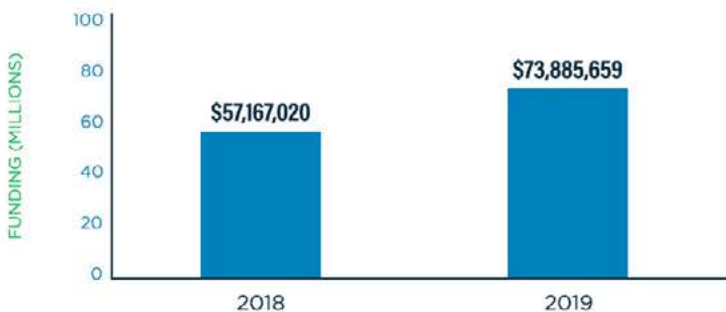
1,437
TEACHERS



\$64,754,389
THAT SAN JUAN COUNTY RECEIVES FOR K-12 EDUCATION IS SUPPORTED BY THE OIL AND GAS INDUSTRY.



\$9,131,269
THAT SAN JUAN COUNTY RECEIVES FOR HIGHER EDUCATION IS SUPPORTED BY THE OIL AND GAS INDUSTRY.



\$64,754,389 COULD PROVIDE SAN JUAN SCHOOLS WITH



1,377
TEACHERS



323,772
COMPUTERS



30,544,523
SCHOOL LUNCHES



431,695
DESKS



3,083,542
BACKPACKS

THE OIL AND GAS INDUSTRY'S IMPACT ON EDUCATION IN SAN MIGUEL COUNTY



TOTAL EDUCATION FUNDING PROVIDED BY THE OIL AND NATURAL GAS INDUSTRY TO SAN MIGUEL COUNTY

\$28,420,984



27,591
COUNTY POPULATION



16
K-12 SCHOOLS



3,077
K-12 STUDENTS



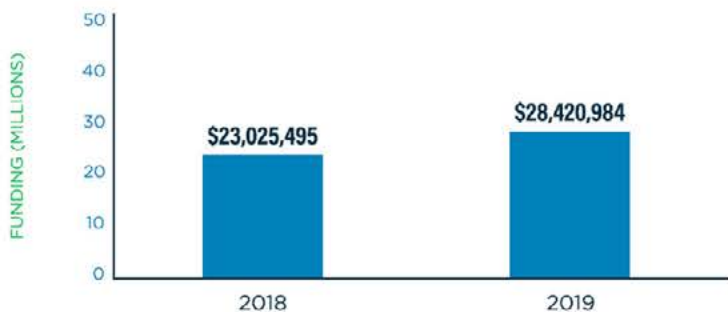
183
TEACHERS



\$13,622,840
THAT SAN MIGUEL COUNTY RECEIVES FOR K-12 EDUCATION IS SUPPORTED BY THE OIL AND GAS INDUSTRY.



\$14,798,144
THAT SAN MIGUEL COUNTY RECEIVES FOR HIGHER EDUCATION IS SUPPORTED BY THE OIL AND GAS INDUSTRY.



\$13,622,840 COULD PROVIDE SAN MIGUEL SCHOOLS WITH



289
TEACHERS



68,114
COMPUTERS



6,425,868
SCHOOL LUNCHES



90,818
DESKS



648,706
BACKPACKS

THE OIL AND GAS INDUSTRY'S IMPACT ON EDUCATION IN SANTA FE COUNTY



TOTAL EDUCATION FUNDING PROVIDED BY THE OIL AND NATURAL GAS INDUSTRY TO
SANTA FE COUNTY

\$72,568,192



150,056
COUNTY POPULATION



43
K-12 SCHOOLS



19,291
K-12 STUDENTS



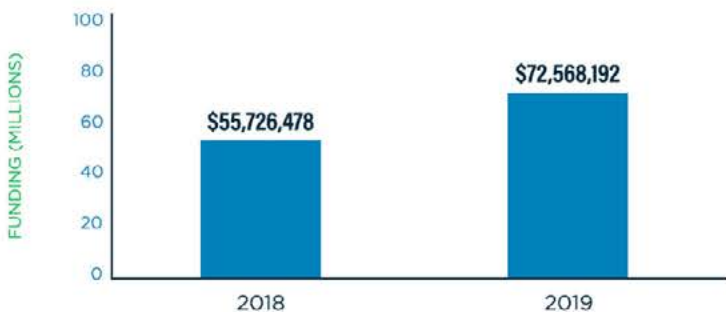
1,191
TEACHERS



\$65,493,683
THAT SANTA FE COUNTY RECEIVES FOR K-12 EDUCATION IS SUPPORTED BY THE OIL AND GAS INDUSTRY.



\$7,074,510
THAT SANTA FE COUNTY RECEIVES FOR HIGHER EDUCATION IS SUPPORTED BY THE OIL AND GAS INDUSTRY.



\$65,493,683 COULD PROVIDE SANTA FE SCHOOLS WITH



1,393
TEACHERS



327,468
COMPUTERS



30,893,246
SCHOOL LUNCHES



36,624
DESKS



3,118,746
BACKPACKS

THE OIL AND GAS INDUSTRY'S IMPACT ON EDUCATION IN SIERRA COUNTY



**TOTAL EDUCATION FUNDING
PROVIDED BY THE OIL AND
NATURAL GAS INDUSTRY TO
SIERRA COUNTY**

\$4,698,970



10,968
COUNTY POPULATION



5
K-12 SCHOOLS



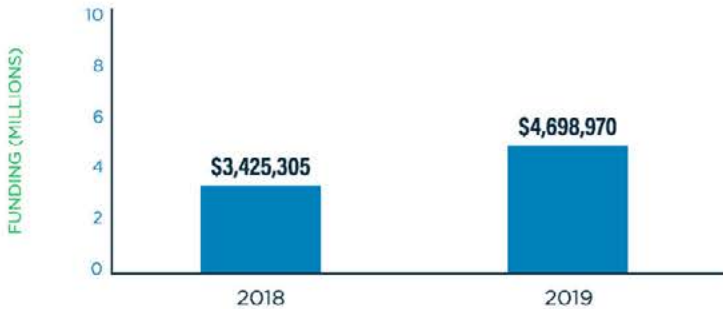
1,288
K-12 STUDENTS



86
TEACHERS



\$4,698,970
THAT SIERRA COUNTY
RECEIVES FOR K-12 EDUCATION
IS SUPPORTED BY THE OIL
AND GAS INDUSTRY.



