

THE BOARD OF COUNTY COMMISSIONERS OF  
SANTA FE COUNTY

RESOLUTION NO. 2016- 14

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A RESOLUTION IN SUPPORT OF INCREASING THE FEDERAL ROYALTY RATE  
FOR OIL AND GAS PRODUCED ON FEDERAL PUBLIC LANDS

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**WHEREAS**, the Bureau of Land Management is responsible for ensuring that American taxpayers receive a fair return for oil and gas developed on federal public lands;

**WHEREAS**, oil and gas production has reached record levels while antiquated federal royalty rates have been permitted to lag behind the rates charged by Western states;

**WHEREAS**, the Bureau of Land Management currently charges a royalty rate of only 12.5% for oil and gas produced on federal lands, while New Mexico charges up to 18.75% for oil and gas produced on state lands;

**WHEREAS**, the federal royalty rate has not been increased in nearly a century;

**WHEREAS**, the Department of Interior and Bureau of Land Management have been discussing a possible increase in the royalty rate for years;

**WHEREAS**, the Government Accountability Office has repeatedly called on the Department of Interior to increase onshore oil and gas royalty rates;

**WHEREAS**, New Mexico receives approximately half of the royalties generated by energy produced on federal public lands within the state;

**WHEREAS**, New Mexico is a major oil and gas producer, and received over \$546 million in federal royalties for FY2014;

**WHEREAS**, independent analysis shows that the failure of the federal government over time to modernize the royalty structure has resulted in the loss of hundreds of millions of dollars in revenue for New Mexico;

**WHEREAS**, these royalties are payable to New Mexico pursuant to the federal Mineral Lands Leasing Act, and pursuant to section 22-8-34 of the Public School Finance Act, the vast majority of these royalties must be deposited into the Public School Fund, any increased royalty rate will provide critical funds that will benefit public school students in our community and across the state; and

SFC CLERK RECORDED 01/27/2016

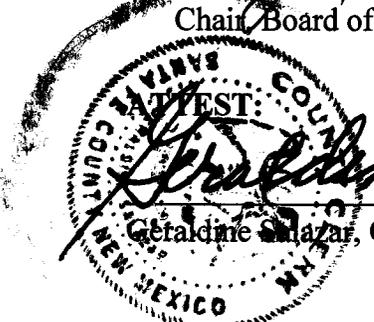
WHEREAS, increasing the federal royalty rate will ensure a fair share of revenue to New Mexico taxpayers by increasing the allotment to the Public School Fund where it is used to purchase textbooks and other instructional materials.

NOW THEREFORE, be it resolved, that the Board of County Commissioners of Santa Fe County respectfully requests that the Bureau of Land Management move forward with updating the regulations governing the royalty charged for oil and gas produced on federal public lands to ensure a fair share for taxpayers.

PASSED, APPROVED, AND ADOPTED THIS 26<sup>th</sup> day of January 2016.

By: Miguel M. Chavez  
Chair, Board of County Commissioners

Date: 1/26/16



Geraldine Salazar  
Geraldine Salazar, County Clerk

Date: 1-24-2016

Approved as to form:

Greg Shaffer  
Greg Shaffer, County Attorney

Date: 1-19-6

COUNTY OF SANTA FE )  
STATE OF NEW MEXICO ) ss

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I Hereby Certify That This Instrument Was Filed for  
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And Was Duly Recorded as Instrument # 1785030  
Of The Records Of Santa Fe County

Witness My Hand And Seal Of Office

Deputy Anna Hernandez County Clerk, Santa Fe, NM  
Geraldine Salazar

SFC CLERK RECORDED 01/27/2016