



FOR IMMEDIATE RELEASE

May 24th, 2022

Contact: Kathleen Sabo, Executive Director, 505-507-7548 or ksabo@nmethicswatch.org

Oil and Gas Industry Continues to Spend Big to Promote Candidates, Stop Legislation

Just one day after receiving a contribution of \$150,000 from the Texas-based, Chevron-backed NM Strong political action committee, the New Mexico Oil and Gas Association (NMOGA), through its chief lobbyist, reported spending more than a quarter million dollars on an advertising campaign aimed at stopping legislation that would have established statewide clean air quality standards.

This is just one finding in a recent analysis by New Mexico Ethics Watch of lobbyist reports filed early this month with the Secretary of State's Office.

Lobbyist Aimee Barabe, on behalf of NMOGA, her only client, on Feb. 4 reported advertising expenses totaling \$256,000. Her report noted these expenses were for "paid advertising in opposition to House Bill 6," which was being considered by the Legislature.

This bill, titled "The Clean Future Act," would have mandated that by 2030 greenhouse gas emissions be 50 percent less than 2005 levels and 90 percent less than 2005 levels by 2050. Though it successfully passed through two legislative committees, the bill died while waiting to be heard by the full House of Representatives.

With oil prices hovering around \$100 or more per barrel in recent months and oil companies ramping up production in the Permian Basin in southeastern New Mexico, oil and gas lobbyists continue to pump more and more money into state government political campaigns in New Mexico.

And, while oil and gas production in southeastern New Mexico rushes full-speed-ahead, a national study by the American Lung Association published last month shows that counties in the Permian Basin have some of the worst air pollution in the state. And that's directly tied to ground level ozone from oil production.

"New Mexicans need to be aware that the oil and gas industry, through its lobbyists, is not only working to elect candidates favorable to its interests," noted Ethics Watch executive director, Kathleen Sabo, "but to also defeat legislation beneficial to the well-being of citizens."

Between January 1 and May 2, 2022, lobbyists for the energy companies and organizations contributed more than \$260,000 to candidates running in the June primary. A majority of these contributions –54 percent – went to Republican candidates. 93 percent came from lobbyists for out of state companies.

The Chevron USA corporation, through its lobbyist Patrick Killen, contributed more than \$173,000 to New Mexico candidates, about two thirds of the total contributions attributable to oil and gas-related

companies made during the recent lobbyist reporting period. He also contributed another \$1,000 to candidates on behalf of himself.

Chevron, one of the biggest petroleum producers in the state, recently announced that it has raised its projected oil production in the Permian Basin, which also includes part of west Texas. The company expects a 15 percent increase in production in 2022.

Other major oil and gas lobbyists contributing to New Mexico campaigns for their companies include ConocoPhillips' Gabrielle Gerholt (\$40,000); Marathon Oil lobbyist Hugo Gutierrez (\$20,000); Austin-based ConocoPhillips lobbyist Kari Gibson (\$10,400); Enchant Energy's Anthony Trujillo (\$10,000) and Bowlin Travel Center, a major gasoline retailer, whose lobbyist Scott Scanland contributed a total of \$7,500 on behalf of the company.

The above numbers are for lobbyists who specified they were contributing on behalf of oil and gas companies. In addition to that \$260,000-plus, lobbyists for oil and gas companies also contributed another \$81,000 to candidates, not attributed to lobbyist employers.

Besides direct campaign contributions, lobbyists for oil and gas interests reported other expenditures between January 1 and early May.

In addition to NMOGA's advertising campaign, Barabe reported spending more than \$5,000 on meals, beverages, entertainment and "special events" for policymakers between January and May. NMOGA's president and CEO Douglas Ackerman reported spending more than \$600 on meals and beverages for legislators in late April.

Chevron's Killen reported spending a total of \$3,327 for meals and beverages with officials on behalf of his employer. His report noted that he made "no expenditure of \$100 or more per individual."

One of the events Chevron paid for via Killen was a NMOGA-sponsored April 6 "luncheon meet and greet" for state Rep. Patty Lundstrom, D-Gallup. According to an invitation from Barabe, obtained by New Mexico Ethics Watch, the event took place in Chevron's Houston office. Killen reported spending \$695 on a Houston catering company for the event (as well as \$200 at a Houston restaurant called Xochi to discuss issues with New Mexico officials).

This Houston "meet and greet" for Lundstrom -- who chairs the House Appropriations and Finance Committee as well as the Legislative Finance Committee -- took place during the World Hydrogen North America conference held in Houston, with several New Mexico legislators attending. Lundstrom this year emerged as a champion of the hydrogen industry.

During this year's regular legislative session, Lundstrom was the sponsor of two bills, backed by Gov. Michelle Lujan Grisham -- as well as the state's two U.S. senators -- to make New Mexico a hub of "blue hydrogen" production. Neither House Bill 4 nor HB 228 got a vote.

Chevron is among the several large oil and gas companies heavily investing in hydrogen energy. Though touted by the industry as a way to cut carbon emissions, Lundstrom's bills were opposed by environmentalist groups, who argue that hydrogen would only intensify demand for fossil gas production.

Lundstrom recently raised some eyebrows among New Mexico political observers by contributing \$1,000 apiece to four candidates seeking to oust incumbent Democrats in the upcoming primary. It's unusual for legislators to contribute to incumbents' primary opponents. Lundstrom told the *Albuquerque Journal* that she was disappointed in some Democrats' lack of support for her hydrogen legislation. The challengers have also received support from the Working Together New Mexico PAC which has received the vast majority of its contributions from the Chevron-based PAC New Mexico Strong.

The major recipients of money specifically from oil and gas lobbyists were House Minority Whip Rod Montoya, R-Farmington (\$10,650) and Gov. Michelle Lujan Grisham, (\$10,400). Others include Reps. Randall Pettigrew, R-Lovington and Luis Terazas, R-Santa Clara. Both received \$8,050 from the industry. Rep. Lundstrom has also received \$7,400 in contributions attributable to oil and gas industry lobbyists.

When you include unattributable contributions made by oil and gas lobbyists, Democrat Lujan Grisham got a total of \$36,100, while Lundstrom received a total of \$13,400.

Our recent review of the first round of candidates' campaign finance reports showed that candidates for governor were getting the biggest share of oil and gas contributions. However, that's not the case with the latest lobbyist reports. Of the Republican candidates, Rebecca Dow received \$7,000 from oil and gas lobbyists -- \$5,000 of which was contributed by lobbyists on behalf of oil and gas clients. Candidate Greg Zanetti took in \$1,000 from oil and gas lobbyists. No contributions from oil and gas lobbyists were found for any other gubernatorial candidate, including Mark Ronchetti, who is leading in general campaign fundraising as well as in the polls.

Read our most recent report on this industry:

www.nmethicswatch.org/oil-and-gas-report-follow-up.html

...

New Mexico Ethics Watch is a nonprofit, nonpartisan organization and a principal leader in ethics reform in New Mexico. Our values are that ethics is for everyone; that good government leads to improved schools, healthier communities, and better business, and attention to ethics in public life leads to more equitable opportunities for all.

Please subscribe to NMEW's social media pages for news and breaking alerts:

Facebook: [@NMEthicsWatch](https://www.facebook.com/NMEthicsWatch) Twitter: [@NMEthicsWatch](https://twitter.com/NMEthicsWatch)