

New Mexico Oil and Gas Association (NMOGA)

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AS PREPARED FOR DELIVERY

Thank you for that kind introduction, and thank you all for being here today. First, I want to extend a warm welcome to Governor Michelle Lujan Grisham, a leader who understands the importance of balancing energy production with environmental stewardship. Governor, we're so grateful for your dedication to the energy leadership of New Mexico, as well as our country, and I'm glad that you could join us today.

I also want to take a moment to recognize the regulators and other elected officials in the room. Your work is critical in ensuring New Mexico remains both productive and safe. Thank you for your service!

And a special thanks to NMOGA President and CEO Missi Currier for the invitation to be here. On behalf of API, it's an honor to partner with you and your team to drive U.S. energy leadership as we approach the final stretch of the 2024 election cycle.

Today, I want to address three key points as the people of this state and our country prepare to make decisions that will shape our future.

- First, I'll discuss America's energy leadership and what it means for the world.
- Second, I'll highlight New Mexico's pivotal role in America's energy success story.
- And finally, I'll lay out the choices we face—choices that will determine whether we maintain our energy advantage or let it wither away.

Before diving in, let's acknowledge that this great industry is in this for the long haul. Regardless of what happens on Election Day, the natural gas and oil industry is here to stay.

Despite the noise from doomsday scenarios, the reality is that oil and natural gas will be needed for decades to come—not just years. At API, our message is simple: Because global demand for energy is rising, there's no better place to produce it than here in America.

In basins like the San Juan and the Permian, we produce the most reliable, affordable energy in the world under the strongest environmental standards. API proudly stands with all our member companies—large and small—as American natural gas and oil continue to be cornerstones of the energy mix for generations to come.

Let's reflect on why U.S. energy leadership is so crucial.

We look around the world today, and ongoing conflicts remind us that secure, reliable access to energy is at the core of our nation's security – as well as the security of America's allies. Yet, despite war and ongoing geopolitical tensions in the Middle East and Europe, we are **not** in an energy crisis.

Why?

Because of the resilience and innovation of nearly 11 million American workers supported by the natural gas and oil industry. These men and women ramped up production when the world needed it most, even in the face of challenging policies from Washington.

Their efforts kept the Lights On around the world—something every state and federal policymaker should commend.

But our energy security should never be taken for granted, and we need policies that ensure we can meet our energy needs **tomorrow**, not just today. With wars in multiple energy-producing regions and threats to shipping in places like the Red Sea, the stakes are high. It's a stark reminder of the poor energy policy decisions made in the 1960s and 70s,

leading to the 1973 Oil Crisis, with skyrocketing prices and economic turmoil.

In this moment, let's learn from those mistakes – not repeat them.

We simply must, because as we approach 2050, the global population is projected to reach 10 billion. With energy demand set to increase, we need energy from **all** sources.

Thus, it has never been more important for America to emerge as the runaway top supplier of both crude oil and natural gas. It's thanks to places like Lea County, New Mexico, which produces more oil than **five** OPEC nations combined.

None of this happened by accident. It's the result of years of technological innovation, access to both private and public lands, and bipartisan, long-range, pro-development policies.

While we must continue our work on environmental issues like water usage, methane emissions, and orphan wells, our industry is “on it” when it comes to safe, diligent production—and New Mexico is leading the charge.

Consider this: If the Permian Basin were its own country, it would rank as a top-five oil-producing nation, contributing HALF of U.S. production by 2030.

New Mexico's contribution to global energy security is growing at an unprecedented rate. You know these impressive stats, but they are worthy of sharing!

Since 2017, the industry's growth here has nearly quintupled, making New Mexico the second-largest oil producer in the U.S.

This surge in production is not just about numbers—it's about people.

The growth in oil and natural gas production has led to a nearly 20% increase in state revenue over the past two fiscal years, translating into more than 92,000 jobs, \$6 billion in wages and \$16.6 billion in economic impact.

These jobs span across sectors, from services and retail to construction and manufacturing, improving the lives of tens of thousands of New Mexicans.

But the benefits don't stop there.

As we've increased production, we've also seen a remarkable trend—declining emissions. Since 2015, methane emissions from oil and natural gas production are **down** 37% while production is **up** 40%, according to EPA data. Additionally, in August, members of API's Environmental Partnership reported a 10% drop in flare volumes and a nearly 7% reduction in flare intensity in just one year.

Production up, emissions down—that's the balance we're striving for.

I want to thank Governor Lujan Grisham for her leadership in supporting hydrogen and carbon capture projects. Your commitment to responsible water usage and positioning New Mexico as a leader in hydrogen for manufacturing and transportation is well-known in our industry. Hydrogen and carbon capture are key areas where we are making tangible progress for the environment.

