



State of New Mexico

Office of the Governor

Bill Richardson
Governor

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Governor Richardson Takes Action to Protect New Mexico's Water

(Santa Fe, NM) -- Governor Bill Richardson's remarks as prepared for Monday's press conference on water quality protection in the oil and gas industry follow:

"As Governor, I have worked tirelessly to move New Mexico forward through improving our conservation policies and broadening our energy resources.

Today I am taking another step further by calling on the oil and gas industry to clean up their act and help us protect our water, our land, and our public health through tougher, more fair protection of our water quality.

Energy costs are on everyone's mind right now, and I have called a special session next week to help New Mexico consumers deal with these soaring prices. But finances are only part of the story. When production increases to meet demand, we must remain vigilant in protecting our precious water resources.

That is why today I am ordering closer coordination between the New Mexico Environment Department and the Oil Conservation Division of the Energy Minerals and Natural Resources Department. This coordination will lead to increased protection of our water quality and the health of New Mexicans.

As the first example of this closer coordination, I am also naming Bill Olsen, Chief of the Environment Department's Ground Water Quality Bureau, to the Oil Conservation Commission. Bill is a water quality expert and by having a foot in both areas, he will help close what has been perceived as a water quality gap in New Mexico.

Furthermore, I am directing the Oil Conservation Division to come up with stronger rules – such as new rules governing the storage of waste at wellsites (so called "pits"), and tougher rules concerning how the industry disposes of wastes by land farming. These rules will be specifically designed to protect underground water supplies, the source of 90% of our drinking water in New Mexico.

I will also ask the Legislature during the next regular session for the strongest landowner protection legislation in the nation. In a moment, you will hear some real horror stories about the impacts of drilling on private lands. This needs to stop. We need to make sure the industry respects private property rights.

Finally, I will request additional enforcement funding and staff from the 2006 Legislature to strengthen our enforcement and make sure that more energy development does not mean more contamination.

We can have both a robust economy and a healthy environment – in fact, we must. Our economy is dependent on continuing to have a good, clean supply of water.

This state is number two in the nation for onshore production of natural-gas and number five for oil production. These reserves support an industry that is very important to our state, both to our economy and—through tax funding—to our schools

Many companies are good corporate citizens and respect the land. Some, as you see here, do not. We must send the message that this abuse of our land and water will not be tolerated.

I don't accept the view that protective measures will make already high energy prices even higher.

Prices are high today, and there's huge pressure to drill more wells, **BECAUSE** the industry has resisted alternatives and has not prepared for a diversified, clean, and affordable energy future. There has to be a change.

From a financial perspective, times have never been better for the oil industry. Oil companies like Exxon made nearly \$25-billion in profits last year, while Exxon's CEO took home \$26 million in pay. I think they can afford to give some of this back to their neighbors and communities.

This is also why last week I asked the Oil and Gas Industry to pitch in \$50-million dollars to help consumers cope with high energy prices this winter.

I am determined to move New Mexico forward both as a state with a diversified energy base and a state that cares for its environment. This is a legacy we can all be proud of.”

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