\$4,698,970 COULD PROVIDE SIERRA SCHOOLS WITH



100
TEACHERS



23,494
COMPUTERS



2,216,495
SCHOOL LUNCHES



31,326
DESKS



223,760
BACKPACKS

THE OIL AND GAS INDUSTRY'S IMPACT ON EDUCATION IN SOCORRO COUNTY



**TOTAL EDUCATION FUNDING PROVIDED BY THE OIL AND NATURAL GAS INDUSTRY TO
SOCORRO COUNTY**

\$22,442,790



16,735
COUNTY POPULATION



9
K-12 SCHOOLS



2,052
K-12 STUDENTS



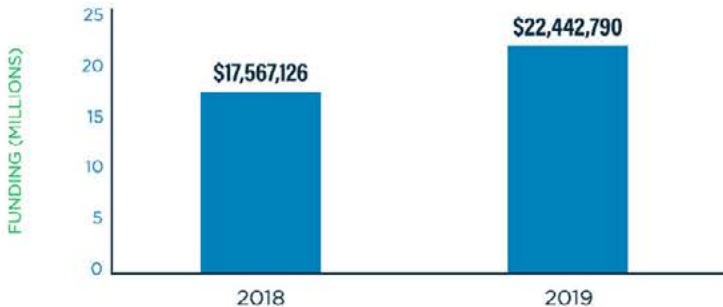
140
TEACHERS



\$8,230,908
THAT SOCORRO COUNTY RECEIVES FOR K-12 EDUCATION IS SUPPORTED BY THE OIL AND GAS INDUSTRY.



\$14,211,882
THAT SOCORRO COUNTY RECEIVES FOR HIGHER EDUCATION IS SUPPORTED BY THE OIL AND GAS INDUSTRY.



\$8,230,908 COULD PROVIDE SOCORRO SCHOOLS WITH



175
TEACHERS



41,154
COMPUTERS



3,882,503
SCHOOL LUNCHES



54,872
DESKS



391,948
BACKPACKS

THE OIL AND GAS INDUSTRY'S IMPACT ON EDUCATION IN TAOS COUNTY



TOTAL EDUCATION FUNDING PROVIDED BY THE OIL AND NATURAL GAS INDUSTRY TO
TAOS COUNTY
\$16,914,442



32,835
COUNTY POPULATION



23
K-12 SCHOOLS



4,211
K-12 STUDENTS



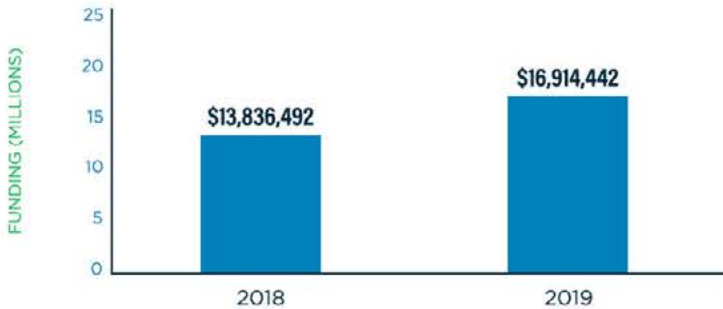
297
TEACHERS



\$15,500,660
THAT TAOS COUNTY RECEIVES FOR K-12 EDUCATION IS SUPPORTED BY THE OIL AND GAS INDUSTRY.



\$1,413,782
THAT TAOS COUNTY RECEIVES FOR HIGHER EDUCATION IS SUPPORTED BY THE OIL AND GAS INDUSTRY.



\$15,500,660 COULD PROVIDE TAOS SCHOOLS WITH



330
TEACHERS



77,503
COMPUTERS



7,311,632
SCHOOL LUNCHES



103,337
DESKS



738,126
BACKPACKS

THE OIL AND GAS INDUSTRY'S IMPACT ON EDUCATION IN TORRANCE COUNTY



TOTAL EDUCATION FUNDING PROVIDED BY THE OIL AND NATURAL GAS INDUSTRY TO
TORRANCE COUNTY

\$7,485,780



15,591
COUNTY POPULATION



19
K-12 SCHOOLS



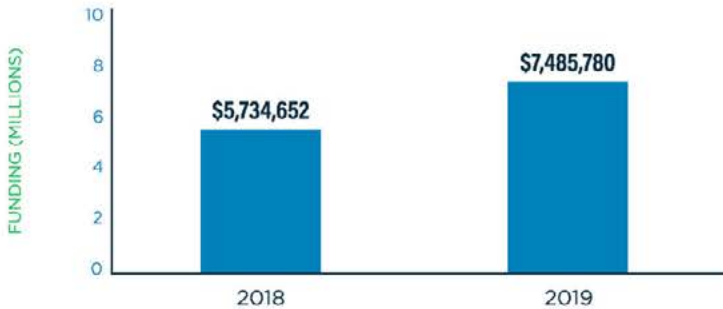
4,387
K-12 STUDENTS



277
TEACHERS



\$7,485,780
THAT TORRANCE COUNTY RECEIVES FOR K-12 EDUCATION IS SUPPORTED BY THE OIL AND GAS INDUSTRY.



\$7,485,780 COULD PROVIDE TORRANCE SCHOOLS WITH



159
TEACHERS



37,428
COMPUTERS



3,531,028
SCHOOL LUNCHES



49,905
DESKS



356,465
BACKPACKS

THE OIL AND GAS INDUSTRY'S IMPACT ON EDUCATION IN UNION COUNTY



TOTAL EDUCATION FUNDING PROVIDED BY THE OIL AND NATURAL GAS INDUSTRY TO
UNION COUNTY
\$2,812,061



4,118
 COUNTY POPULATION



6
 K-12 SCHOOLS



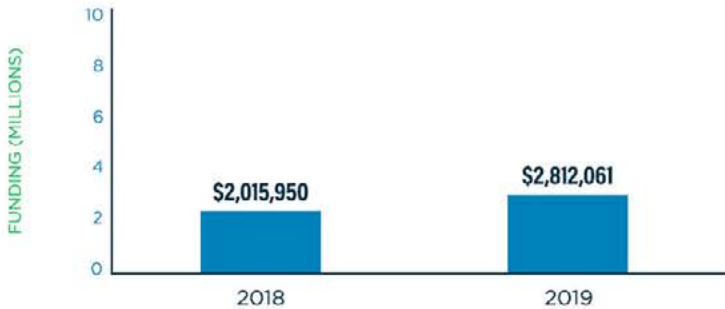
565
 K-12 STUDENTS



46
 TEACHERS



\$2,812,061
 THAT UNION COUNTY RECEIVES FOR K-12 EDUCATION IS SUPPORTED BY THE OIL AND GAS INDUSTRY.



