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Benefits and Opportunities of Natural Gas Use, Transportation, and Production



New Mexico

Economic Impacts of Natural Gas

There were 39,925 jobs in the New Mexico related to natural gas. These jobs represented 5.0 percent of total state jobs. The top three sectors with the greatest number of jobs were support activities for oil and gas, crude petroleum and natural gas extraction, and oil and gas pipeline construction. The contribution to the New Mexico economy in terms of direct, indirect, and induced value added in 2015 was \$5.06 billion, of which \$0.72 billion was related to the end use segment, \$1.94 billion was from the infrastructure segment, and \$2.40 billion was from the production segment.

Natural Gas Consumers

In 2015, New Mexico consumed 154 Bcf of natural gas in all sectors. There were a total of 630,000 customers. The value of natural gas delivered to consumers was \$753 million.

New Mexico has 579,000 residential customers who consumed 33 Bcf in 2015. Average consumption was 57 Mcf per household. Residential demand was 51 percent for space heating, 30 percent for water heating, 8 percent for cooking, 1 percent for space cooling, and 10 percent for other uses.

New Mexico has 51,000 commercial customers who consumed 25 Bcf in 2015. Average consumption per commercial customer was 495 Mcf. Commercial demand was 52 percent for space heating, 16 percent for water heating, 12 percent for cooking, 5 percent for cogeneration, and 15 percent for other uses.

There are 116 industrial customers in New Mexico who consumed 18 Bcf in 2015. Average consumption per industrial customer was 155 MMcf. The top industries for gas consumption were Food (NAICS Code 311), Chemicals (325), Petroleum and Coal Products (324), Mining (21), and Non-metallic Mineral Products (327) representing 75 percent of industrial demand.

New Mexico has 26 power plants consuming natural gas. In 2015, gas consumed was 78 Bcf representing 29 percent of power generation in the state. Average consumption per customer was 2,998 MMcf.

Natural Gas Infrastructure

In 2015, New Mexico had 24,326 producing oil wells and 40,596 producing gas wells. There were 20,699 miles of gas gathering lines and 26 gas processing plants in the state with a capacity of 3,268 MMcf/d. In addition, there were 6,580 miles of gas pipelines, 1,730 miles of crude oil pipelines, 2,021 miles of NGL pipelines, 2,140 miles of product pipelines, and 1,039 miles of CO₂ pipelines. There were 13,882 miles of gas distribution mains and 6,072 miles of service lines. There were 2 natural gas storage sites in the state with a working gas capacity of 60 Bcf.

Natural Gas and Oil Production

In 2015, New Mexico produced 1.15 Tcf of dry natural gas, 62 million barrels of gas plant liquids, 10 million barrels of lease condensate, and 137 million barrels of crude. New Mexico has accounted for a large volume of historic gas production, especially from the San Juan Basin

coalbed methane play and several tight gas sand plays in the northwestern part of the state. With the decline of activity in those plays, operators have focused on oil-drilling in the southeastern New Mexico part of the Permian Basin. Some success has also been achieved with San Juan Basin horizontal plays. Rig activity in New Mexico in April, 2017 was 58 active rigs.

Exhibit 7-33: New Mexico State Factsheet

New Mexico			Employment (# of Workers)			Labor Income (\$ million)			Value Added (\$ million)		
Summary	Segment	Category	Direct & Indirect	Induced	Total	Direct & Indirect	Induced	Total	Direct & Indirect	Induced	Total
	End-Use	Power Generation	637	1,020	1,657	50	51	102	214	90	304
		Industrial	327	1,309	1,636	20	63	83	64	116	180
		Residential/ Commercial	552	736	1,288	35	37	73	150	67	217
		Export	60	131	191	4	7	11	5	12	16
		Transportation	7	4	12	0	0	0	1	1	2
	Infrastructure	Processing	1,984	1,192	3,176	145	54	199	370	109	479
		Pipelines	3,114	1,979	5,092	209	91	300	653	181	834
		Distribution	3,106	1,951	5,057	178	84	262	434	177	611
		Wholesalers, Marketers, Other	88	56	144	5	2	8	15	5	20
	Production	Natural Gas/ NGLs	15,541	6,130	21,671	1,268	276	1,544	1,852	546	2,398
	All Segments	Grand Total	25,418	14,508	39,925	1,916	667	2,583	3,758	1,302	5,060

Jobs by Top Industries	Rank	NAICS	Industry Sector	Direct and Indirect Jobs
	1	213112	Support Activities for Oil & Gas Operations	6,447
	2	211111	Crude Petroleum & Natural Gas Extraction	3,167
	3	237120	Oil & Gas Pipeline Construction	1,870
	4	221210	Natural Gas Distribution	1,023
	5	213111	Drilling Oil & Gas Wells	975
	6	211112	Natural Gas Liquid Extraction	599
	7	45431NGL	NGL Retail	461
	8	811310	Industrial Equip. & Machinery Repair & Maint.	340
	9	4841	Freight Truck	276
	10	486210	Pipeline Transportation of Natural Gas	273

Customers	Sector	Customer Count	Consumption Volume (MMcf/ year)	Value of Natural Gas Delivered to Customers (\$million)
	Residential Sector	578,769	33,130	\$285
	Commercial Sector	50,584	25,038	\$162
	Industrial Sector	116	17,937	\$66
	Transportation	15	172	\$1
	Power Sector	26	77,947	\$239
	All Sectors	629,510	154,224	\$753

Infrastructure	Gas Distribution Main (miles)	Gas Distribution Services (miles)	Gas Gathering (miles)	Gas Pipelines (miles)	Crude Oil Pipelines (miles)	NGL Pipelines (miles)	Oil Product Pipelines (miles)	CO2 Pipelines (miles)
	13,882	6,072	20,699	6,580	1,730	2,021	2,140	1,039

Production	Product	Annual Production
	Dry Natural Gas (mmcf)	1,151,159
	Gas Plant Liquids (barrels)	62,130,000
	Lease Condensate (barrels)	10,000,000
	Crude Oil (barrels)	136,746,000
	Annual Value Counted Toward Natural Gas Value Chain (\$million)	\$4,392
	Annual Value of All Produced Oil, Gas, NGLs (\$million)	\$10,464

Wells	Well Type	Operating Wells	New Wells Drilled
	Oil Wells	24,326	873
	Gas Wells	40,596	20
	All Wells	64,922	894

Annual 2015 Data for New Mexico
Natural Gas Value Chain Basis