

Lea County Board of Commissioners
Lea County Manager
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September 6, 2016

Sandoval County Planning and Zoning Commission
1500 Idalia Road
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Sandoval County Planning and Zoning Commission:

The oil and gas industry has a long and prosperous history in Lea County, NM.

Lea County, the five municipalities, five school district, local junior college, four special hospital districts and our residents have prospered along with this industry.

Ten of thousands of oil and gas wells have been drilled, completed and currently producing. This level of productivity has caused this industry to have paid millions of dollars in local property tax and gross receipts tax and has employed thousands. With this revenue, Lea County has been able to hire highly qualified staff, create new healthcare facilities, construct several new county facilities debt-free, and have been able to invest in legacy recreational projects to the benefit of our residents. Please note, that in addition to the tax revenue that Lea County has directly collected from the oil and gas industry, a more important success has been realized: countless local families have benefited. Local families have seen their children either returned home or have been able to stay within Lea County as they have obtained meaningful and highly paid employment within this industry. Further, countless local entrepreneurs have had the opportunity to test their business acumen and grow their local businesses.

Lea County has more oil and gas activity than any other county in the State of New Mexico. With this high level of activity, Lea County has refrained from regulating the oil and gas industry as this is best handled at the state level because 1. oil and gas reserves do not recognize political jurisdictional boundaries and 2. Having local regulations will not assist in protecting the locales' health, safety and welfare as the State of New Mexico is currently regulating this highly technical industry.

Please consider, that the impacts associated with local regulation of this industry may cause this industry to reduce their operations and capital investments—creating less jobs and a decline tax base for our state. Every city, county and school district in New Mexico will experience these repercussions as the State of New Mexico allocates funding that had been collected from oil and gas industry for local capital improvement projects and for school district operations.

I invite you and your county's management and elected officials to visit Lea County to learn more about this industry.

Sincerely,

A handwritten signature in blue ink that reads "Ron Black".

Ron Black

Chairman and District 3 County Commissioner