\$2,812,061 COULD PROVIDE UNION SCHOOLS WITH



59
 TEACHERS



14,060
 COMPUTERS



1,326,443
 SCHOOL LUNCHES



18,747
 DESKS



133,907
 BACKPACKS

THE OIL AND GAS INDUSTRY'S IMPACT ON EDUCATION IN VALENCIA COUNTY



**TOTAL EDUCATION FUNDING
PROVIDED BY THE OIL AND
NATURAL GAS INDUSTRY TO
VALENCIA COUNTY**

\$40,559,277



76,456

COUNTY POPULATION



28

K-12 SCHOOLS



12,910

K-12 STUDENTS



730

TEACHERS



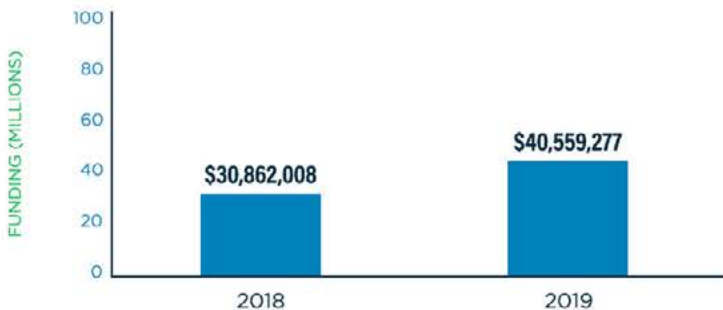
\$38,433,198

THAT VALENCIA COUNTY
RECEIVES FOR K-12 EDUCATION
IS SUPPORTED BY THE OIL
AND GAS INDUSTRY.



\$2,126,080

THAT VALENCIA COUNTY
RECEIVES FOR HIGHER
EDUCATION IS SUPPORTED
BY THE OIL AND GAS INDUSTRY.



\$38,433,198 COULD PROVIDE VALENCIA SCHOOLS WITH



817

TEACHERS



192,166

COMPUTERS



18,128,867

SCHOOL LUNCHES



256,221

DESKS



1,830,152

BACKPACKS

FISCAL YEAR 2019 OIL & NATURAL GAS EDUCATION FUNDING BY COUNTY

COUNTY	SCHOOL DISTRICT	DISTRICT CHARTERS	STATE CHARTERS	TOTAL K-12 FUNDING	HIGHER ED FUNDING	TOTAL EDUCATION FUNDING
BERNALILLO	\$22,148,467	\$22,148,467	\$28,164,301	\$304,537,200	\$131,381,288	\$435,918,488
CATRON	\$1,991,033	\$0	\$0	\$1,991,033	\$0	\$1,991,033
CHAVES	\$37,334,673	\$270,151	\$0	\$37,604,824	\$5,515,670	\$43,120,494
CIBOLA	\$11,199,571	\$0	\$0	\$11,199,571	\$1,300,233	\$12,499,804
COLFAX	\$6,577,014	\$270,335	\$0	\$6,847,349	\$0	\$6,847,349
CURRY	\$27,689,761	\$0	\$0	\$27,689,761	\$3,712,694	\$31,402,455
DEBACA	\$1,421,232	\$0	\$0	\$1,421,232	\$0	\$1,421,232
DONA ANA	\$121,186,896	\$3,477,571	\$0	\$124,664,468	\$70,553,280	\$195,217,748
EDDY	\$36,107,506	\$2,737,905	\$0	\$38,845,412	\$1,662,547	\$40,507,959
GRANT	\$14,358,653	\$0	\$730,009	\$15,088,662	\$7,736,160	\$22,824,821
GUADALUPE	\$2,892,761	\$0	\$0	\$2,892,761	\$0	\$2,892,761
HARDING	\$1,150,959	\$0	\$0	\$1,150,959	\$0	\$1,150,959
HIDALGO	\$3,028,328	\$0	\$0	\$3,028,328	\$0	\$3,028,328
LEA	\$47,277,385	\$0	\$0	\$47,277,385	\$2,435,335	\$49,712,720
LINCOLN	\$10,527,782	\$0	\$0	\$10,527,782	\$4,397,762	\$14,925,544
LOS ALAMOS	\$11,484,913	\$0	\$0	\$11,484,913	\$683,473	\$12,168,386
LUNA	\$17,409,182	\$634,162	\$0	\$18,043,344	\$0	\$18,043,344
MCKINLEY	\$33,855,889	\$508,900	\$981,034	\$35,345,823	\$3,453,659	\$38,799,482
MORA	\$2,747,077	\$0	\$0	\$2,747,077	\$0	\$2,747,077
OTERO	\$24,398,490	\$0	\$0	\$24,398,490	\$3,309,106	\$27,707,596
QUAY	\$6,511,100	\$0	\$0	\$6,511,100	\$1,606,181	\$8,117,281
RIO ARRIBA	\$15,797,556	\$96,211	\$1,826,425	\$17,720,192	\$4,177,471	\$21,897,663
ROOSEVELT	\$12,229,363	\$0	\$0	\$12,229,363	\$12,079,267	\$24,308,630
SAN JUAN	\$62,862,368	\$1,797,076	\$94,945	\$64,754,389	\$9,131,269	\$73,885,659
SAN MIGUEL	\$13,314,655	\$308,185	\$0	\$13,622,840	\$14,798,144	\$28,420,984
SANDOVAL	\$72,413,369	\$365,888	\$1,848,957	\$74,628,213	\$0	\$74,628,213
SANTA FE	\$53,917,273	\$1,093,623	\$10,482,787	\$65,493,683	\$7,074,510	\$72,568,192
SIERRA	\$4,698,970	\$0	\$0	\$4,698,970	\$0	\$4,698,970
SOCORRO	\$7,691,225	\$539,683	\$0	\$8,230,908	\$14,211,882	\$22,442,790
TAOS	\$11,415,770	\$1,677,814	\$2,407,077	\$15,500,660	\$1,413,782	\$16,914,442
TORRANCE	\$6,232,742	\$0	\$1,253,039	\$7,485,780	\$0	\$7,485,780
UNION	\$2,812,061	\$0	\$0	\$2,812,061	\$0	\$2,812,061
VALENCIA	\$36,857,845	\$0	\$1,575,353	\$38,433,198	\$2,126,080	\$40,559,277
TOTAL	\$973,617,837	\$35,925,969	\$49,363,926	\$1,058,907,732	\$302,759,789	\$22,148,467

NEW MEXICO TAX RESEARCH INSTITUTE
FISCAL YEAR 2019 REPORT

A dark blue silhouette of a mountain range spans the bottom of the page, set against a lighter blue background.

