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HOUSE BILL 35
57TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2025
INTRODUCED BY
Debra M. Sariñana and Joanne J. Ferrary

AN ACT

RELATING TO THE ENVIRONMENT; RESTRICTING OIL AND GAS OPERATIONS
IN CHILDREN'S HEALTH PROTECTION ZONES; REQUIRING OIL AND GAS
OPERATORS TO CREATE A PROTECTION ZONE INVENTORY AND MAP;
REQUIRING OIL AND GAS OPERATORS LOCATED IN A CHILDREN'S HEALTH
PROTECTION ZONE TO DEVELOP AND IMPLEMENT A LEAK RESPONSE AND
DETECTION PLAN AND ALARM RESPONSE PROTOCOL AND CONDUCT WATER
QUALITY SAMPLING AND TESTING; SUSPENDING OIL AND GAS OPERATIONS
IN CHILDREN'S HEALTH PROTECTION ZONES THAT ARE IN VIOLATION OF
THE AIR QUALITY CONTROL ACT; PROVIDING PENALTIES.

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

SECTION 1. Section 70-2-33 NMSA 1978 (being Laws 1935,
Chapter 72, Section 24, as amended) is amended to read:

"70-2-33. DEFINITIONS.--As used in the Oil and Gas Act:

A. "person" means:

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1 (1) ~~[any]~~ an individual, estate, trust,
2 receiver, cooperative association, club, corporation, company,
3 firm, partnership, joint venture, syndicate or other entity; or

4 (2) the United States or ~~[any]~~ an agency or
5 instrumentality ~~[thereof]~~ of the United States or the state or
6 ~~[any]~~ a political subdivision ~~[thereof]~~ of the state;

7 B. "pool" or "common source of supply" means an
8 underground reservoir containing a common accumulation of crude
9 petroleum oil or natural gas or both, ~~[Each]~~ including each
10 zone of a general structure ~~[which zone]~~ that is completely
11 separate from any other zone in the structure ~~[is covered by~~
12 ~~the word "pool" as used in the Oil and Gas Act. "Pool" is~~
13 ~~synonymous with "common source of supply" and with "common~~
14 ~~reservoir"]~~;

15 C. "field" means the general area that is underlaid
16 or appears to be underlaid by at least one pool and ~~[also]~~
17 includes the underground reservoir or reservoirs containing the
18 crude petroleum oil or natural gas or both. The words "field"
19 and "pool" mean the same thing when only one underground
20 reservoir is involved; however, "field", unlike "pool", may
21 relate to two or more pools;

22 D. "children's health protection zone" means an
23 area extending five thousand two hundred eighty feet from the
24 property line of a school;

25 E. "operator" means a person with the legal right

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1 to conduct oil and gas operations and includes the agents,
2 employees and contractors of that person;

3 F. "production facility" means facilities or
4 equipment attendant to oil and gas production or injection
5 operations and includes tanks, flowlines, headers, gathering
6 lines, wellheads, heater treaters, pumps, valves, compressors,
7 injection equipment, production safety systems, separators,
8 manifolds and pipelines, but does not include fire suppression
9 equipment;

10 G. "school" means an elementary, secondary, middle,
11 junior high or high school or any combination of those,
12 including a public school, state-chartered or locally chartered
13 charter school or private school that students attend in
14 person, including a daycare center, and a park, playground or
15 sports or recreation facility associated with a school;

16 ~~[D-]~~ H. "product" means [any] a commodity or thing
17 made or manufactured from crude petroleum oil or natural gas
18 and all derivatives of crude petroleum oil or natural gas,
19 including refined crude oil, crude tops, topped crude,
20 processed crude petroleum, residue from crude petroleum,
21 cracking stock, uncracked fuel oil, treated crude oil, fuel
22 oil, residuum, gas oil, naphtha, distillate, gasoline,
23 kerosene, benzine, wash oil, waste oil, lubricating oil and
24 blends or mixtures of crude petroleum oil or natural gas or
25 [any] a derivative thereof;

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1 ~~[E.]~~ I. "owner" means the person who has the right
2 to drill into and to produce from ~~[any]~~ a pool and to
3 appropriate the production either for the person or for the
4 person and another;

5 ~~[F.]~~ J. "producer" means the owner of a well
6 capable of producing oil or natural gas or both in paying
7 quantities;

