

HOUSE ENERGY, ENVIRONMENT AND NATURAL RESOURCES
COMMITTEE SUBSTITUTE FOR
HOUSE BILL 222

57TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2025

AN ACT

RELATING TO THE ENVIRONMENT; REQUIRING DISCLOSURES OF CHEMICALS
USED IN HYDRAULIC FRACTURING OPERATIONS AND DOWNHOLE
OPERATIONS; PROHIBITING THE USE OF HYDRAULIC FRACTURING FLUIDS,
DRILLING FLUIDS AND PROPPANTS THAT CONTAIN PER- OR
POLYFLUOROALKYL SUBSTANCES; PROHIBITING THE USE OF CHEMICALS IN
DOWNHOLE OPERATIONS THAT HAVE NOT BEEN DISCLOSED; PRESCRIBING
PENALTIES.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

SECTION 1. Section 70-2-33 NMSA 1978 (being Laws 1935,
Chapter 72, Section 24, as amended) is amended to read:

"70-2-33. DEFINITIONS.--As used in the Oil and Gas Act:

A. "person" means:

(1) any individual, estate, trust, receiver,
cooperative association, club, corporation, company, firm,

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underscored material = new
[bracketed material] = delete

1 partnership, joint venture, syndicate or other entity; or

2 (2) the United States or any agency or
3 instrumentality thereof or the state or any political
4 subdivision thereof;

5 B. "pool" means an underground reservoir containing
6 a common accumulation of crude petroleum oil or natural gas or
7 both. Each zone of a general structure, which zone is
8 completely separate from any other zone in the structure, is
9 covered by the word "pool" as used in the Oil and Gas Act.

10 "Pool" is synonymous with "common source of supply" and with
11 "common reservoir";

12 C. "field" means the general area that is underlaid
13 or appears to be underlaid by at least one pool and also
14 includes the underground reservoir or reservoirs containing the
15 crude petroleum oil or natural gas or both. The words "field"
16 and "pool" mean the same thing when only one underground
17 reservoir is involved; however, "field", unlike "pool", may
18 relate to two or more pools;

19 D. "product" means any commodity or thing made or
20 manufactured from crude petroleum oil or natural gas and all
21 derivatives of crude petroleum oil or natural gas, including
22 refined crude oil, crude tops, topped crude, processed crude
23 petroleum, residue from crude petroleum, cracking stock,
24 uncracked fuel oil, treated crude oil, fuel oil, residuum, gas
25 oil, naphtha, distillate, gasoline, kerosene, benzine, wash

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1 oil, waste oil, lubricating oil and blends or mixtures of crude
2 petroleum oil or natural gas or any derivative thereof;

3 E. "owner" means the person who has the right to
4 drill into and to produce from any pool and to appropriate the
5 production either for the person or for the person and another;

6 F. "producer" means the owner of a well capable of
7 producing oil or natural gas or both in paying quantities;

8 G. "gas transportation facility" means a pipeline
9 in operation serving gas wells for the transportation of
10 natural gas or some other device or equipment in like operation
11 whereby natural gas produced from gas wells connected therewith
12 can be transported or used for consumption;

13 H. "correlative rights" means the opportunity
14 afforded, so far as it is practicable to do so, to the owner of
15 each property in a pool to produce without waste the owner's
16 just and equitable share of the oil or gas or both in the pool,
17 being an amount, so far as can be practicably determined and so
18 far as can be practicably obtained without waste, substantially
19 in the proportion that the quantity of recoverable oil or gas
20 or both under the property bears to the total recoverable oil
21 or gas or both in the pool and, for such purpose, to use the
22 owner's just and equitable share of the reservoir energy;

23 I. "potash" means the naturally occurring bedded
24 deposits of the salts of the element potassium;

25 J. "casinghead gas" means any gas or vapor or both

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1 indigenous to an oil stratum and produced from such stratum
2 with oil, including any residue gas remaining after the
3 processing of casinghead gas to remove its liquid components;

4 K. "produced water" means a fluid that is an
5 incidental byproduct from drilling for or the production of oil
6 and gas;

7 L. "commission" means the oil conservation
8 commission; [~~and~~]

9 M. "division" means the oil conservation division
10 of the energy, minerals and natural resources department;

11 N. "base fluid" means the continuous phase fluid
12 type, such as water, used in a hydraulic fracturing treatment;

13 O. "direct vendor" means a distributor, supplier or
14 other entity that sells or supplies a chemical product directly
15 to an operator;