NEW MEXICO TAX RESEARCH INSTITUTE

FISCAL YEAR 2019 REPORT

STATE AND LOCAL REVENUE IMPACTS OF THE OIL AND GAS INDUSTRY

FISCAL YEAR 2019 UPDATE

EXECUTIVE SUMMARY

State and Local government revenue attributable to the oil and gas industry totalled \$5.1 billion in FY19, an increase of \$1.4 billion or 37 percent from FY18. State revenue from federal land leases, a General Fund revenue, increased by over \$600 million, or 98 percent compared with FY18. Almost \$500 million of this amount was due to an unprecedented level of bonus payments received in the fall of 2018. General Fund taxes, Severance tax and Local Government taxes all increased by approximately 30 percent, a reflection of the increased value of oil and natural gas production during the year. Land Grant Permanent Fund royalties and other income increased by \$237 million, or 33 percent, reaching almost \$950 million.

NEW MEXICO TAX RESEARCH INSTITUTE

FISCAL YEAR 2019 REPORT

Table 1
State and Local Revenues from the Oil and Gas Industry
(Dollars amounts in millions)

	FY18	FY19	FY19 vs FY18
State General Fund Taxes	\$830.9	\$1,065.8	\$234.9
State General Fund Royalties, Bonuses, etc.	\$621.1	\$1,230.6	\$609.5
State General Fund Investment Earnings	\$749.7	\$808.7	\$59.0
Subtotal State General Fund	\$2,201.7	\$3,105.1	\$903.4
Other State Taxes	\$505.9	\$673.4	\$167.5
Local Taxes	\$233.1	\$306.6	\$73.5
Other Fund Royalties, Rentals, etc.	\$712.3	\$949.1	\$236.8
Other Funds Investment Earnings	\$99.2	\$108.8	\$9.6
Grand Total	\$3,752.2	\$5,143.0	\$1,390.8

Total General Fund spending reached \$7.4 billion in FY19, of which 38.9 percent or \$2.9 billion was funded by the oil and gas industry (Table 6). This amount was allocated through the State's budget as follows:

- \$1,050 million of support to public education;
- \$313 million of support to higher education;
- \$1,103 million of spending for other programs funded through the General Fund, including \$666 million for health and human services;
- \$415 million for non-recurring purposes including \$78 million to the Road Fund and \$253 million for other capital outlay and the remainder was added to the State's reserves which reached a total of 28.9 percent of recurring spending.

As in prior versions of this report, estimated revenues attributable to oil and gas production are the authors' calculations based on various reports from state government and are limited to amounts that can be tied directly to industry activity. The estimates do not include the potential "multiplier" effects of the industry on, for example, household spending by employees or business purchases and net income of suppliers to the industry. The estimates also exclude amounts due to "downstream" activities of the industry such as natural gas distribution, or the wholesaling or retailing of petroleum products. Thus, the aggregate amount attributed to the industry in this report represents a conservative estimate of the total state and local revenue and spending attributable to the industry.

Funding support for this report was provided by the New Mexico Oil and Gas Association. Research was conducted by Thomas E. Clifford, PhD with research assistance from Mark Clifford.

NEW MEXICO TAX RESEARCH INSTITUTE

FISCAL YEAR 2019 REPORT

STATE GENERAL FUND REVENUE

Table 2 presents FY19 General Fund revenue attributable to oil and gas production. The methods for determining the oil and gas share of each revenue are described below. For information on the methodology for revenues not discussed below, see previous versions of this report. Most of the increased FY19 revenue was in the category of Federal Mineral Leasing revenue. Significant additional amounts were received from Gross Receipts Tax (GRT) and Oil and Gas Emergency School Tax ("School Tax"). The School Tax amount shown in Table 2 includes the \$183 million that will be transferred to the Tax Stabilization Reserve. Corporate Income Tax collections fell slightly. This reflects results from prior years, during which oil prices had fallen, and will likely be reversed in future years. Appendix 1 provides a comparison of these results with those from FY18.

Table 2
FY19 Oil and Gas Share of General Fund Revenue
(Dollar amounts in millions)

Revenue	Total	Oil & Gas Share	Oil & Gas Amount	O&G Revenue Change from FY18
Gross Receipts Tax	\$2,669	12.2%	\$326	\$138
Compensating Tax	\$78	22.3%	\$18	\$5
Personal Income Tax	\$1,672	7.2%	\$127	\$30
Corporate Income Tax	\$23	13.0%	\$3	-\$20
Oil & Gas School Tax	\$555	100.0%	\$555	\$105
Oil & Gas Conservation Tax	\$29	100.0%	\$29	\$6
Natural Gas Processor's Tax	\$15	100.0%	\$15	\$4
Land Grant Permanent Fund Dist.	\$639	96.7%	\$618	\$50
Severance Tax Permanent Fund Dist.	\$221	86.6%	\$191	\$9
Federal Mineral Leasing	\$1,147	99.0%	\$1,135	\$594
State Land Office Bonuses, etc.	\$133	71.9%	\$95	\$16
Other	\$813	0.0%	\$0	\$0
Total Recurring Revenue	\$7,993	38.9%	\$3,111	\$910

Sources: DFA General Fund Report. Oil and Gas share estimated as described in this report.