8 ~~[G.]~~ K. "gas transportation facility" means a
9 pipeline, in operation, serving ~~[gas wells]~~ a gas well for the
10 transportation of natural gas, ~~[or some other]~~ including an
11 associated device or equipment ~~[in like operation whereby~~
12 ~~natural gas produced from gas wells connected therewith can be~~
13 ~~transported or used for consumption]~~ used for the
14 transportation or consumption of natural gas;

15 ~~[H.]~~ L. "correlative rights" means the opportunity
16 afforded, so far as it is practicable to do so, to the owner of
17 each property in a pool to produce without waste the owner's
18 just and equitable share of the oil or gas or both in the pool,
19 being an amount, so far as can be practicably determined and so
20 far as can be practicably obtained without waste, substantially
21 in the proportion that the quantity of recoverable oil or gas
22 or both under the property bears to the total recoverable oil
23 or gas or both in the pool and, for such purpose, to use the
24 owner's just and equitable share of the reservoir energy;

25 ~~[I.]~~ M. "potash" means the naturally occurring

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1 bedded deposits of the salts of the element potassium;

2 [J-] N. "casinghead gas" means [~~any~~] a gas or vapor
3 or both indigenous to [~~an oil stratum~~] and produced from [~~such~~]
4 an oil stratum with oil, including [~~any~~] a residue gas
5 remaining after the processing of casinghead gas to remove its
6 liquid components;

7 [K-] O. "produced water" means a fluid that is an
8 incidental byproduct from drilling for or in the production of
9 oil and gas;

10 [L-] P. "commission" means the oil conservation
11 commission; and

12 [M-] Q. "division" means the oil conservation
13 division of the energy, minerals and natural resources
14 department."

15 SECTION 2. Section 70-2-12 NMSA 1978 (being Laws 1978,
16 Chapter 71, Section 1, as amended) is amended to read:

17 "70-2-12. ENUMERATION OF POWERS.--

18 A. The [~~oil conservation~~] division [~~of the energy,~~
19 ~~minerals and natural resources department~~] may:

- 20 (1) collect data;
- 21 (2) make investigations and inspections;
- 22 (3) examine properties, leases, papers, books
23 and records;
- 24 (4) examine, check, test and gauge oil and gas
25 wells, tanks, plants, refineries and all means and modes of

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1 transportation and equipment;

2 (5) hold hearings;

3 (6) provide for the keeping of records and the
4 making of reports and for the checking of the accuracy of the
5 records and reports;

6 (7) limit and prorate production of crude
7 petroleum oil or natural gas or both as provided in the Oil and
8 Gas Act; and

9 (8) require either generally or in particular
10 areas certificates of clearance or tenders in connection with
11 the transportation of crude petroleum oil or natural gas or any
12 products of either or both oil and products or both natural gas
13 and products.

14 B. The [~~oil conservation~~] division may [~~make rules~~
15 ~~and orders for the purposes and with respect to the subject~~
16 ~~matter stated in this subsection~~] adopt rules to:

17 (1) [~~to~~] require dry or abandoned wells to be
18 plugged in a way so as to confine the crude petroleum oil,
19 natural gas or water in the strata in which it is found and to
20 prevent it from escaping into other strata; provided that,
21 pursuant to Section 70-2-14 NMSA 1978, the division [~~shall~~
22 ~~require~~] requires financial assurance conditioned for the
23 performance of the rules;

24 (2) [~~to~~] prevent crude petroleum oil, natural
25 gas or water from escaping from strata in which it is found

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1 into other strata;

2 (3) [~~to~~] require reports showing locations of
3 all oil or gas wells and for the filing of logs and drilling
4 records or reports;

5 (4) [~~to~~] prevent the drowning by water of
6 [~~any~~] a stratum or [~~part thereof~~] a part of a stratum capable
7 of producing oil or gas or both oil and gas in paying
8 quantities and to prevent the premature and irregular
9 encroachment of water or any other kind of water encroachment
10 that reduces or tends to reduce the total ultimate recovery of
11 crude petroleum oil or gas or both oil and gas from [~~any~~] a
12 pool;

13 (5) [~~to~~] prevent fires;

14 (6) [~~to~~] prevent "blow-ups" and "caving" in
15 the sense that the conditions indicated by such terms are
16 generally understood in the oil and gas business;