16 P. "hydraulic fracturing fluid" means the fluid,
17 including any base fluid and additives, used to perform a
18 hydraulic fracturing treatment;

19 Q. "operator" means a person who, duly authorized,
20 manages a lease's development or a producing property's
21 operation or who manages a facility's operation;

22 R. "per- or polyfluoroalkyl substance" means a
23 substance in a class of fluorinated organic chemicals
24 containing at least one fully fluorinated carbon atom;

25 S. "proppant" means a material added to a hydraulic

1 fracturing treatment to prevent the fractures created by the
2 treatment from closing; and

3 T. "service company" means an entity that provides
4 products or services to an operator."

5 SECTION 2. A new section of the Oil and Gas Act is
6 enacted to read:

7 "[NEW MATERIAL] PROHIBITION ON THE USE OF PER- AND
8 POLYFLUOROALKYL SUBSTANCES IN DOWNHOLE OIL AND GAS OPERATIONS--
9 RULES--CIVIL PENALTY.--

10 A. An operator shall not use a hydraulic fracturing
11 fluid, drilling fluid, proppant or other additive that contains
12 an intentionally added per- or polyfluoroalkyl substance in
13 downhole operations.

14 B. The commission may adopt rules to carry out the
15 provisions of this section.

16 C. The provisions of this section do not apply to a
17 product for which federal law governs the presence of a per- or
18 polyfluoroalkyl substance in the product in a manner that
19 preempts state authority."

20 SECTION 3. A new section of the Oil and Gas Act is
21 enacted to read:

22 "[NEW MATERIAL] HYDRAULIC FRACTURING DISCLOSURES--
23 NON-HYDRAULIC FRACTURING DISCLOSURES--PROHIBITION ON THE USE OF
24 UNDISCLOSED CHEMICALS IN DOWNHOLE OPERATIONS--RULES.--

25 A. An operator shall not commence any downhole

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1 operations until the operator has completed and filed a
2 downhole chemical disclosure.

3 B. An operator that has been issued a permit to
4 drill by the division as of July 1, 2025 shall make the
5 disclosures required by this section in a form or manner
6 prescribed by the division.

7 C. The downhole chemical disclosure required by
8 this section shall include:

9 (1) a description of the well and its
10 location;

11 (2) the total volume of water used or expected
12 to be used in the operator's hydraulic fracturing treatment of
13 the well or the type and total volume of base fluids expected
14 to be used in the treatment, if something other than water;

15 (3) each additive used or expected to be used
16 in the operator's drilling, hydraulic fracturing or other
17 downhole operation of the well, including the trade name, the
18 supplier and a brief description of the intended use of
19 function of each additive;

20 (4) each chemical ingredient used or expected
21 to be used in the operator's hydraulic fracturing, drilling or
22 other downhole treatment of the well;

23 (5) the actual or maximum concentration of
24 each chemical listed in Paragraph (4) of this subsection in
25 percent by mass;

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1 (6) the chemical abstracts service number of
2 each chemical listed in Paragraph (4) of this subsection, if
3 applicable; and

4 (7) a certification filed with the division
5 that the operator has not used chemicals in downhole operations
6 that have not been disclosed pursuant to this section or rules
7 adopted pursuant to this section within forty-five days after
8 completion of the downhole operation.

9 D. A manufacturer, direct vendor or service company
10 shall share information with the operator necessary to comply
11 with this section at the request of the operator.

12 E. If there is a change to the information in the
13 downhole chemical disclosure required by this section, an
14 operator shall submit any changes to the information to the
15 division within thirty days of knowledge of a change.

16 F. If the national hydraulic fracturing chemical
17 registry website developed by the ground water protection
18 council and the interstate oil and gas compact commission is
19 inoperable or does not exist, an operator may comply with the
20 provisions of this section by submitting the disclosures
21 required by this section to a publicly accessible website or to
22 the division, as specified by the division.

23 G. The division shall adopt rules to require
24 operators to make chemical disclosures for non-hydraulic
25 fracturing downhole operations to the division. The non-

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1 hydraulic fracturing disclosures shall be made accessible to
2 the public.

3 H. The division may make rules necessary to carry
4 out the provisions of this section."

5 SECTION 4. EFFECTIVE DATE.--The effective date of the
6 provisions of this act is July 1, 2025.