NEW MEXICO TAX RESEARCH INSTITUTE

FISCAL YEAR 2019 REPORT

Gross Receipts Tax:

As in previous versions of this report, the Gross Receipts Tax (GRT) share attributable to oil and gas production was estimated in a two-step process using two different reports published by the Taxation and Revenue Department (TRD) that identify the share of GRT attributable to various industries. TRD's RP-80 report breaks down the GRT base as reported on monthly or quarterly tax returns into the most granular 6-digit North American Industrial Classification System (NAICS) categories available. This report was used to determine how much of the GRT due to the larger 2-digit NAICS sectors is attributable to the oil and gas related businesses. Appendix 3 presents the 6-digit industries that were used to calculate the oil and gas share of the tax base. In the second step, the oil and gas share of large industry groups was applied to the total tax liability of each group as reported in TRD's RP-500. Table 3 presents the resulting share of the 2-digit industries calculated in this step.

Table 3
Gross Receipts Tax Revenue Attributable to the Oil and Gas Industry FY19

	General Fund	Local Governments	All Recipients
Mining Total	\$327,122,521	\$70,442,913	\$397,565,434
O&G Share Percent	96.20%	96.20%	96.20%
O&G Share Amount	\$314,691,865	\$67,766,082	\$382,457,947
Construction Total	\$339,016,468	\$207,296,319	\$546,312,787
O&G Share Percent	1.70%	1.70%	1.70%
O&G Share Amount	\$5,763,280	\$3,524,037	\$9,287,317
Manufacturing Total	\$90,975,744	\$46,370,586	\$137,346,330
O&G Share Percent	2.20%	2.20%	2.20%
O&G Share Amount	\$2,001,466	\$1,020,153	\$3,021,619
Transportation Total	\$53,216,389	\$14,768,094	\$67,984,483
O&G Share Percent	6.20%	6.20%	6.20%
O&G Share Amount	\$3,299,416	\$915,622	\$4,215,038
Total GRT Due to O&G	\$325,756,027	\$73,225,894	\$398,981,922

The estimated \$325.8 million of General Fund GRT attributable to O&G operations represents an increase of \$137.8 million, or 73 percent compared with FY18. This is attributable to the continuing increase in drilling activity in New Mexico during FY19 as illustrated in Figure 2. After plummeting to less than 20 active rigs at the end of FY16, the rig count began a dramatic increase around the middle of FY17 that continued all the way through FY19 ending up at over 100 rigs by the end of that year. Although the number of operating rigs reached a plateau in the last few months of FY19, the average number of rigs in operation in FY19 was 104, a 35 percent increase from the FY18 average of 77. Taxable Gross Receipts (TGR) in the Mining industry increased from \$4.77 billion to \$6.67 billion.

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Personal Income Tax:

Personal Income Tax (PIT) revenue attributable to the O&G industry was estimated from two sources. TRD reports the amount of Withholding Tax paid by pass-through entities operating oil and gas producing businesses. This represents the income tax due from the owners of interests in oil and gas production. A total of \$60 million of revenue was accrued from this source in FY19.

PIT attributable to wages and salaries paid by the O&G industry in FY19 was estimated using data from the NM Workforce Solutions Department (WSD). WSD uses information from Unemployment Insurance reports to prepare a "Quarterly Census of Employment and Wages" (QCEW). The QCEW reports total employment and total wages by industry. For this report, two industries were included: Oil and Gas Extraction (NAICS 211) and Support Activity for Mining and Oil and Gas Extraction (NAICS 213). Since the latter group may include some non-oil and gas related activity, the total was reduced by 5 percent, which reflects the non-oil and gas share of the GRT base during FY19.

Table 4

FY19 Employment, Wages and Estimated Income Tax Related to Oil and Gas Production

Description	Oil and Gas Extraction (NAICS 211)	Support for Mining, O&G Extraction (NAICS 213)	Total
Total Employment	4,246	16,892	21,139
Average Annual Wage	\$120,670	\$73,055	\$82,620
Total "Covered Wages" (million dollars)	\$512	\$1,234	\$1,747
Average effective tax rate	4.2%	3.7%	
Estimated PIT (million dollars)	\$21.3	\$45.5	\$66.8

Source: Authors' calculations and data from NM Workforce Solutions Department

PIT liability associated with the total wages shown in Table 4 was estimated by comparing the average salaries with the Personal Income Tax tables. The result was an average effective tax rate of 3.85 percent, yielding estimated PIT liability of \$66.8 million. When combined with the O&G Pass-Through Entity remittances of \$60 million, this yields the \$126.8 million estimated PIT liability due to the industry included in Table 2.

Corporate Income Tax:

TRD's Tax Expenditure Report contains an analysis showing a breakdown of the CIT tax base by major industry group. Tax Year 2016 is the most recent year for which complete data are available. The O&G industry share of CIT fell from 21 percent in 2015 to 5 percent in 2016. This reflects the sharp drop of oil prices during 2016. Since prices and production have rebounded significantly since 2016, it is likely that the O&G share has also rebounded. Since more current data are not available, this report uses the average O&G share from Tax Years 2014 - 2016, or 13 percent, to approximate the share of total CIT paid by the O&G industry in FY19.

The State pays film credits out of CIT collections before transferring the residual to the General Fund. The LFC reported in their August 2019 consensus revenue report, that total Film credit payments in FY19 were expected to be \$150 million. Thus, since Net CIT revenue to the General Fund was \$22.8 million, Gross CIT revenue before Film Credit payments of \$150 million was \$172.8 million. The 13 percent oil and gas share of this amount totaled \$22.5 million. \$3 million of this amount is shown in Table 2 on the Corporate Income Tax line. The other \$19.5 million is shown in Table 8.

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FISCAL YEAR 2019 REPORT

Federal Mineral Leasing Revenues:

Table 5 presents information from the U.S. Department of Interior on revenues from federal leases in New Mexico. The time period covered by these data is Calendar Year 2018. Using this information, the share of oil and gas production in total federal leasing revenue was calculated to be 99 percent. An unusual feature of the Calendar Year 2018 data is the large amount paid for Bonuses at over \$1 billion. The bulk of these payments were received by New Mexico during Fiscal Year 2019. New Mexico's share of these revenues is 48 percent.

Table 5: Federal Lease Revenue in New Mexico: Calendar Year 2018

	Oil and Gas	Other Minerals*	Total
Bonus, Rent, Other	\$1,176,160,284	\$1,300,299	\$1,177,460,583
Royalties	\$1,254,618,955	\$15,281,712	\$1,269,900,668
Total	\$2,430,779,240	\$16,582,011	\$2,447,361,250

*Coal, Potash, other.

Source: U.S. Dept. of Interior, Office of Natural Resources Revenue.

