



New Mexico Oil and Gas Association
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NMOGA

Good Neighbor Initiatives

Ensuring Tomorrow's Future Today





The oil and gas industry in New Mexico has been active since the 1920s when the first oil discovery was made in the San Juan Basin.

Today, in the northwestern, southeastern and northeastern parts of the state, pump jacks and drilling rigs are familiar sights.



While regulatory compliance with applicable laws and regulations is an important component of being a “good neighbor,” we believe that there are other “good neighbor initiatives” that are necessary.

On this brochure, we describe these initiatives. We welcome and encourage public feedback on our initiatives and on our performance as a “good neighbor.”

We believe that the landowner, lessee, permittee and/or resident in the producing areas of New Mexico may have legitimate questions about oil or gas production activity occurring nearby or on their land.

It is important that New Mexico’s oil and gas industry establish and maintain a dialogue with its neighbors to answer questions and respond to concerns in a timely manner.



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The member companies of the New Mexico Oil and Gas Association (NMOGA) are dedicated to responsible development of New Mexico's oil and gas resources. Responsible development includes good relationships with our neighbors and a commitment to environmental protection. NMOGA works to increase community awareness of the oil and gas industry and to promote a safer, more productive industry. NMOGA and member companies pledge to be a "Good neighbor" in the areas where we operate. This policy describes specific areas where we believe our actions as "good neighbors" are especially important.

The oil and gas industry is the state's leading revenue source for education. We provide more than 90% of all education capital dollars through payments made to the Permanent Fund. In addition to this substantial contribution to the citizens of New Mexico, the oil and gas industry is the largest single source of revenue for the state of New Mexico after the gross receipts tax.

Over the past five years, our industry's combined tax and royalty contributions to the state have made up between 19% and 25% of the General Fund revenues. These revenues are used to fund public schools and state colleges fund the construction of public roads, buildings, and state parks, and help fund New Mexico government. In all, the industry provides as much as \$1.4 billion annually to the state of New Mexico.

Thousands of New Mexicans support their families through jobs related to the oil and gas industry. In short, there is no other industry that provides the quantity and quality of jobs, tax revenues, economic development and community support to the citizens of New Mexico than the oil and gas industry.

As our industry exercises its right to explore and develop oil and gas within the state, producers understand that good communication with our neighbors is essential.

NMOGA and its member companies are committed to the:

- Protection of public safety;
- Protection of the environment;
- Respect for the property rights of others.

We pledge to use best management practices and put them to work as part of our responsibility to act as a “good neighbor.”

As we pursue responsible development of energy resources to meet the nation’s energy needs, we are committed to better communication and understanding between NMOGA members and the land owner, lessee, permittee and/or residents impacted by our operations.

With respect to the regulatory environment in which we work, the oil and gas industry is the most regulated industry in New Mexico. From exploration to production, processing, refining and transportation, our operations are permitted and our commitment to compliance with applicable laws and regulations is enforced by a web of federal, state and local regulators. We continually seek to work in a collaborative manner with government officials to assure responsible development of the natural resources.

It should be added that emergency situations occur that require immediate response. The response is necessary to protect the location and the environment. During emergency operations, several of these items listed below may not be able to be achieved. This will only occur during emergencies.

