

1 SENATE BILL 547

2 **51ST LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2013**

3 INTRODUCED BY

4 William Soules

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10 AN ACT

11 RELATING TO OIL AND GAS; AMENDING AND ENACTING SECTIONS OF THE
12 OIL AND GAS ACT TO BAN HORIZONTAL HYDRAULIC FRACTURING;
13 DECLARING AN EMERGENCY.

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

16 SECTION 1. A new section of the Oil and Gas Act is
17 enacted to read:

18 "[NEW MATERIAL] HORIZONTAL HYDRAULIC FRACTURING BANNED.--A
19 person shall not combine horizontal drilling and multistage
20 hydraulic fracturing in the state for the purpose of extracting
21 oil or natural gas."

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

24 "70-2-33. DEFINITIONS.--As used in the Oil and Gas Act:

25 A. "horizontal drilling" means the method of

1 drilling used to increase the exposure of a well to an oil or
2 natural gas source rock formation that typically exists as a
3 near-horizontal layer of bedrock. After drilling vertically to
4 just above a targeted source rock, the direction of drilling is
5 transitioned approximately ninety degrees to horizontal so that
6 the resulting borehole enters the source rock and continues
7 through it horizontally. Typically, the resulting horizontal,
8 or lateral, section of the well is hydraulically fractured in
9 multiple stages;

10 B. "hydraulic fracturing" means the process of
11 injecting fluid, usually a mixture of water, sand and
12 chemicals, into an oil- or natural-gas-bearing rock formation
13 adjacent to the borehole of an oil or natural gas well for the
14 purpose of either creating new fractures or expanding existing
15 fractures to stimulate the flow into the well of oil or natural
16 gas that would otherwise remain in the rock formation;

17 ~~[A-]~~ C. "person" means:

18 (1) any individual, estate, trust, receiver,
19 cooperative association, club, corporation, company, firm,
20 partnership, joint venture, syndicate or other entity; or

21 (2) the United States or any agency or
22 instrumentality thereof or the state or any political
23 subdivision thereof;

24 ~~[B-]~~ D. "pool" means an underground reservoir
25 containing a common accumulation of crude petroleum oil or

underscored material = new
[bracketed material] = delete

1 natural gas or both. Each zone of a general structure, which
2 zone is completely separate from any other zone in the
3 structure, is covered by the word "pool" as used in the Oil and
4 Gas Act. "Pool" is synonymous with "common source of supply"
5 and with "common reservoir";

6 [~~E-~~] E. "field" means the general area that is
7 underlaid or appears to be underlaid by at least one pool and
8 also includes the underground reservoir or reservoirs
9 containing the crude petroleum oil or natural gas or both. The
10 words "field" and "pool" mean the same thing when only one
11 underground reservoir is involved; however, "field", unlike
12 "pool", may relate to two or more pools;

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

22 [~~E-~~] G. "owner" means the person who has the right
23 to drill into and to produce from any pool and to appropriate
24 the production either for [~~himself~~] the person or for [~~himself~~]
25 the person and another;

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underscored material = new
[bracketed material] = delete

1 ~~[F.]~~ H. "producer" means the owner of a well
2 capable of producing oil or natural gas or both in paying
3 quantities;

4 ~~[G.]~~ I. "gas transportation facility" means a
5 pipeline in operation serving gas wells for the transportation
6 of natural gas or some other device or equipment in like
7 operation whereby natural gas produced from gas wells connected
8 therewith can be transported or used for consumption;

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

20 ~~[I.]~~ K. "potash" means the naturally occurring
21 bedded deposits of the salts of the element potassium;

22 ~~[J.]~~ L. "casinghead gas" means any gas or vapor or
23 both indigenous to an oil stratum and produced from such
24 stratum with oil, including any residue gas remaining after the
25 processing of casinghead gas to remove its liquid components;

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underscoring material = new
~~[bracketed material]~~ = delete

1 and

2 ~~[K-]~~ M. "produced water" means water that is an
3 incidental byproduct from drilling for or the production of oil
4 and gas."

5 **SECTION 3. EMERGENCY.**--It is necessary for the public
6 peace, health and safety that this act take effect immediately.

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