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FISCAL YEAR 2019 REPORT

GENERAL FUND SPENDING SUPPORTED BY OIL AND GAS REVENUE

Table 6 presents a summary of General Fund spending by major category with the oil and gas-funded share of each component. In addition to \$1.3 billion of education spending, oil and gas revenues funded another \$1.1 billion of spending on other General Fund budgets. Spending on health and human services was by far the largest single component with \$665 million funded by oil and gas revenue.

For the second straight year, recurring FY19 General Fund revenue was well in excess of the forecast amount on which the budget was based. Hence, recurring revenue exceeded recurring spending by more than \$1 billion. The large surplus of recurring revenue, enabled spending of \$1.2 billion on nonrecurring purposes and another \$110 million to be transferred to General Fund reserves, which reached 21 percent of recurring spending at the end of FY19.

Table 6
FY19 General Fund Operating Budget (Million Dollars)

Function	GF Recurring Op Bud	O&G Funded
Recurring Appropriations:		38.9%
Legislative	\$30	\$12
Judicial	\$296	\$115
General Control	\$128	\$50
Commerce and Industry	\$53	\$21
Natural Resources	\$70	\$27
Health and Human Services	\$1,713	\$666
Public Safety	\$446	\$174
Other Education	\$102	\$40
Higher Education	\$804	\$313
Public Education	\$2,699	\$1,050
Sub-Total	\$6,340	\$2,466
Nonrecurring Appropriations:		
Agencies, Schools, etc.	\$217	\$84
Road Fund	\$200	\$78
Capital Outlay	\$650	\$253
Subtotal	\$1,067	\$415
Total GF Spending	\$7,406	\$2,881
Fund Transfers	\$110	\$43
Source: LFC Post-Session Review, May 2019 and the authors' calculations		

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FISCAL YEAR 2019 REPORT

EDUCATION SPENDING SUPPORTED BY OIL AND GAS REVENUE

The largest single category of General Fund recurring spending is public education. The FY19 Operating Budget provided a total of \$2.7 billion to be distributed from the General Fund to local school districts during FY19. 38.9 percent of this amount, or \$1,059 million, is attributable to revenue from oil and gas production. An additional \$769 million was distributed from the General Fund to institutions of higher education in the state, of which \$303 million is attributable to oil and gas production. Thus, a combined total of \$1.36 billion in support of public and higher education in FY19 is attributable to the oil and gas producing industry.

Table 7 presents education spending supported by oil and gas revenue in each county. Information from the Public Education Department was used to calculate countywide totals of State General Fund distributions to each school district and charter school. Information from the Higher Education Department was used to calculate countywide total State-funded distributions to institutions of higher education.

Table 7: County Education Funding Supported by the Oil and Gas Industry in FY19

County	School District	District Charters	State Charters	Total K-12 Funding	Higher Ed Funding	Total Education Funding
Bernalillo	\$254,224,433	\$22,148,467	\$28,164,301	\$304,537,200	\$131,381,288	\$435,918,488
Catron	\$1,991,033	\$0	\$0	\$1,991,033	\$0	\$1,991,033
Chaves	\$37,334,673	\$270,151	\$0	\$37,604,824	\$5,515,670	\$43,120,494
Cibola	\$11,199,571	\$0	\$0	\$11,199,571	\$1,300,233	\$12,499,804
Colfax	\$6,577,014	\$270,335	\$0	\$6,847,349	\$0	\$6,847,349
Curry	\$27,689,761	\$0	\$0	\$27,689,761	\$3,712,694	\$31,402,455
DeBaca	\$1,421,232	\$0	\$0	\$1,421,232	\$0	\$1,421,232
Dona Ana	\$121,186,896	\$3,477,571	\$0	\$124,664,468	\$70,553,280	\$195,217,748
Eddy	\$36,107,506	\$2,737,905	\$0	\$38,845,412	\$1,662,547	\$40,507,959
Grant	\$14,358,653	\$0	\$730,009	\$15,088,662	\$7,736,160	\$22,824,821
Guadalupe	\$2,892,761	\$0	\$0	\$2,892,761	\$0	\$2,892,761
Harding	\$1,150,959	\$0	\$0	\$1,150,959	\$0	\$1,150,959
Hidalgo	\$3,028,328	\$0	\$0	\$3,028,328	\$0	\$3,028,328
Lea	\$47,277,385	\$0	\$0	\$47,277,385	\$2,435,335	\$49,712,720
Lincoln	\$10,527,782	\$0	\$0	\$10,527,782	\$4,397,762	\$14,925,544
Los Alamos	\$11,484,913	\$0	\$0	\$11,484,913	\$683,473	\$12,168,386
Luna	\$17,409,182	\$634,162	\$0	\$18,043,344	\$0	\$18,043,344
McKinley	\$33,855,889	\$508,900	\$981,034	\$35,345,823	\$3,453,659	\$38,799,482
Mora	\$2,747,077	\$0	\$0	\$2,747,077	\$0	\$2,747,077
Otero	\$24,398,490	\$0	\$0	\$24,398,490	\$3,309,106	\$27,707,596
Quay	\$6,511,100	\$0	\$0	\$6,511,100	\$1,606,181	\$8,117,281
Rio Arriba	\$15,797,556	\$96,211	\$1,826,425	\$17,720,192	\$4,177,471	\$21,897,663
Roosevelt	\$12,229,363	\$0	\$0	\$12,229,363	\$12,079,267	\$24,308,630
San Juan	\$62,862,368	\$1,797,076	\$94,945	\$64,754,389	\$9,131,269	\$73,885,659
San Miguel	\$13,314,655	\$308,185	\$0	\$13,622,840	\$14,798,144	\$28,420,984
Sandoval	\$72,413,369	\$365,888	\$1,848,957	\$74,628,213	\$0	\$74,628,213
Santa Fe	\$53,917,273	\$1,093,623	\$10,482,787	\$65,493,683	\$7,074,510	\$72,568,192
Sierra	\$4,698,970	\$0	\$0	\$4,698,970	\$0	\$4,698,970
Socorro	\$7,691,225	\$539,683	\$0	\$8,230,908	\$14,211,882	\$22,442,790
Taos	\$11,415,770	\$1,677,814	\$2,407,077	\$15,500,660	\$1,413,782	\$16,914,442
Torrance	\$6,232,742	\$0	\$1,253,039	\$7,485,780	\$0	\$7,485,780
Union	\$2,812,061	\$0	\$0	\$2,812,061	\$0	\$2,812,061
Valencia	\$36,857,845	\$0	\$1,575,353	\$38,433,198	\$2,126,080	\$40,559,277
Total	\$973,617,837	\$35,925,969	\$49,363,926	\$1,058,907,732	\$302,759,789	\$1,361,667,521

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OTHER STATE FUNDS AND LOCAL GOVERNMENT REVENUES

In addition to General Fund revenue, oil and gas production added \$2.0 billion of tax, royalty and investment income revenue to other State funds and to local governments. Table 8 presents a breakdown of this amount.

