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HOUSE BILL 481

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

INTRODUCED BY

Matthew McQueen

AN ACT

RELATING TO NATURAL RESOURCES; PROVIDING THAT OWNERS, OPERATORS OR LESSEES WITH A CURRENT OR PRIOR INTEREST OR CONTROL OF AN OIL OR GAS WELL, FACILITY, PIT OR INSTALLATION OF IMMOBILE SURFACE EQUIPMENT SHALL BE RESPONSIBLE FOR REIMBURSING THE OIL CONSERVATION DIVISION OF THE ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT FOR PLUGGING AND ABANDONMENT COSTS AND OTHER ASSOCIATED COSTS.

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

SECTION 1. A new section of the Oil and Gas Act is enacted to read:

"[NEW MATERIAL] PLUGGING AND ABANDONMENT OF WELLS-- RESPONSIBILITY.--

A. An owner, operator or lessee with a current interest or control and an owner, operator or lessee with a

underscoring material = new
~~[bracketed material] = delete~~

1 prior interest or control that occurs contemporaneously with
2 oil or gas exploration, development or production of a well,
3 facility, pit or installation of immobile surface equipment
4 shall be responsible for reimbursing the division for all
5 associated costs incurred by the division for the:

6 (1) plugging and abandonment of oil and gas
7 production or salt water disposal wells;

8 (2) deconstruction, removal and disposal of
9 associated production, operation, surface and facility
10 equipment, including flow lines;

11 (3) remediation of any environmental
12 contamination reasonably associated with the oil and gas
13 exploration, development or production; and

14 (4) restoration and revegetation of impacted
15 areas.

16 B. Owners, operators and lessees with an interest
17 or control in an oil or gas well, facility, pit or installation
18 may contractually allocate responsibility between otherwise
19 responsible parties pursuant to a contract, lease or instrument
20 of transfer; provided that any such agreement shall not bind
21 the division or require the division to seek recovery from any
22 particular responsible party or from a responsible party in any
23 particular order."

24 SECTION 2. APPLICABILITY.--The provisions of this act
25 apply to owners, operators and lessees with an interest or

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underscored material = new
~~[bracketed material] = delete~~

1 control in an oil or gas well, facility, pit or installation
2 beginning on or after July 1, 2025.

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