



New Mexico Environment Department

Implementation of HB 546, the Produced Water Act
Rebecca Roose, Water Protection Division Director
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Snapshot of Produced Water in NM

- For every barrel of oil produced, four to seven barrels of produced water may be generated.
- In 2018, NM became third largest oil producing state and oil and gas activity in NM generated over one billion barrels of produced water.
- Produced water contains total dissolved solids and other constituents such as chemicals, metals and naturally occurring radioactive materials.
- Traditionally, a small portion of produced water is recycled in the oil and gas sector while the majority is disposed through underground injection wells.



Key Provisions of HB 546

- HB 546, which includes the Produced Water Act, became effective July 1, 2019.
- Responds to policy interests in encouraging the oil and natural gas industry to favor reuse, recycling and treatment options over reliance on New Mexico's limited fresh water resources.
- Defines:
 - *Produced water* as a fluid that is an incidental byproduct from drilling for, or the production of, oil and gas.
 - *Treated produced water* as water reconditioned by mechanical or chemical processes into a reusable form.
 - *Recycled produced water* as water reconditioned by a recycling facility permitted by the Oil Conservation Division of the Energy, Minerals and Natural Resources Department (EMNRD)



Key Provisions of HB 546 (cont.)

- Protects water quality by closing important regulatory gaps with respect to produced water transportation, storage and treatment. When produced water is:
 - Reused or recycled for use in the oil and natural gas industry, EMNRD has jurisdiction of these activities.
 - Treated for use outside of the oil and natural gas industry, the New Mexico Environment Department (NMED) has jurisdiction of these activities.
- Confirms that an Office of the State Engineer (OSE) permit is not needed for use of produced water and that parties do not acquire/do not need to acquire a water right to use produced water.
- Establishes that the Water Quality Control Commission (WQCC) shall adopt regulations for implementation by NMED for use outside the oilfield of treated produced water, treated product or any byproduct of the produced water in order to protect water quality.



NMED Implementation of HB 546

- Host public engagement meetings around the State this Fall, in coordination with EMNRD and OSE.
- Collaborate with technical experts to fill science and technology gaps for the treatment of produced water.
- Begin developing regulations after public meetings.
- Propose draft regulations for formal rulemaking before WQCC, including public notice and comment period.



For More Information

- NMED contacts for produced water:
 - Rebecca Roose, Water Protection Division Director, Rebecca.Roose@state.nm.us
 - Annie Maxfield, Assistant General Counsel, Annie.Maxfield@state.nm.us

- EMNRD contacts for produced water:
 - Adrienne Sandoval, Oil Conservation Division Director, Adrienne.Sandoval@state.nm.us
 - Bill Brancard, General Counsel, Bill.Brancard@state.nm.us

- OSE contacts for produced water:
 - John Romero, Water Rights Allocation Program Director, John.Romero2@state.nm.us
 - Owen Kellum, Administrative Litigation Unit Attorney, Owen.Kellum@state.nm.us

- Sign-up for NMED updates on Produced Water at <https://public.govdelivery.com/accounts/NMED/subscriber/new>.