HOUSE JUDICIARY COMMITTEE SUBSTITUTE FOR
HOUSE ENERGY, ENVIRONMENT AND NATURAL RESOURCES
COMMITTEE SUBSTITUTE FOR
HOUSE BILL 546

54TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2019

AN ACT
RELATING TO NATURAL RESOURCES; ENACTING THE PRODUCED WATER ACT;
ESTABLISHING CONTROL AND RESPONSIBILITY FOR PRODUCED WATER;
ALLOWING THE USE OF TREATED OR RECYCLED PRODUCED WATER;
DECLARING CERTAIN CONTRACT PROVISIONS RELATING TO PRODUCED
WATER VOID AGAINST PUBLIC POLICY; AMENDING AND ADDING
DEFINITIONS; AMENDING THE DUTIES OF THE OIL CONSERVATION
DIVISION OF THE ENERGY, MINERALS AND NATURAL RESOURCES
DEPARTMENT AND THE WATER QUALITY CONTROL COMMISSION; MAKING
CONFORMING TECHNICAL CHANGES.

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

SECTION 1. A new section of Chapter 70 NMSA 1978 is
enacted to read:

"[NEW MATERIAL] SHORT TITLE.--Sections 1 through 5 of this
act may be cited as the "Produced Water Act"."
SECTION 2. A new section of Chapter 70 NMSA 1978 is enacted to read:

"[NEW MATERIAL] DEFINITIONS.--As used in the Produced Water Act:

A. "operator" means a person authorized by the oil conservation division of the energy, minerals and natural resources department to operate a unit for an oil or gas well or other oil or gas facility; and

B. "produced water" means a fluid that is an incidental byproduct from drilling for or the production of oil and gas."

SECTION 3. A new section of Chapter 70 NMSA 1978 is enacted to read:

"[NEW MATERIAL] JURISDICTION.--It is the jurisdiction of:

A. the oil conservation division of the energy, minerals and natural resources department to regulate produced water as provided in the Oil and Gas Act; and

B. the water quality control commission to regulate produced water as provided in the Water Quality Act."

SECTION 4. A new section of Chapter 70 NMSA 1978 is enacted to read:

"[NEW MATERIAL] PRODUCED WATER--TRANSFERRED FOR TREATMENT--SUBSEQUENT USE.--

A. Unless otherwise provided by law, a contract, bill of sale or other legally binding document:
1. all produced water that is produced from 
an oil or gas well is the responsibility of and under the 
control of the working interest owners and operator of that oil 
or gas well. The working interest owners and operator shall 
have a possessory interest in the produced water, including the 
right to take possession of the produced water and to use, 
handle, dispose of, transfer, sell, convey, transport, recycle, 
reuse or treat the produced water and to obtain proceeds for 
any such uses. The operator of the oil and gas well that the 
produced water is produced from shall handle the use, 
disposition, transfer, sale, conveyance, transport, recycling, 
reuse or treatment of the produced water as a reasonably 
prudent operator;

2. when produced water is transferred, sold 
or conveyed to another operator, transporter, pipeline, 
midstream company, plant, processing facility, refinery or 
entity that provides recycling or treatment services for 
produced water, the transferee shall have control of and 
responsibility for the produced water until the water is 
transferred to another operator, transporter, pipeline, 
midstream company, plant, processing facility, refinery or 
recycling or treatment facility. A transferee shall have a 
possessory interest in the produced water, including the right 
to use, possess, handle the disposition of, transfer, sell, 
convey, transport, recycle, reuse or treat the produced water
and to obtain proceeds for any such uses. Upon transfer of the
produced water, transferees shall be liable for the use,
disposition, transfer, sale, conveyance, transport, recycling,
reuse or treatment of the produced water; and

(3) when an operator of an oil or gas well or
a transferee listed in Paragraph (2) of this subsection takes
possession of produced water for the purpose of recycling or
treating the water, the operator or transferee may transfer
recycled or treated water, treated product or any byproduct to
another operator, transporter, pipeline, midstream company,
plant, processing facility, refinery or entity that provides
recycling or treatment services for produced water. Upon
transfer, the transferee shall have control and responsibility
for the produced water, recycled or treated water or treated
product or byproduct. A transferee shall have a possessory
interest in the produced water, recycled or treated water or
treated product or byproduct, including the right to use,
possess, handle disposition of, transfer, sell, convey,
transport, recycle, reuse or treat the produced water, and to
obtain proceeds for any such uses. Upon transfer, a transferee
shall be liable for the use, disposition, transfer, sale,
conveyance, transport, recycling, reuse or treatment of the
produced water, recycled or treated water or treated product or
byproduct.

