

LFC Requester:

Austin Davidson

AGENCY BILL ANALYSIS - 2025 REGULAR SESSION

SECTION I: GENERAL INFORMATION

{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}

Date Prepared: Feb. 5, 2025

Check all that apply:

Bill Number: HB257

Original Correction
Amendment Substitute

Sponsor: Rep. Matthew McQueen, Rep. Kristina Ortez

Agency Name and Code Number: 305 – New Mexico Department of Justice

Person Writing

Short Title: Oil & Gas Well Transfer Rulemaking

Analysis: J. Spenser Lotz

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SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY25	FY26		

(Parenthesis () indicate expenditure decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY25	FY26	FY27		

(Parenthesis () indicate revenue decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total						

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:
 Duplicates/Relates to Appropriation in the General Appropriation Act

SECTION III: NARRATIVE

This analysis is neither a formal Opinion nor an Advisory Letter issued by the New Mexico Department of Justice. This is a staff analysis in response to a committee or legislator's request. The analysis does not represent any official policy or legal position of the NM Department of Justice.

BILL SUMMARY

Synopsis: This bill would allow the Oil Conservation Division (OCD) to regulate the transfer of oil and gas wells. Specifically, OCD would be empowered to limit transfers in situations where the transferor and transferee are financially entangled via ownership interests and the transferor or transferee is subject to a current violation, enforcement action, or otherwise out of compliance. The bill would also allow OCD to limit transfers to mitigate risks from potential abandoned or orphaned oil and gas wells.

To achieve this, HB257 would add a new section to NMSA 1978, § 70-2-12, adding subsection (A)23. This section empowers OCD to regulate transfers of oil and gas wells, with the specific limitations discussed above.

FISCAL IMPLICATIONS

N/A.

SIGNIFICANT ISSUES

None noted.

PERFORMANCE IMPLICATIONS

N/A.

ADMINISTRATIVE IMPLICATIONS

N/A

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

N/A.

TECHNICAL ISSUES

N/A

N/A.

OTHER SUBSTANTIVE ISSUES

N/A.

ALTERNATIVES

N/A.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Status quo.

AMENDMENTS

N/A.