



FOR IMMEDIATE RELEASE

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The Oil and Gas Industry: A Tale of Two Hands

While the federal government and many car manufacturers are committed to the transition away from oil and gas and toward the use of alternative energies, the oil and gas industry appears committed to extracting every last ounce of precious fossil fuels from New Mexico's lands. And it knows just the politicians it can enlist to achieve that goal. But at what cost?

While Chevron works with the State Land Commissioner Stephanie Garcia Richard to build a new solar array on state trust land, it also spends money to defeat legislation establishing statewide clean energy standards. (Chevron-backed political action committee NM Strong fed \$150,000 to the NM Oil and Gas Association which then spent more than a quarter million dollars on an advertising campaign to defeat 2022's House Bill 6, the "Clean Future Act".)

While Texas-based corporation ExxonMobil becomes the prime sponsor of the Albuquerque International Balloon Fiesta and a major backer of the state's popular New Mexico United soccer team, it also pours money into the campaign coffers of industry-friendly politicians.

And, while Chevron, Occidental Petroleum and ConocoPhillips donate hundreds of thousands of dollars to relief funds following the disastrous Calf Canyon/Hermits Peak wildfire, the continuing oil and gas operations run by these companies push climate change, fueled by fossil fuels, upon us, making wildfires more dangerous and extreme.

As we know from the recent, detailed reporting of environmental journalist Jerry Redfern in *Capital and Main*, since early this year, "oil and gas companies have dramatically stepped up their outreach and public relations spending at some of New Mexico's best-known, best-loved events."

Redfern's story quotes state Rep. Angelica Rubio, D-Las Cruces – who recalled oil companies sponsoring sports teams and scholarships when she was growing up. "It's kind of like, 'OK, while we're poisoning your water, we're gonna go ahead and pay for this football field,'" Rubio said.

But, as campaign finance reports show, the industry's contributions for these activities has not diminished its contributions to our state's politicians in the hopes of solidifying their operations and keeping their pumpjacks pumping.

One hand giveth...while the other hand gives more, for sometimes irreconcilable purposes.

Republicans Overwhelmingly Reap the Benefits of Oil and Gas Industry Contributions

The industry has contributed nearly \$1.4 million to New Mexico candidates and political organizations so far during this year's general election cycle – and 80 percent of that has gone to Republicans.

This is according to the most recent analysis by New Mexico Ethics Watch of general election campaign finance reports filed by candidates and committees with the Office of the Secretary of State. The period covered began on July 3 and ended on October 3.

In the governor's race, GOP candidate Mark Ronchetti has collected more than \$318,000 from oil and gas interests, which is more than four times the amount brought in by his opponent, incumbent Democratic Gov. Michelle Lujan Grisham (almost 75,000.)

But even more money from the industry – so far more than \$560,000 -- is going to state House races, with the New Mexico House Republican Campaign Committee receiving more than \$240,000 from oil and gas and individual Republican House candidates pulling in more.

Currently Democrats have a firm grip on the House of Representatives -- 45 Democrats, 24 Republicans, and one representative. No seats in the State Senate – which Democrats control 26-15 – are up for election this year.

The huge preference for Republicans by oil and gas is even more pronounced this year than in the 2020 election about this time. That year, the GOP received about 68 percent of the contributions from the industry.

Chevron and the Yates Family Remain the Largest Corporate and Individual Contributors

The largest contributors from the oil and gas sector so far during the general election are Chevron which contributed \$250,000, nearly all of which came from its lobbyist, Patrick Killen. Chevron's contributions amount to more than a quarter of the total contributions from the oil and gas sector during the general election cycle.

Other large contributors from oil and gas companies are: the Jalapeno Corporation, owned by Harvey Yates of Albuquerque (just over \$115,000); the Oklahoma-based Devon Energy (more than \$70,000); Marathon Oil, a Texas company (nearly \$53,000); ExxonMobil (\$45,500) and Harvard Petroleum, a company based in Roswell, (\$45,500).