GOOD NEIGHBOR INITIATIVES

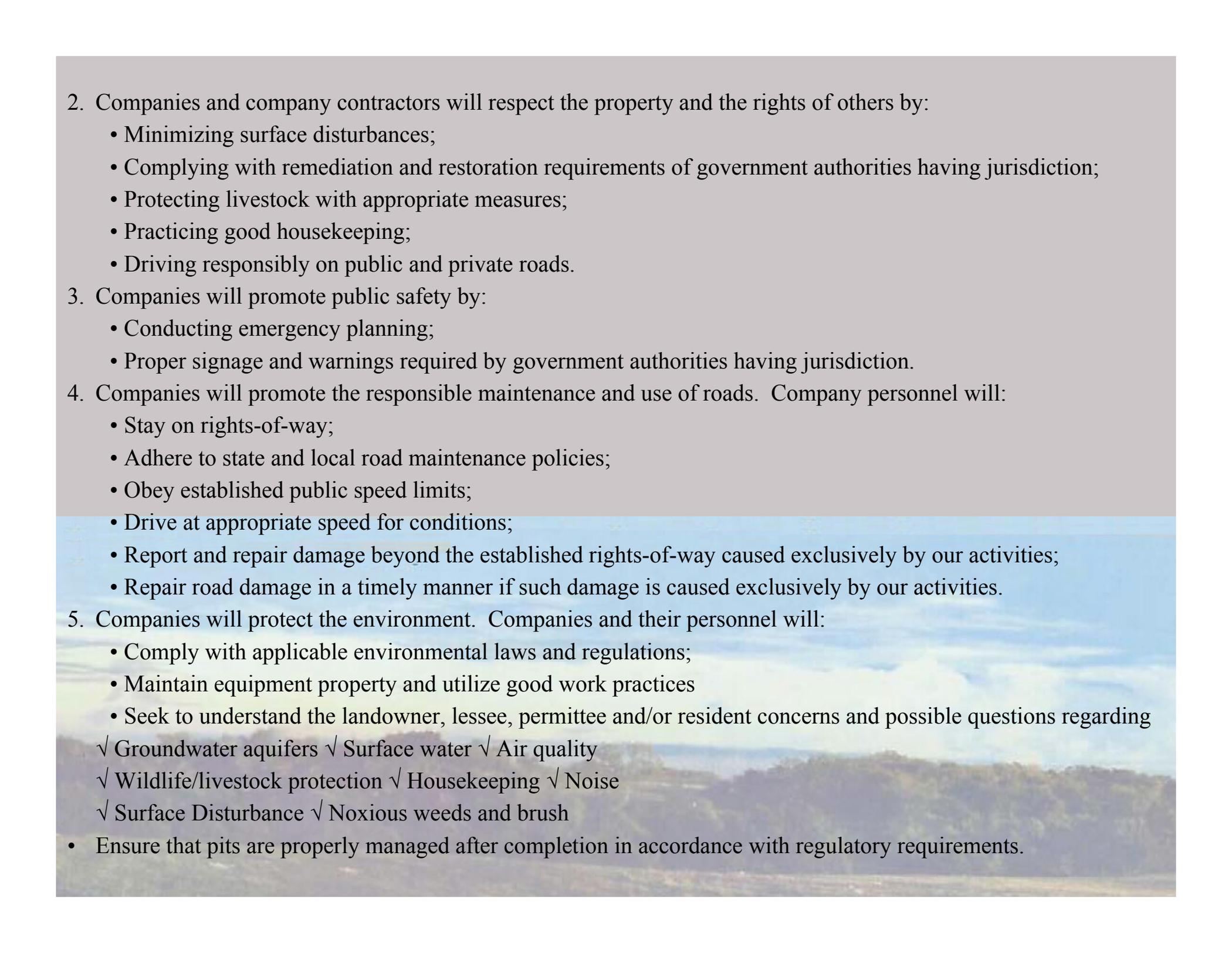
Companies will listen to the landowner, lessee permittee, and/or resident concerns and respond appropriately.

Personnel (company employees and contractors) must:

- Respect rights of way;
- Protect livestock/wildlife;
- Drive safely;
- Report damages to public/private property to the appropriate parties;
- Assure mechanical integrity of production systems;
- Ensure that personnel know and understand the rules and regulations applicable to our operations.

1. Companies will strive to increase communication with the landowner, lessee, permittee and/or residents by:

- Informing the landowner, lessee, permittee and/or resident of industry property use rights (including mineral rights) and surface use rights through NMOGA seminars or publications of other industry groups' seminars/communications;
- Designating a company contact person who is responsible for responding to community questions;
- Seeking to identify and understand the concerns of the landowner, lessee, permittee and/or resident affected by our operations;
- Attempting to notify and reasonably accommodate the nearby landowner lessee, permittee and/or resident when commencing significant activity that will impact land or the immediate area. Areas of importance should include equipment and pit set up and placement.

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2. Companies and company contractors will respect the property and the rights of others by:
 - Minimizing surface disturbances;
 - Complying with remediation and restoration requirements of government authorities having jurisdiction;
 - Protecting livestock with appropriate measures;
 - Practicing good housekeeping;
 - Driving responsibly on public and private roads.
 3. Companies will promote public safety by:
 - Conducting emergency planning;
 - Proper signage and warnings required by government authorities having jurisdiction.
 4. Companies will promote the responsible maintenance and use of roads. Company personnel will:
 - Stay on rights-of-way;
 - Adhere to state and local road maintenance policies;
 - Obey established public speed limits;
 - Drive at appropriate speed for conditions;
 - Report and repair damage beyond the established rights-of-way caused exclusively by our activities;
 - Repair road damage in a timely manner if such damage is caused exclusively by our activities.
 5. Companies will protect the environment. Companies and their personnel will:
 - Comply with applicable environmental laws and regulations;
 - Maintain equipment property and utilize good work practices
 - Seek to understand the landowner, lessee, permittee and/or resident concerns and possible questions regarding
 - √ Groundwater aquifers
 - √ Surface water
 - √ Air quality
 - √ Wildlife/livestock protection
 - √ Housekeeping
 - √ Noise
 - √ Surface Disturbance
 - √ Noxious weeds and brush
 - Ensure that pits are properly managed after completion in accordance with regulatory requirements.

6. Companies will emphasize education by:

- Educating our personnel about being a good neighbor:
- Educating the public about oil and gas operations including access, safety and environmental issues and the importance and positive impact of energy development at the state and federal levels.

CITY LIMITS OR HEAVILY POPULATED AREAS

7. Companies will communicate with appropriate government officials, including city and county officials. The oil and gas industry will be proactive in building relationships with city, county, state and federal officials. We will provide information to help officials understand that we are committed to:

- Full compliance with all applicable laws and regulations of government authorities having jurisdiction;
- Protection of the public and the environment by cooperating and working with governmental inspection and enforcement personnel;
- An ongoing process of education for personnel and for the public;
- Good housekeeping at our operations;
- The provision of adequate security at our locations;
- Applicable regulatory setback distances from our facilities and where no regulations exist, we are committed to the application of responsible engineering standards;
- Application of responsible engineering standards;
- The safe management of our operations;
- The posting of adequate safety signage at our locations.

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