

AN ACT

RELATING TO GEOTHERMAL RESOURCES; ENACTING A NEW SECTION OF THE GEOTHERMAL RESOURCES CONSERVATION ACT TO PROVIDE THAT CERTAIN USES OF POTABLE WATER ARE NOT USES OF GEOTHERMAL RESOURCES.

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

Section 1. Section 71-5-1 NMSA 1978 (being Laws 1975, Chapter 272, Section 1) is amended to read:

"71-5-1. SHORT TITLE.--Chapter 71, Article 5 NMSA 1978 may be cited as the "Geothermal Resources Conservation Act"."

Section 2. A new section of the Geothermal Resources Conservation Act is enacted to read:

"EXCLUSION--INCIDENTAL LOSS OR EXTRACTION OF HEAT.--When the application of potable water to a beneficial use involves the incidental loss or extraction of heat, and the water is 250 degrees Fahrenheit or less, then that heat is not a geothermal resource for which a royalty is due. In such a case, the use is not governed by laws related to geothermal resources but is simply governed by Chapter 72 NMSA 1978."