Oil, Gas & Coal - Royalty Rates

Due to outdated oil and gas royalty rates on public lands, the state of New Mexico has been shortchanged by $2.5 billion[52] that it should have received from royalties due from drilling on public lands in the state between fiscal year 2009 and 2018.

The Bureau of Land Management (BLM)'s onshore drilling royalty rates are a staggering one-third lower at 12.5 percent than the 18.75 percent royalty rates charged for offshore production.

This discrepancy should have been addressed by the Royalty Policy Committee (RPC) that was brought back to life by former Secretary Zinke. However, the RPC was stacked with industry interests and did nothing to balance the scales for taxpayers or conservation. Following legal action[53] from conservation organizations in 2018 claiming that the RPC did not adequately represent the public interest, the charter that created the RPC was not renewed and it was disbanded.

Recently, a federal judge barred the Trump administration[54] from acting on any advice from the industry heavy RPC, confirming that the committee, appointed by former Secretary Zinke, was created in an attempt to legitimize the Trump administration's industry focused decisions.

Southeastern New Mexico is home to a portion of the fastest expanding oil basin in the United States and is losing more money[55] than any other state due to outdated public lands royalty rates.