

To: Mr. Scott Kidwell
One Concho Center
600 W. Illinois Avenue
Midland, Texas 79701

From: New Mexico Independent Oil and Gas Producers

Date: August 10, 2020

Dear Mr. Kidwell:

We are writing to you today in your capacity as Chairman of the New Mexico Oil & Gas Association (NMOGA). The signatories to this letter are concerned oil and gas producers who live and own businesses in New Mexico, most for several generations. Many of us are current members of NMOGA, while others have, over the last several years, opted not to renew our memberships due to previous hyperpolitical and damaging actions of NMOGA's Executive Director, Ryan Flynn. Given Mr. Flynn's recent statement of support for a political candidate, we call for Mr. Flynn's immediate resignation or removal from his position.

We believe this action is warranted given the following statement regarding Congresswoman Xochitl Torres Small that Mr. Flynn offered to the Associated Press in response to a story they published on Tuesday, August 4, 2020 about former Congressman Harry Teague's endorsement of Yvette Herrell, the Republican challenger:

The New Mexico Oil & Gas Association, which represents petroleum producers, said the Las Cruces Democrat's record show she understands the role that the oil and gas industry plays in the state.

"Throughout her first term in Congress, she has been a strong advocate for our state's energy interests and responsible production and has stood up to those in her party who want to completely ban fracking," said Ryan Flynn, the association's executive director.

This statement has been widely interpreted by the public and political analysts in the state as an attempt by NMOGA to sabotage the candidacy and fundraising efforts of Ms. Herrell. One political blog reported on Mr. Flynn's statement as "the NM Oil and Gas Association putting a knife in Herrell's back by coming to the rescue of Torres Small following the Teague endorsement."

Furthermore, Mr. Flynn's statement to the press is false and he knows it. Representative Torres Small has in fact voted in support of legislation that would lead to a fracking ban and it is outrageous that NMOGA would volunteer such a statement in support of a candidate who does not support our industry.

And while it's bad enough that Mr. Flynn's statement is unequivocally false, what really tarnishes the credibility of NMOGA is that by intentionally wading into this hotly contested congressional race – recently ranked as the most competitive congressional race in the country by the Washington Post – Mr. Flynn exposes the Association to severe reputational and legal risk.

Furthermore, while Mr. Flynn's public defense of Ms. Torres-Small may have been the catalyst for this letter, this incident is not at all the first time he has utilized NMOGA to support political candidates who are adversaries of the oil and gas industry. For example, in December 2019, NMOGA made a direct contribution of \$25,000 to the political action committee of Mr. Brian Egolf, the Democrat Speaker of the NM House of Representatives, and an outspoken opponent to the industry. This money then gets funneled into the campaigns of other far-left candidates who are unfriendly to oil and gas. Under Flynn's time at NMOGA, other opponents of oil and gas have received direct contributions as well.

On June 21st, NMOGA's Director of Government Relations Aimee Barabe submitted an email to NMOGA membership lamenting the primary election losses of various key moderate State legislature Democrats who have been critical supporters of the industry in Santa Fe, including Senator John Arthur Smith. However, in that same email, Ms. Barabe failed to inform members that under Mr. Flynn's leadership the organization has repeatedly provided support to the very wings of the Democratic party that promoted the defeat of those valuable industry allies. Mr. Flynn's false statement about Ms. Torres-Small's record may have been a clear public action against our industry, but his less visible support of political movements that erode industry support in Santa Fe may be more destructive.

If Mr. Flynn is allowed to continue as executive director – and thus continue to use the Association as a political weapon – he will cause the entire board and Association to lose the confidence and trust of various stakeholders, including much of the public, many elected officials of both parties and most of the remaining membership of NMOGA as well. In turn, this will create schisms and negative long-term political ramifications that could potentially damage our industry and our state for decades.

We live, work, and raise our families in this great state, and hope to be able to continue to do so for many generations to come. When Mr. Flynn and NMOGA start playing politics and supporting those who are not only detrimental to our state but our livelihoods and the future of our children, we cannot and will not remain silent. Therefore, we hope that you will take the only acceptable action to hold Mr. Flynn accountable and that is to remove him from his position with NMOGA.

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Sincerely,

Peyton Yates

Strata Production Company

Mark B. Murphy, President

Worrall Investment Corporation

John Worrall, President

Scott Investment Corporation

Warren Scott, President

Harvard Petroleum Corporation

H. Lee Harvard, CEO

Jeff Harvard, President & Manager

Integrated Petroleum, LLC

Matt Murphy, President

Hunt Cimarron, LP

Richard C. Gilliland, President

Jalapeño Corporation

Harvey E. Yates, Jr., President

Santo Petroleum

Hanson Yates, President

Ray Westall Operating Company

Ray Westall, President

Scott Exploration, Inc.

Sharon Scott, President

Elida Gas Group, LLC

Elaine Allen, Managing Member

Rory McMinn, Member

Rolla R. Hinkle, III