

1 AN ACT
2 RELATING TO NATURAL RESOURCES; PROVIDING THAT THE ENERGY,
3 MINERALS AND NATURAL RESOURCES DEPARTMENT MAY AUTHORIZE THE
4 CONVERSION OF AN OIL OR GAS WELL INTO A FACILITY THAT
5 PROVIDES ENERGY STORAGE OR DEVELOPS GEOTHERMAL ENERGY.
6

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

8 SECTION 1. A new section of Chapter 71 NMSA 1978 is
9 enacted to read:

10 "SHORT TITLE.--This act may be cited as the "Well
11 Repurposing Act".

12 SECTION 2. A new section of Chapter 71 NMSA 1978 is
13 enacted to read:

14 "DEFINITIONS.--As used in the Well Repurposing Act:

15 A. "energy storage" means the ability to capture
16 energy sources at one time for use at a later time;

17 B. "geothermal energy development" means the
18 development of geothermal resources; and

19 C. "geothermal resources" means the natural heat
20 of the earth in excess of two hundred fifty degrees
21 Fahrenheit, or the energy, in whatever form, below the
22 surface of the earth present in, resulting from, created by
23 or that may be extracted from this natural heat in excess of
24 two hundred fifty degrees Fahrenheit, and all minerals in
25 solution or other products obtained from naturally heated

1 fluids, brines, associated gases and steam, in whatever form,
2 found below the surface of the earth, but excluding oil,
3 hydrocarbon gas and other hydrocarbon substances and
4 excluding the heating and cooling capacity of the earth not
5 resulting from the natural heat of the earth in excess of two
6 hundred fifty degrees Fahrenheit, as may be used for the
7 heating and cooling of buildings through an on-site
8 geo-exchange heat pump or similar on-site system."

9 SECTION 3. A new section of Chapter 71 NMSA 1978 is
10 enacted to read:

11 "AUTHORIZATION OF OIL OR GAS WELL CONVERSION--ENERGY
12 STORAGE--GEOTHERMAL ENERGY DEVELOPMENT.--The energy, minerals
13 and natural resources department may authorize the conversion
14 of an oil or gas well into a facility that provides or
15 supports energy storage or geothermal energy development.
16 When authorizing such a conversion, the department may
17 establish fees and financial assurance requirements specific
18 to the energy storage or geothermal development uses."

19 SECTION 4. A new section of Chapter 71 NMSA 1978 is
20 enacted to read:

21 "WELL REPURPOSED FOR ENERGY STORAGE--BENEFICIAL USE.--

22 A. An oil or gas well that is authorized by the
23 energy, minerals and natural resources department pursuant to
24 the Well Repurposing Act to be used for energy storage and
25 that is actively operated for energy storage shall not be

1 considered an inactive or abandoned well and shall be
2 considered a well that is being used for beneficial purposes.

3 B. If an oil or gas well authorized for energy
4 storage ceases storage operations for twelve months or
5 longer, the well shall be plugged and abandoned pursuant to
6 state law and rules issued by the oil conservation division
7 of the energy, minerals and natural resources department."

8 SECTION 5. EFFECTIVE DATE.--The effective date of the
9 provisions of this act is July 1, 2025. _____

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