Table 8
Non-General Fund Oil and Gas Related Revenue to State and Local Governments
 (million dollars)

	FY17	FY18	FY19
State Taxes:			
O&G Severance Tax	\$334.4	\$492.6	\$650.4
O&G Conservation to Reclamation Fund	\$2.4	\$2.6	\$3.5
O&G Share of film credits	\$7.0	\$10.7	\$19.5
Subtotal State Taxes to other funds	\$343.8	\$505.9	\$673.4
Local Taxes:			
Ad Valorem Production	\$118.7	\$172.8	\$209.2
AV Production Equipment	\$22.2	\$19.5	\$24.2
Local Gross Receipts Tax	\$25.2	\$40.8	\$73.2
Subtotal Local Taxes	\$166.2	\$233.1	\$306.6
State Land Office: O&G Revenue to other funds			
Royalties to LGPF	\$554.1	\$679.4	\$898.9
Rental and Bonus Income	\$21.4	\$32.8	\$50.2
Subtotal	\$575.5	\$712.3	\$949.1
LGPF Distributions to Funds Other Than State General Fund	\$93.4	\$99.2	\$108.8
Total: Non-General Fund Revenue from O&G	\$1,178.9	\$1,550.5	\$2,037.9

Sources: Reports from TRD, State Land Office, State Investment Council, authors' calculations.

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FISCAL YEAR 2019 REPORT

OIL AND GAS PRODUCTION AND SALES REVENUE

The total marketed value of oil and gas produced in New Mexico increased to over \$20 billion in FY19, an increase of 28 percent over FY18 and almost double the FY17 level. Although oil and gas prices were lower, both oil and gas production increased significantly, with oil production increasing almost 50 percent in one year. Details are presented in Table 9.

Table 9
Oil and Gas Volume and Sales Value by Fiscal Year

	FY17	FY18	FY19	FY19 vs FY18
Oil Price (dollars per barrel)	\$45.00	\$55.05	\$51.80	-6%
Oil Volume (million barrels)	<u>153</u>	<u>204</u>	<u>303</u>	<u>48%</u>
Oil Value (million dollars)	\$6,885	\$11,252	\$15,680	39%
Gas Price (per thousand cubic feet)	\$3.26	\$3.47	\$3.05	-12%
Gas Volume (billion cubic feet)	<u>1,220</u>	<u>1,361</u>	<u>1,575</u>	<u>16%</u>
Gas Value (million dollars)	\$3,977	\$4,723	\$4,804	2%
Total Value (million dollars)	\$10,862	\$15,975	\$20,484	28%

Source: Consensus revenue estimating group.

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FISCAL YEAR 2019 REPORT

OIL AND GAS PRODUCTION RELATED TAXES

New Mexico collects several excise and ad valorem taxes based on the marketed value of production. Total collections increased by another \$334 million or 29 percent in FY19. Table 10 summarizes these results.

Table 10
Oil and Gas Production-Related Taxes (Million dollars)

	FY17	FY18	FY19
O&G Emergency School Tax	\$304	\$442	\$576
O&G Conservation Tax	\$17	\$25	\$28
O&G Severance Tax	\$334	\$493	\$650
O&G Ad Valorem Production Tax	\$119	\$173	\$209
O&G Production Equipment Tax	\$22	\$20	\$24
Total	\$796	\$1,153	\$1,488

Source: NM TRD

Total production-related taxes of \$1.49 billion in FY19 constituted 7.3 percent of the \$20.48 billion of total sales value of oil and gas in FY19. This rate is similar to the 7.2 percent average tax rate in FY18 and 7.3 percent rate in FY17.

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LOCAL AD VALOREM TAX REVENUES

Table 11 presents FY19 distributions of local ad valorem taxes from the oil and gas industry. New Mexico imposes two ad valorem taxes, the Oil and Gas Ad Valorem Production Tax and the Oil and Gas Production Equipment Ad Valorem Tax. These taxes are intended to serve in lieu of property taxes on oil and gas producing property. The Production tax is due monthly while the Equipment tax is due annually. Taxable value for these taxes is defined in the same manner as for the Oil and Gas School, Severance and Conservation taxes, while tax rates are determined by the Property Tax code.

Table 11
FY19 Local Ad Valorem Tax Distributions by County

	Ad Valorem Production Tax	Ad Valorem Production Equipment Tax	Total
Chaves	\$837,873	\$132,272	\$970,145
Colfax	\$319,231	\$95,066	\$414,297
Eddy	\$71,290,511	\$7,483,368	\$78,773,880
Harding	\$449,077	\$76,944	\$526,021
Lea	\$114,609,051	\$12,879,285	\$127,488,336
McKinley	\$9,099	\$1,096	\$10,195
Quay	\$29,021	\$5,263	\$34,284
Rio Arriba	\$6,999,915	\$1,177,492	\$8,177,407
Roosevelt	\$208,237	\$24,690	\$232,927
San Juan	\$12,372,810	\$2,102,108	\$14,474,918
Sandoval	\$975,418	\$137,306	\$1,112,724
Union	\$1,131,639	\$38,122	\$1,169,760
Total	\$209,231,882	\$24,153,012	\$233,384,894

Source: TRD Ad Valorem Tax distribution reports. Fiscal year totals reflect modified accrual basis of accounting. Amounts shown exclude State Debt portion of Ad Valorem distributions.