17 (7) [~~to~~] require wells to be drilled, operated
18 and produced in such manner as to prevent injury to neighboring
19 leases or properties;

20 (8) [~~to~~] identify the ownership of oil or gas
21 producing leases, properties, wells, tanks, refineries,
22 pipelines, plants, structures and all transportation equipment
23 and facilities;

24 (9) [~~to~~] require the operation of wells with
25 efficient gas-oil ratios and to fix such ratios;

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1 (10) ~~to~~ fix the spacing of wells;

2 (11) ~~to~~ determine whether a particular well
3 or pool is a gas or oil well or a gas or oil pool, as the case
4 may be, and from time to time to classify and reclassify wells
5 and pools accordingly;

6 (12) ~~to~~ determine the limits of ~~any~~ a pool
7 producing crude petroleum oil or natural gas or both and from
8 time to time redetermine the limits;

9 (13) ~~to~~ regulate the methods and devices
10 employed for storage in this state of oil or natural gas or any
11 product of either, including subsurface storage;

12 (14) ~~to~~ permit the injection of natural gas
13 or of any other substance into ~~any~~ a pool in this state for
14 the purpose of repressuring, cycling, pressure maintenance,
15 secondary or any other enhanced recovery operations;

16 (15) ~~to~~ regulate the disposition, handling,
17 transport, storage, recycling, treatment and disposal of
18 produced water during, or for reuse in, the exploration,
19 drilling, production, treatment or refinement of oil or gas,
20 including disposal by injection pursuant to authority delegated
21 under the federal Safe Drinking Water Act, in a manner that
22 protects public health, the environment and fresh water
23 resources;

24 (16) ~~to~~ determine the limits of ~~any~~ an
25 area containing commercial potash deposits and from time to

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1 time redetermine the limits;

2 (17) [~~to~~] regulate and, where necessary,
3 prohibit drilling or producing operations for oil or gas within
4 [~~any~~] an area containing commercial deposits of potash where
5 the operations would have the effect [~~unduly~~] to unduly reduce
6 the total quantity of the commercial deposits of potash that
7 may reasonably be recovered in commercial quantities or where
8 the operations would interfere unduly with the orderly
9 commercial development of the potash deposits;

10 (18) [~~to~~] spend the oil and gas reclamation
11 fund and do all acts necessary and proper to plug dry and
12 abandoned oil and gas wells and to restore and remediate
13 abandoned well sites and associated production facilities in
14 accordance with the provisions of the Oil and Gas Act, the
15 rules adopted under that act and the Procurement Code,
16 including disposing of salvageable equipment and material
17 removed from oil and gas wells being plugged by the state;

18 (19) [~~to~~] make well price category
19 determinations pursuant to the provisions of the federal
20 Natural Gas Policy Act of 1978 or any successor act and, by
21 regulation, to adopt fees for such determinations, which fees
22 shall not exceed twenty-five dollars (\$25.00) per filing.
23 [~~Such~~] The fees shall be credited to the account of the [~~oil~~
24 ~~conservation~~] division by the state treasurer and may be
25 expended as authorized by the legislature;

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1 (20) ~~to~~ regulate the construction and
2 operation of oil treating plants and to require the posting of
3 bonds for the reclamation of treating plant sites after
4 cessation of operations;

5 (21) ~~to~~ regulate the disposition of
6 nondomestic wastes resulting from the exploration, development,
7 production or storage of crude oil or natural gas to protect
8 public health and the environment; and

9 (22) ~~to~~ regulate the disposition of
10 nondomestic wastes resulting from the oil field service
11 industry, the transportation of crude oil or natural gas, the
12 treatment of natural gas or the refinement of crude oil to
13 protect public health and the environment, including
14 administering the Water Quality Act as provided in Subsection E
15 of Section 74-6-4 NMSA 1978.

16 C. The division shall, in consultation with the
17 environmental improvement board, adopt:

18 (1) rules to implement and set performance
19 standards for an operator's emissions detection system; and

20 (2) other rules necessary to carry out the
21 provisions of the Oil and Gas Act that concern an oil and gas
22 operation located in a children's health protection zone."