As is usually the case, the largest individual contributors from the industry so far this general election season are members of the Yates family, a long-established New Mexico family involved in oil and gas, most of whom are based in Artesia. Peyton Yates has contributed almost \$51,000 during the general election season. Charlotte Yates and the Charlotte Yates Foundation have contributed just shy of \$47,000; John Yates has contributed more than \$23,000, while Linda Yates has contributed more than \$21,000.

Other major individual contributors so far are Rolla Hinkle of Roswell, who has contributed \$21,600; and Jeff Harvard of Roswell (\$20,800) and Edward David of Roswell, (\$20,500)

The per capita annual income of the average New Mexican, according to the U.S. Census Bureau, is about \$28,000.

About a quarter of oil and gas contributions went to political action committees. The biggest recipients among PACs were the New Mexico House Republican Campaign Committee (\$243,000-plus) and the Republican Campaign Committee of New Mexico (\$70,000).

The governor's race is the only statewide race attracting oil and gas money.

Surprisingly, basically no money from this sector is going to the state land commissioner race so far. This is a race that in 2018 saw a Chevron-backed PAC pour almost \$2 million into ads supporting unsuccessful Republican candidate Patrick Lyons for state land commissioner.

The state Land Office is responsible for drilling leases on state land.

This year incumbent state Land Commissioner Stephanie Garcia Richard, a Democrat, is facing Republican challenger Jeff Byrd, currently a public regulation commissioner.

Recently Garcia Richard sent a campaign email with the subject line "When a foe becomes a partner" touting Chevron's new solar array built on state trust land. Chevron hasn't contributed any money to Garcia's reelection campaign. But they haven't spent a dime on Byrd either.

Lobbyists from out-of-state oil and gas corporations dominate the giving, mostly to State House candidates.

Ethics Watch also looked at the recently filed reports from lobbyists, which cover the period between early May and early October. (These reports include contributions made during the last month of the primary cycle.)

During this reporting period, lobbyists for oil and gas companies contributed nearly \$470,000 to politicians and political committees. More than 70 percent of that went to state House candidates.

By far, the major portion of these contributions came from three out-of-state companies: California-based Chevron (just shy of \$250,000); Ohio-based Marathon Oil (\$90,000) and Texas-based ExxonMobil (\$87,000).

Compared to the oil and gas industry in general, their lobbyists have been far more even-handed when it comes to the partisan split of their contributions. Republicans received about 52 percent of oil lobbyist contributions with Democrats getting about 48 percent.

In addition to their contributions that are specified as being for a particular oil company, lobbyists who represent oil and gas companies also made nearly \$200,000 in other political contributions, not on behalf of any specific company. In addition to their oil and gas clients, nearly all of these lobbyists represent some companies and organizations that are not part of the oil and gas industry.

Money contributed directly to candidates' campaigns and to political action committees is not the only way lobbyists, including those representing oil and gas interests, try to influence public policy.

As recent lobbyist reports show, lobbyists also have continued their traditional practice of spending considerable dollars on wining, dining and entertaining politicians.

Lobbyists for oil and gas interests spent more than \$55,000 on meals, beverages, entertainment and other items for lawmakers and others since early May. In addition, lobbyists who represent oil companies along with other clients not involved in that industry, spent more than \$20,000 feeding and entertaining lawmakers.

And in addition to meals and entertainment, sometimes lobbyist give politicians expensive gifts. For instance, in early October, ExxonMobil lobbyist Lee Dula gave House Republican leader James Townsend a Balloon Fiesta jacket valued at \$200.

"Oil and gas industry money can certainly fund worthwhile events and projects and needs in this state, and pay our citizens good wages" noted Kathleen Sabo, executive director of New Mexico Ethics Watch. "Perhaps New Mexicans need to calculate how much harm, and for how long they are willing to endure damage to our air quality and ground water quality even as state government and event coffers are flush with cash generated by oil and gas production in the state," Sabo continued.

Link to Redfern story: <https://capitalandmain.com/a-petroleum-pr-blitz-in-new-mexico>

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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.

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