Let's be clear: there is no more critical industry today than American natural gas and oil, and New Mexico plays a central role. But not everyone sees or understands this truth.

Some argue that the world no longer needs natural gas or oil—that we can move past them entirely.

Others in Washington are pushing policies that restrict access to public lands, make us dependent on China for critical minerals, limit consumer choices, and threaten the very infrastructure that keeps our energy system running.

These policies are misguided. They discourage investment in energy projects and impose unrealistic timelines and mandates.

What Americans need are choices, not mandates—and honesty about the consequences of losing our energy advantage, or sowing the seeds of a new energy crisis.

Here's some energy reality for those folks: Even with the most optimistic projections for renewables, nearly half of all global energy will still come from natural gas and oil in 2050—roughly where it is today.

The question is whether that energy will come from America, with our commitment to environmental stewardship, or from nations that do not share our values.

Our advantage comes in large part from technologies like horizontal drilling and hydraulic fracturing, which have transformed U.S. energy production for the better.

Indeed, this election, “fracking” has become a litmus test for candidates—no one can win the presidency without supporting this critical breakthrough. Judging by their recent comments, both Kamala Harris and Donald Trump understand this.

That's a good thing. More than 90 percent of wells drilled today are hydraulically fractured—a testament to the importance of this innovation.

But it's not just about getting product out of the ground.

Long-term demand for oil and natural gas isn't going away, and existing wells must constantly be replaced as their production naturally declines. We also need pipelines, refineries, options. That's why API laid out a Five-Point Policy Roadmap this summer to secure American energy leadership and help reduce inflation.

The next administration must focus on protecting consumer choice, fixing our broken permitting system, restoring permits for LNG exports, expanding access to our vast energy resources and advancing sensible tax policy.

These are not just popular positions—they're essential. Polling in political "swing" states shows that 8 in 10 voters, across party lines and including independents, support increasing U.S. production of oil and natural gas.

Even a national poll by *The New York Times* found that nearly two-thirds of voters support boosting domestic oil and gas production.

They agree: American energy leadership is our insurance policy against volatility and a pillar of our national security. But it didn't happen overnight.

It's the result of decades of bipartisan commitment, with every president from Jimmy Carter to Donald Trump calling for greater American energy independence. We've been encouraged to see Vice President Harris doing the same as the Democratic nominee.

You don't have to read a newspaper or watch cable news to know: Given the state of the world, there has never been a more critical time for strong U.S. energy production and the policies that support it. And Americans want more information: our polling shows that 9 in 10 voters are looking for details from presidential candidates on energy issues.

Affordable, reliable energy from U.S. oil and natural gas is not just an economic necessity—it's a matter of national security.

So today, we've talked about America's energy leadership, New Mexico's role in that success, and the clear choices we face. The bottom line is this: America's energy advantage benefits the entire economy and strengthens our national security. It's the result of bipartisan commitment and industry innovation, especially from companies right here in New Mexico.

But respect for the oil and natural gas industry extends far beyond the companies and workers—it includes New Mexico's bankers, real estate businesses, educators, community leaders, and countless others who support or “cheer on” energy development. Your support is invaluable.

API is proud to work with strong partners like NMOGA to urge policymakers to unlock American energy, create more access, support investment and keep the Lights On.

But we can't do it without this smart crowd's support and involvement. There's a big election in just 29 days, and API has ramped up our efforts to back pro-energy candidates up and down the ballot and across the political spectrum. We're reaching out through TV, digital platforms, and events in key states and districts.

But we need your help to spread the word. The first and easiest thing you can do is sign up for API Energy Citizens at www.EnergyCitizens.org.

Our Action Center will keep you informed about priority legislation and events and teach you how to make your voice heard on regulatory issues.

In New Mexico alone this summer, API has already recruited hundreds of new Energy Citizens, sent letters to dozens of legislators, attended a Water Quality Control Commission hearing to give comments, and conducted roundtables on carbon capture and water reuse.

So, visit EnergyCitizens.org today. Tell your business partners, clients, customers, friends, and family. This is an industry worth defending, from upstream to midstream to downstream.

With your help, we can demonstrate that the facts and the people are on our side.

Together, let's imagine a future where American energy leadership not only powers our homes but fuels our dreams, where our innovations light the path for the world to follow.

New Mexico stands at the forefront of the vision—an energy powerhouse that drives not just this great state, but our entire nation forward.

Let's embrace this moment for U.S. oil and natural gas, take pride in our achievements, and forge ahead with the determination to leave a legacy of strength, security, and sustainability for generations to come.

Thank you.