23 SECTION 3. Section 70-2-31 NMSA 1978 (being Laws 1981,
24 Chapter 362, Section 1, as amended) is amended to read:

25 "70-2-31. VIOLATIONS OF THE OIL AND GAS ACT--PENALTIES.--

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1 A. Whenever the division determines that a person
2 violated or is violating the Oil and Gas Act or any provision
3 of any rule, order, permit or authorization issued pursuant to
4 that act, the division may seek compliance and civil penalties
5 by:

6 (1) issuing a notice of violation;

7 (2) commencing a civil action in district
8 court for appropriate relief, including injunctive relief; or

9 (3) issuing a temporary cessation order if the
10 division determines that the violation is causing or will cause
11 an imminent danger to public health or safety or a significant
12 imminent environmental harm. The cessation order will remain
13 in effect until the earlier of when the violation is abated or
14 thirty days unless a hearing is held before the division and a
15 new order is issued.

16 B. A notice of violation issued pursuant to
17 Paragraph (1) of Subsection A of this section shall state with
18 reasonable specificity the nature of the violation, shall
19 require compliance immediately or within a specified time
20 period, shall provide notice of the availability of an informal
21 review and the date of a hearing before the division and shall
22 provide notice of potential sanctions, including assessing a
23 penalty, suspending, canceling or terminating a permit or
24 authorization, shutting in a well and plugging and abandonment
25 of a well and forfeiting financial assurance pursuant to

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1 Section 70-2-14 NMSA 1978.

2 C. If the notice of violation is not resolved
3 informally within thirty days after service of the notice, the
4 division shall hold a hearing and determine whether the
5 violation should be upheld and whether any sanctions, including
6 civil penalties, shall be assessed. In assessing a penalty
7 authorized by this section, the division shall take into
8 account the seriousness of the violation, any good faith
9 efforts to comply with the applicable requirements, any history
10 of noncompliance under the Oil and Gas Act and other relevant
11 factors.

12 D. When a decision is rendered by the division
13 after a hearing, any party of record adversely affected shall
14 have the right to have the matter heard de novo before the
15 commission pursuant to Section 70-2-13 NMSA 1978.

16 [~~D. Any~~] E. Except as provided by Subsection F of
17 this section, a civil penalty assessed by a court or by the
18 division or commission pursuant to this section may not exceed
19 two thousand five hundred dollars (\$2,500) per day of
20 noncompliance for each violation unless the violation presents
21 a risk either to the health or safety of the public or of
22 causing significant environmental harm, or unless the
23 noncompliance continues beyond a time specified in the notice
24 of violation or order issued by the division, commission or
25 court, whereupon the civil penalty may not exceed ten thousand

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1 dollars (\$10,000) per day of noncompliance for each violation.
2 [~~No~~] A penalty assessed by the division or commission after a
3 hearing [~~may~~] shall not exceed two hundred thousand dollars
4 (\$200,000); provided that [~~such~~] this limitation does not apply
5 to penalties assessed by a court.

6 F. A civil penalty assessed by a court, the
7 division or the commission for a violation by an operator
8 located in a children's health protection zone may not exceed
9 thirty thousand dollars (\$30,000) per day of noncompliance for
10 each violation. A penalty assessed by the division or
11 commission after a hearing pursuant to this section shall not
12 exceed two hundred thousand dollars (\$200,000); provided that
13 this limitation does not apply to penalties assessed by a
14 court.

15 [~~E-~~] G. The commission shall make rules, pursuant
16 to Section 70-2-12.2 NMSA 1978, providing procedures for the
17 issuance of notices of violations, the assessment of penalties
18 and the conduct of informal proceedings and hearings pursuant
19 to this section.

20 [~~F-~~] H. It is unlawful, subject to a criminal
21 penalty of a fine of not more than five thousand dollars
22 (\$5,000) or imprisonment for a term not exceeding three years
23 or both such fine and imprisonment, for any person to knowingly
24 and willfully:

25 (1) violate any provision of the Oil and Gas

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1 Act or any rule, regulation or order of the commission or the
2 division issued pursuant to that act; or

3 (2) do any of the following for the purpose of
4 evading or violating the Oil and Gas Act or any rule,
5 regulation or order of the commission or the division issued
6 pursuant to that act:

7 (a) make any false entry or statement in
8 a report required by the Oil and Gas Act or by any rule,
9 regulation or order of the commission or division issued
10 pursuant to that act;

11 (b) make or cause to be made any false
12 entry in any record, account or memorandum required by the Oil
13 and Gas Act or by any rule, regulation or order of the
14 commission or division issued pursuant to that act;

15 (c) omit or cause to be omitted from any
16 such record, account or memorandum full, true and correct
17 entries; or

18 (d) remove from this state or destroy,
19 mutilate, alter or falsify any such record, account or
20 memorandum.

