

LFC Requestor: Self Assigned

**2025 LEGISLATIVE SESSION
AGENCY BILL ANALYSIS**

Section I: General

Chamber: House **Category:** Bill
Number: 34 **Type:** Introduced

Date (of THIS analysis): 1/22/2025
Sponsor(s): Debra M. Sariñana and Tara L. Lujan
Short Title: Oil Conservation Protect Health & Environment

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Section II: Fiscal Impact

APPROPRIATION (dollars in thousands)

Appropriation Contained		Recurring or Nonrecurring	Fund Affected
FY 25	FY 26		
\$0	\$0	NA	NA

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY 25	FY 26	FY 27		
\$0	\$0	NA	NA	\$0

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY 25	FY 26	FY 27	3 Year Total Cost	Recurring or Non-recurring	Fund Affected
Total	\$0	\$0	\$0	\$0	NA	NA

Section III: Relationship to other legislation

Duplicates: None

Conflicts with: None

Companion to: None

Relates to: HB33, HB35

Duplicates/Relates to an Appropriation in the General Appropriation Act: None

Section IV: Narrative

1. BILL SUMMARY

a) Synopsis

House Bill 34 (HB34) would amend Section 70-2-11 NMSA 1978 (being Laws 1935, Chapter 72, Section 9) to require the Oil Conservation Commission and the Oil Conservation Division of the Energy, Minerals and Natural Resources Department to protect public health and the environment (in addition to preventing waste and protecting correlative rights, as already specified by law).

Is this an amendment or substitution? Yes No

Is there an emergency clause? Yes No

b) Significant Issues

Living or working near oil and gas production sites has been increasingly linked to a range of negative health outcomes. Research has identified water and air pollution as primary exposure pathways, with emissions of volatile organic compounds, particulate matter, and other hazardous substances contributing to respiratory issues, cardiovascular diseases, and adverse birth outcomes (<https://doi.org/10.1515/reveh-2014-0002>; <https://doi.org/10.1088/2752-5309/acc886>; <https://doi.org/10.1001/jamapediatrics.2022.0306>; <https://doi.org/10.1016/j.envres.2023.115937>; <https://doi.org/10.1016/j.scitotenv.2018.11.483>; <https://doi.org/10.1016/j.jacc.2020.10.023>).

According to the Environmental Protection Agency

(<https://www.epa.gov/hw/management-oil-and-gas-exploration-and-production-waste>), oil and gas exploration and production well installation operations typically include three stages:

1. Well drilling and completion stage (wastes produced: drilling fluids/drilling muds, cuttings, produced water).
2. Well stimulation stage (hydraulic fracking; wastes produced: fracturing fluid returns, produced water).

3. Well production stage (wastes produced: produced water).

EPA's website further states that "EPA strongly believes that the management of exploration and production wastes should occur in a manner that prevents releases of hazardous constituents to the environment, particularly releases that may impact groundwater and surface water resources."

Further, orphaned wells are environmental hazards and jeopardize public health and safety by contaminating groundwater, emitting noxious gases, littering the landscape with rusted and dangerous equipment, creating flooding and sinkhole risks, and harming wildlife (<https://www.doi.gov/orphanedwells>).

This bill would primarily impact the Oil Conservation Division of the Energy, Minerals and Natural Resources Department. Department of Health and Environment Department work on related matters.

2. PERFORMANCE IMPLICATIONS

- Does this bill impact the current delivery of NMDOH services or operations?
 Yes No
- Is this proposal related to the NMDOH Strategic Plan? Yes No
 - Goal 1:** We expand equitable access to services for all New Mexicans
 - Goal 2:** We ensure safety in New Mexico healthcare environments
 - Goal 3:** We improve health status for all New Mexicans
 - Goal 4:** We support each other by promoting an environment of mutual respect, trust, open communication, and needed resources for staff to serve New Mexicans and to grow and reach their professional goals

3. FISCAL IMPLICATIONS

- If there is an appropriation, is it included in the Executive Budget Request?
 Yes No N/A
- If there is an appropriation, is it included in the LFC Budget Request?
 Yes No N/A
- Does this bill have a fiscal impact on NMDOH? Yes No

4. ADMINISTRATIVE IMPLICATIONS

Will this bill have an administrative impact on NMDOH? Yes No

5. DUPLICATION, CONFLICT, COMPANIONSHIP OR RELATIONSHIP

HB34 is related to HB33 and HB35 which address environmental public health in relation to oil and gas production.

6. TECHNICAL ISSUES

Are there technical issues with the bill? Yes No

7. LEGAL/REGULATORY ISSUES (OTHER SUBSTANTIVE ISSUES)

- Will administrative rules need to be updated or new rules written? Yes No
- Have there been changes in federal/state/local laws and regulations that make this legislation necessary (or unnecessary)? Yes No
- Does this bill conflict with federal grant requirements or associated regulations?

Yes No

- Are there any legal problems or conflicts with existing laws, regulations, policies, or programs? Yes No

8. DISPARITIES ISSUES

The oil and gas industry in New Mexico is concentrated in two main areas: the Permian Basin (Chaves, Eddy, Lea, and Roosevelt counties) and the San Juan Basin (San Juan, Rio Arriba, Sandoval, and McKinley counties). Two counties in the San Juan Basin encompass much of the Navajo reservation in NM and are majority American Indian Alaska Native (AIAN) population: San Juan and McKinley are 44% and 81% AIAN, respectively, with poverty levels of 20% and 34%. Three of the four New Mexico counties in the Permian Basin are majority Hispanic (Chaves, Eddy, and Lea counties) with poverty ranging from 17 to 20%. This bill would ensure public health, particularly the health of people who live in the identified counties, is protected.

9. HEALTH IMPACT(S)

The most vulnerable populations, such as those with lower SES, rural communities, children, and those with chronic conditions such as asthma would benefit the most from this bill. As it stands, the southeast region of the state has the highest rate of childhood asthma-related ED visits at 53.8 per 10,000 followed by the northwest region (41.1 per 10,000). The regions with the highest childhood asthma-related ED visits are also the highest oil and gas producing regions. Five oil and gas producing counties have rates ranging between 19-62% above the overall state rate:

- Chaves (58.4 per 10,000; 62% above overall state rate)
- San Juan (53.6 per 10,000; 48% above overall state rate)
- Roosevelt (51.2 per 10,000; 42% above overall state rate)
- Lea (44.6 per 10,000; 24% above overall state rate)
- Rio Arriba (43.0 per 10,000; 19% above overall state rate)

10. ALTERNATIVES

None

11. WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL?

If HB34 is not enacted, then public health and the environment will not be explicitly protected.

12. AMENDMENTS

None