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Appendix 1: General Fund Revenue from Oil and Gas Industry: FY19 vs FY18 (Million dollars)

Revenue	FY19			FY18		
	Total	OG Share		Total	OG share	
		Oil & Gas Share	Oil & Gas Amount		Oil & Gas Share	Oil & Gas Amount
Gross Receipts Tax	\$2,669.4	12.2%	\$325.8	\$2,381.1	7.9%	\$188.0
Compensating Tax	\$78.4	22.3%	\$17.5	\$56.1	22.3%	\$12.5
Personal Income Tax	\$1,672.0	7.6%	\$126.8	\$1,519.0	6.4%	\$96.8
Corporate Income Tax	\$22.8	13.0%	\$3.0	\$106.6	21.4%	\$22.8
Oil & Gas School Tax	\$555.4	100.0%	\$555.4	\$450.8	100.0%	\$450.8
Oil & Gas Conservation Tax	\$28.7	100.0%	\$28.7	\$22.9	98.0%	\$22.4
Natural Gas Processor's Tax	\$15.1	100.0%	\$15.1	\$10.8	100.0%	\$10.8
Land Grant Permanent Fund Dist.	\$638.7	96.7%	\$617.6	\$586.6	96.7%	\$567.5
Severance Tax Permanent Fund Dist.	\$220.6	86.6%	\$191.0	\$210.4	86.6%	\$182.2
Federal Mineral Leasing	\$1,146.8	99.0%	\$1,135.3	\$564.2	96.0%	\$541.7
State Land Office Bonuses, etc.	\$132.5	71.9%	\$95.2	\$111.8	71.0%	\$79.4
Other	\$812.8	0.0%	\$0.0	\$796.2	0.0%	\$0.0
Total Recurring Revenue	\$7,993.1	38.9%	\$3,111.4	\$6,816.5	32.3%	\$2,201.7

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Appendix 2:

State Land Office Revenue from Oil and Gas by Beneficiary: FY19

State Land Office Distributions by Beneficiary: FY19				
Beneficiary	Bonuses, Rents, etc.		Royalties	
	Total	O&G Share	Total	O&G Share
Common Schools (General Fund)	\$132,454,206	\$95,212,155	\$858,775,563	\$846,421,916
UNM	\$5,347,008	\$3,843,594	\$3,287,349	\$3,240,060
Saline Lands	\$0	\$0	\$96,474	\$95,086
NMSU	\$1,217,672	\$875,300	\$353,587	\$348,501
WNMU	\$104,969	\$75,455	\$37,939	\$37,393
NMHU	\$105,232	\$75,644	\$37,939	\$37,393
NNMU	\$52,215	\$37,534	\$38,043	\$37,496
ENMU	\$232,890	\$167,408	\$41,649	\$41,050
NMT	\$354,729	\$254,990	\$341,556	\$336,643
NMMI	\$836,271	\$601,137	\$13,237,004	\$13,046,587
NM Boys School	\$66,297	\$47,656	\$0	\$0
Miners Hospital	\$2,227,668	\$1,601,316	\$1,099,690	\$1,083,871
State Hospital	\$784,096	\$563,632	\$3,020,662	\$2,977,209
State Pen	\$34,165,127	\$24,558,943	\$5,487,463	\$5,408,525
NMSD	\$515,012	\$370,206	\$6,099,855	\$6,012,107
NMSBVH	\$522,814	\$375,814	\$6,099,891	\$6,012,143
CP&R	\$811,606	\$583,407	\$945,136	\$931,541
Water Reservoirs	\$988,106	\$710,281	\$819,914	\$808,119
RG Improvement	\$221,008	\$158,867	\$159,086	\$156,798
Public Buildings	\$3,388,864	\$2,436,020	\$12,016,194	\$11,843,338
Carrie Tingley	\$27,162	\$19,525	\$0	\$0
State Parks	\$0	\$0	\$0	\$0
Subtotal	\$184,422,950	\$132,568,885	\$911,994,994	\$898,875,775
SLO Land Maintenance Fund	\$15,920,791	\$11,444,354	NA	NA
SLO Restoration Fund	\$1,980,041	\$1,423,315	NA	NA
Grand Total	\$202,323,782	\$145,436,554	\$911,994,994	\$898,875,775
Total Excluding Common Schools	\$69,869,576	\$50,224,399	\$53,219,431	\$52,453,859
Source: State Land Office Revenue Report				

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Appendix 3: Industry sectors and sub-sectors comprising oil and gas related business

FY19 Totals: OG Share of GRT Reported by Industry Group

NAICS Code/Industry Description:	FY19 GRT
Mining:	
21 - Mining, Quarrying, and Oil and Gas Extraction	\$2,104,786.01
211 - Oil and Gas Extraction	\$903,272.27
2111 - Oil and Gas Extraction	\$22,468.44
21111 - Oil and Gas Extraction	\$20,372,874.33
211111 - Crude Petroleum and Natural Gas Extraction	\$835,510.99
211112 - Natural Gas Liquid Extraction	\$141,141.95
211113 - Conventional oil and gas extraction	\$18,648.84
213 - Support Activities for Mining	\$2,487,135.06
2131 - Support Activities for Mining	\$6,409.93
21311 - Support Activities for Mining	\$10,217,659.20
213111 - Drilling Oil and Gas Wells	\$73,719,133.08
213112 - Support Activities for Oil and Gas Operations	\$265,651,241.37
213118 - Services to oil and gas extraction	\$12,451,142.52
213119 - Other support activities for mining	\$398,391.35
Subtotal -- OG	\$389,329,815.34
Total Mining	\$404,828,746.77
OG share	96.2%
Construction:	
23712 - Oil and Gas Pipeline and Related Structures Construction	\$4,039,845.08
237120 - Oil and Gas Pipeline and Related Structures Construction	\$4,813,028.71
<u>Subtotal -- OG</u>	<u>\$8,852,873.79</u>
Total Construction	\$527,990,225.51
OG share	1.7%
Manufacturing:	
<u>333132 - Oil and Gas Field Machinery and Equipment Manufacturing</u>	<u>\$2,816,783.14</u>
Subtotal OG	\$2,816,783.14
Total Manufacturing	\$127,980,931.53
OG share	2.2%
Transportation:	
486 - Pipeline Transportation	\$3,237,437.69
48611 - Pipeline Transportation of Crude Oil	\$400,637.75
486110 - Pipeline Transportation of Crude Oil	\$115,608.99
<u>486210 - Pipeline Transportation of Natural Gas</u>	<u>\$930,187.84</u>
Subtotal OG	\$4,683,872.27
Total Transportation	\$75,689,594.26
OG share	6.2%

Source: TRD RP-80 Quarterly reports.

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