21 ~~[G.]~~ I. For the purposes of Subsection ~~[F]~~ H of
22 this section, each day of violation shall constitute a separate
23 offense.

24 ~~[H.]~~ J. Any person who knowingly and willfully
25 procures, counsels, aids or abets the commission of any act

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1 described in Subsection A or [F] H of this section shall be
2 subject to the same penalties as are prescribed in Subsection D
3 or [F] H of this section."

4 SECTION 4. A new section of the Oil and Gas Act is
5 enacted to read:

6 "[NEW MATERIAL] OIL AND GAS DRILLING SETBACKS FROM
7 SCHOOLS--PERMITS TO DRILL--VARIANCES--ADMINISTRATIVE
8 PROCEEDING.--

9 A. The purpose of this section is to exercise the
10 powers provided by Article 11, Section 14 of the constitution
11 of New Mexico to protect public health from the effects of
12 pollution from oil and gas operations in children's health
13 protection zones. This section is not intended, and shall not
14 be construed as authorizing, the state or an agency of the
15 state to exercise its power to grant or deny a permit in a
16 manner that will take private property for public use without
17 the payment of just compensation.

18 B. Beginning August 1, 2025, the division shall not
19 approve a permit to drill an oil and gas well in a children's
20 health protection zone, except as provided in Subsection C of
21 this section.

22 C. An operator or owner may apply with the division
23 for a variance from the provisions of Subsection B of this
24 section. Except as provided by Subsection D of this section,
25 the division shall grant a variance from the provisions of

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1 Subsection B of this section if:

2 (1) the variance is necessary to plug and
3 abandon or reabandon a well, including an intercept well
4 necessary to plug and abandon or reabandon a well; or

5 (2) the commission determines at an
6 administrative proceeding that, based on a preponderance of the
7 evidence, the denial of a permit to drill after August 1, 2025
8 would:

9 (a) result in a loss of all economic
10 value of the applicant's property; or

11 (b) result in a severe adverse economic
12 impact and deprive the applicant of objectively reasonable
13 investment-backed expectations.

14 D. The division shall not grant a variance pursuant
15 to Paragraph (2) of Subsection C of this section if the
16 commission determines that, based on the preponderance of the
17 evidence, granting the variance would harm public health.

18 E. The division shall grant a variance pursuant to
19 this section only to the extent necessary to avoid the effects
20 on the applicant proven pursuant to Paragraph (2) of Subsection
21 C of this section.

22 F. The division shall not be deemed to have reached
23 a final decision regarding the application of this section
24 until the applicant requests a variance and administrative
25 proceedings are complete and final. A decision of the division

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1 or a decision of the commission at an administrative proceeding
2 regarding an application for a variance pursuant to this
3 section shall not constitute an adjudication of any claim or
4 cause of action or otherwise have a preclusive effect in a
5 judicial proceeding.

6 G. The commission shall adopt rules and guidelines
7 to govern the conduct of an administrative proceeding pursuant
8 to this section that, at a minimum, shall provide for adequate
9 notice to interested stakeholders and a transparent process in
10 which the public can participate."

11 SECTION 5. A new section of the Oil and Gas Act is
12 enacted to read:

13 "[NEW MATERIAL] PROTECTION ZONE INVENTORY AND MAP.--

14 A. In addition to other requirements prescribed by
15 rule or law, an operator applying to the division for a permit
16 to drill shall submit a protection zone inventory and map to
17 the division.

18 B. On or before January 1, 2026, an operator of an
19 oil and gas well as of the effective date of this 2025 act
20 shall submit to the division a protection zone inventory and
21 map.

