RELATING TO OIL AND GAS; ENACTING A NEW SECTION OF THE OIL AND GAS ACT TO CREATE REQUIREMENTS FOR ADOPTING AND APPEALING RULES.

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

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

## "ADOPTION OF RULES -- APPEALS .--

- A. No rule shall be adopted pursuant to the Oil and Gas Act until after a hearing by the commission.
- B. Any rule adopted under the Oil and Gas Act shall be filed and published in accordance with the State Rules Act. No rule shall be filed until the latter of twenty days after the commission has entered an order or has refused a rehearing application pursuant to Section 70-2-25 NMSA 1978.
- C. Any party of record to the proceeding before the commission or any person adversely affected by a rule adopted under the Oil and Gas Act may appeal to the court of appeals within thirty days after filing of the rule under the State Rules Act. All such appeals shall be upon the record made by the commission. Upon appeal, the court of appeals shall set aside the rule only if found to be:
  - (1) arbitrary, capricious or an abuse of

1	discretion;	
2	(2) not supported by substantial evidence in	
3	the record; or	
4	(3) otherwise not in accordance with law.	
5	D. As used in this section, "rule" includes an	
6	amendment or repeal of a rule."	SB 389
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