22 C. A protection zone inventory and map shall
23 include:

24 (1) a statement as to whether an operator's
25 wellhead or production facility is in a children's health

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1 protection zone;

2 (2) a list of the operator's production
3 facilities and wellheads, including a unique, permanent
4 identifier number assigned to a wellhead and the longitude and
5 latitude coordinates for each wellhead and production facility;
6 and

7 (3) if an operator's wellhead or production
8 facility is in a children's health protection zone:

9 (a) a list of schools within five
10 thousand two hundred eighty feet of an operator's wellhead and
11 production facility, including the type of school and the
12 distance from the operator's wellheads and production
13 facilities to the school; and

14 (b) a map that shows the location of
15 each school in relation to the operator's wellheads and
16 production facilities.

17 D. Beginning January 1, 2027 and in the month of
18 December each year thereafter, an operator shall submit to the
19 division an updated version of the protection zone inventory
20 and map previously submitted; provided that if there are no
21 changes to the information, the operator may submit to the
22 division a statement that there are no changes to the
23 protection zone inventory and map.

24 E. The division shall review a protection zone
25 inventory and map for completeness and accuracy and notify the

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1 operator of any deficiencies. Within thirty days of an
2 operator's receipt of the division's notification that a
3 protection zone inventory and map is deficient, the operator
4 shall submit to the division any additional information
5 required by the division.

6 F. The division shall post an operator's protection
7 zone inventory and map on the agency's website."

8 SECTION 6. A new section of the Oil and Gas Act is
9 enacted to read:

10 "[NEW MATERIAL] OPERATION IN A CHILDREN'S HEALTH
11 PROTECTION ZONE--RESTRICTIONS.--

12 A. On or before January 1, 2026, an operator that
13 has a wellhead or production facility in a children's health
14 protection zone shall post contact information for addressing
15 complaints about noise, odor or other concerns on the perimeter
16 of the operator's property, including the responsible persons
17 employed by the operator and enforcement officials in the city
18 and county where the property is located.

19 B. An operator with a wellhead or production
20 facility in a children's health protection zone shall:

21 (1) unless more stringent local requirements
22 apply, employ operational measures to prevent dust and
23 particulates from migrating beyond the operator's property
24 boundaries by limiting vehicle speeds on unpaved roads to
25 fifteen miles per hour and containing or covering stored sands,

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1 drilling muds and excavated soil; and

2 (2) provide the division with a representative
3 chemical analysis for produced water transported away from the
4 operator's property. An operator shall file the representative
5 chemical analysis with the division within three months of the
6 produced water being transported away from the operator's
7 property and whenever the source of the produced water changes.
8 For the purposes of this paragraph, the source of produced
9 water changes if the treatment process or additives are
10 changed, if a contributing source is added or removed or if
11 there is a significant change to the relative contribution of
12 individual sources such that the last representative chemical
13 analysis is not representative of the produced water."

14 SECTION 7. A new section of the Oil and Gas Act is
15 enacted to read:

16 "[NEW MATERIAL] LEAK DETECTION AND RESPONSE PLAN--ALARM
17 RESPONSE PROTOCOL--CHEMICAL ANALYSIS OF PRODUCED WATER--
18 RECORDS--PUBLIC TECHNICAL WORKSHOPS.--

19 A. An operator with a wellhead or production
20 facility in a children's health protection zone shall develop a
21 leak detection and response plan, submit that plan to the
22 division by January 1, 2026 and fully implement the plan by
23 July 1, 2026. The division shall, in consultation with and
24 with the concurrence of the environmental improvement board,
25 review an operator's leak detection and response plan and

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1 either approve the plan or provide notice to the operator of
2 the plan's deficiencies within ninety days of the division's
3 receipt of the operator's plan.

4 B. A leak detection and response plan shall:

5 (1) identify the chemical constituents and
6 toxic substances of highest concern in the region as identified
7 by the environmental improvement board or the city or county
8 where the operator is located; provided that methane may serve
9 as a surrogate for chemical constituents identified in the plan
10 that cannot be continuously monitored;

11 (2) include a continuously operating emissions
12 detection system designed to provide for rapid detection of
13 chemical constituents and identify leaks;

14 (3) provide the locations where emissions will
15 be sampled that are consistent with local meteorology and best
16 practices;

17 (4) include an alarm system that effectively,
18 immediately and reliably alerts the operator of a leak of a
19 chemical constituent;

20 (5) identify a meteorological system
21 appropriately sited on the operator's property with the ability
22 to continuously record weather data; and

23 (6) include an alarm response protocol that:

24 (a) provides for immediate action to
25 rapidly identify, fix and provide notification of a leak that

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1 is continuous for more than forty-eight hours;

2 (b) includes a communication plan to
3 notify local emergency responders, public health officials, the
4 division and people in the community where the operator is
5 located in languages that are easily understood by the people
6 in the community where the operator is located;

7 (c) complies with local, state and
8 federal requirements for reporting leaks of hazardous
9 materials;

10 (d) is created in consultation with
11 local emergency response officials; and

12 (e) provides for the collection and
13 determination of the chemical composition of a representative
14 sample for a leak that could reasonably have an adverse effect
15 on the health of people in the community where the operator is
16 located and provides for a subsequent collection and
17 determination of the chemical composition of the leak when
18 there is reason to believe that the chemical composition of the
19 leak may be changing.

20 C. The division shall review an operator's leak
21 detection and response plan and request updates to the plan at
22 least once every five years from the date of the plan's initial
23 approval by the division.

24 D. An operator shall record and maintain records of
25 emissions and meteorological data, including the composition of

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1 any samples collected during leak events, for ten years.

2 E. The division shall hold one public technical
3 workshop at least once every two years to provide information
4 and guidance to operators on best practices for the
5 development, review and update of a leak detection and response
6 plan.

7 F. The division shall post an operator's leak
8 detection and response plan on the agency's website."

9 SECTION 8. A new section of the Oil and Gas Act is
10 enacted to read:

11 "[NEW MATERIAL] SUSPENSION OF OIL AND GAS OPERATIONS.--An
12 operator shall immediately suspend the operation of:

13 A. a well or production facility in a children's
14 health protection zone if a leak of a chemical constituent is
15 detected and continuous for more than forty-eight hours.
16 Operations shall be suspended until the leak has been corrected
17 and the division has approved the resumption of operations. If
18 an operator can demonstrate to the division that the source of
19 the leak is not the operator's oil and gas operation, the
20 division may waive any additional actions required under the
21 alarm response protocol;

22 B. a well or production facility, if an operator
23 with a wellhead or production facility in a children's health
24 protection zone has not implemented a leak detection and
25 response plan by July 1, 2026, until the operator implements a

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1 leak detection and response plan approved by the division; and

2 C. a production facility if the production facility
3 or any permanent or temporary equipment in a children's health
4 protection zone is not in compliance with the Air Quality
5 Control Act or a city or county ordinance adopted pursuant to
6 that act. Operations shall be suspended until the production
7 facility attains compliance with the Air Quality Control Act or
8 a city or county ordinance adopted pursuant to that act and the
9 division has approved the resumption of operations."

10 SECTION 9. A new section of the Oil and Gas Act is
11 enacted to read:

12 "[NEW MATERIAL] WATER QUALITY SAMPLING AND TESTING--
13 EXCEPTIONS.--

14 A. Beginning August 1, 2025, an operator with a
15 wellhead or production facility in a children's health
16 protection zone that receives a permit to drill from the
17 division under an exception in the Oil and Gas Act shall
18 provide notice of the operator's intent to drill to the
19 property owners and tenants located within five thousand two
20 hundred eighty feet of the property line of the operator's
21 wellhead or production facility and offer to sample and test
22 water wells and surface water on the property owners' and
23 tenants' properties at least thirty days before commencing a
24 drilling operation. If the property owner or tenant requests
25 water sampling and testing within ten days of receipt of the

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1 operator's notice and makes the necessary accommodations to
2 enable the collection of a water sample within fifteen days of
3 receipt of the operator's notice, the operator may not commence
4 drilling until a baseline water sample of the property owner's
5 or tenant's well water or surface water has been collected. If
6 the operator collects a baseline water sample, the operator
7 shall collect another water sample of the well water or surface
8 water on the property owner's or tenant's property no sooner
9 than thirty days and no later than sixty days after drilling is
10 complete. Before commencing a drilling operation in a
11 children's health protection zone, an operator shall provide
12 documentation to the division of the operator's notification of
13 property owners and tenants as required by this subsection.

14 B. An operator shall conduct water sampling and
15 testing in accordance with the following requirements:

16 (1) an appropriately qualified person shall
17 conduct the water quality sampling and testing in a manner
18 consistent with standard environmental industry practice and
19 chain of custody protocols;

20 (2) documentation of the water quality
21 sampling and testing process shall accurately describe the
22 location that the sample was taken from and the process for
23 collecting the sample;

24 (3) a laboratory accredited by the state to
25 perform the tests necessary to complete the required analysis

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1 shall perform the water quality analytical testing, except for
2 field tests that may be conducted by a person who is qualified
3 to sample and interpret the results of the required test; and

4 (4) water quality testing shall include
5 testing for total dissolved solids, total petroleum hydrocarbon
6 as crude oil, major cations, major anions, a water contaminant
7 or combination of water contaminants identified as a toxic
8 pollutant by the water quality control commission, appropriate
9 indicator chemicals for drilling mud and fluids used for well
10 cleanout, total alkalinity and hydroxide, electrical
11 conductance, pH and temperature. The division may require
12 testing for additional constituents on a case-by-case basis.

13 C. Within one hundred twenty days of the completion
14 of drilling in a children's health protection zone, the
15 operator shall provide to the division, the property owner and
16 the tenant the results of any baseline and follow-up water
17 quality testing.

18 D. Water quality data collected pursuant to this
19 section shall be submitted to the division in electronic format
20 within one hundred twenty days after drilling is complete.

21 E. If a property owner or tenant is unable to
22 accommodate the necessary access to perform baseline or follow-
23 up testing pursuant to this section, failure to do the testing
24 is not a violation of this section.

25 F. The division may waive the requirements of this

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1 section if the operator demonstrates that a delay in drilling
2 caused by complying with this section is likely to result in
3 significant damage to life, health or natural resources.

4 G. An operator is not required to sample or test
5 water pursuant to this section if a state agency or the United
6 States environmental protection agency has determined that the
7 water within five thousand two hundred eighty feet of the
8 property line of an operator's wellhead or production facility
9 is not an underground source of drinking water, as defined in
10 the federal Safe Drinking Water Act, and the water does not
11 have a beneficial use.

12 H. The costs of sampling and testing required by
13 this section shall be the responsibility of the operator."

14 SECTION 10. A new section of the Oil and Gas Act is
15 enacted to read:

16 "[NEW MATERIAL] REPORTING.--

17 A. Before December 31, 2026 and in the month of
18 December each year thereafter, an operator located in a
19 children's health protection zone shall provide to the division
20 a report that includes:

21 (1) the number of times and lengths of time
22 the emissions detection system was not operating;

23 (2) the number of validated alarms and the
24 reasons for the alarms;

25 (3) the number of leaks that have occurred,

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1 the time needed to repair each leak and a brief description of
2 each leak that includes the impact on air quality and exposure
3 to the surrounding community;

4 (4) the number of times the surrounding
5 community was notified of a leak that persisted for more than
6 forty-eight hours;

7 (5) the number of times and lengths of time
8 that production and injection operations and other use of the
9 facility were suspended due to a leak; and

10 (6) the results of any baseline and post-
11 drilling ground water testing performed, by location.

12 B. The division shall report annually before
13 October 1 to the appropriate legislative interim committee on
14 oil and gas operations in children's health protection zones in
15 the state, including information on the progress achieved on
16 the implementation of operators' leak detection and response
17 plans."

18 SECTION 11. A new section of the Air Quality Control Act
19 is enacted to read:

20 "[NEW MATERIAL] OIL AND GAS PRODUCTION FACILITIES--
21 SUSPENSION OF OPERATION.--

22 A. An operator of an oil and gas production
23 facility shall immediately suspend the operation of a
24 production facility if the production facility or any permanent
25 or temporary equipment within five thousand two hundred eighty

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1 feet from the property line of a school is not in compliance
2 with the Air Quality Control Act or a city or county ordinance
3 adopted pursuant to that act. Operations shall be suspended
4 until the production facility attains compliance with the Air
5 Quality Control Act or a city or county ordinance adopted
6 pursuant to that act and the oil conservation division of the
7 energy, minerals and natural resources department has approved
8 the resumption of operations.

9 B. As used in this section, "school" means an
10 elementary, secondary, middle, junior high or high school or
11 any combination of those, including a public school, state-
12 chartered or locally chartered charter school or private school
13 that students attend in person, including a daycare center, and
14 a park, playground or sports or recreation facility associated
15 with a school."