B. Subsection A of this section only applies to
transfers of produced water between an operator, transporter, pipeline, midstream company, plant, processing facility, refinery or recycling or treatment entity and shall not affect liability in an action brought by other persons for damages, including damages for personal injury, death or property damage, arising from exposure to produced water, recycled or treated water or treated product or byproduct.

C. A permit or other approval from the state engineer is not required for the disposition of produced water, including produced water that has been recycled or treated. The disposition of produced water, including disposition by use, is neither an appropriation of water for beneficial use under Chapter 72 NMSA 1978 nor a waste of water, and no water right shall be established by the disposition of produced water.

D. For uses regulated by the water quality control commission pursuant to the Water Quality Act, a person shall obtain a permit from the department of environment before using the produced water, the recycled or treated water or treated product or any byproduct of the produced water."

SECTION 5. A new section of Chapter 70 NMSA 1978 is enacted to read:

"[NEW MATERIAL] VOID AS AGAINST PUBLIC POLICY--THROUGHPUT FEES--LIMITATIONS ON USE OF RECYCLED OR TREATED PRODUCED WATER.--A provision of an agreement, covenant or promise,
foreign or domestic, between private parties, entered into on or after July 1, 2019 is against public policy and void to the extent it:

A. allows a private party to charge a tariff or fee for the movement or transport of produced water, treated water or recycled water on surface lands owned by the state, if the agreement does not provide for transportation services;

B. requires fresh water resources to be purchased for oil and gas operations when produced water, treated water or recycled water is available and able to be used and the operator elects to use that produced water, treated water or recycled water for the oil and gas operations; or

C. relates to the purchase of water and precludes an operator from purchasing or using produced water, treated water or recycled water in the operator's oil and gas operations when such water is available for the operations."

SECTION 6. Section 70-2-12 NMSA 1978 (being Laws 1978, Chapter 71, Section 1, as amended) is amended to read:

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

A. The oil conservation division of the energy, minerals and natural resources department may:

(1) collect data;

(2) make investigations and inspections;

(3) examine properties, leases, papers, books and records;
(4) examine, check, test and gauge oil and gas wells, tanks, plants, refineries and all means and modes of transportation and equipment;

(5) hold hearings;

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

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

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

B. The oil conservation division may make rules and orders for the purposes and with respect to the subject matter stated in this subsection:

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

(2) to prevent crude petroleum oil, natural
gas or water from escaping from strata in which it is found into other strata;

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

(4) to prevent the drowning by water of any stratum or part thereof capable of producing oil or gas or both oil and gas in paying quantities and to prevent the premature and irregular encroachment of water or any other kind of water encroachment that reduces or tends to reduce the total ultimate recovery of crude petroleum oil or gas or both oil and gas from any pool;

(5) to prevent fires;

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

(7) to require wells to be drilled, operated and produced in such manner as to prevent injury to neighboring leases or properties;

(8) to identify the ownership of oil or gas producing leases, properties, wells, tanks, refineries, pipelines, plants, structures and all transportation equipment and facilities;

(9) to require the operation of wells with efficient gas-oil ratios and to fix such ratios;
(10) to fix the spacing of wells;

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

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

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

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

(15) to regulate the disposition, [of water produced or used in connection with the drilling for or producing of oil or gas or both and to direct surface or subsurface disposal of the water, including disposition by use in drilling for or production of oil or gas, in road construction or maintenance or other construction, in the generation of electricity or in other industrial processes, in a manner that will afford reasonable protection against contamination of fresh water supplies designated by the state engineer] handling, transport, storage, recycling, treatment.
HJC/HENRC/HB 546

and disposal of produced water during, or for reuse in, the
exploration, drilling, production, treatment or refinement of
oil or gas, including disposal by injection pursuant to
authority delegated under the federal Safe Drinking Water Act,
in a manner that protects public health, the environment and
fresh water resources;

(16) to determine the limits of any area
containing commercial potash deposits and from time to time
redetermine the limits;

(17) to regulate and, where necessary,
prohibit drilling or producing operations for oil or gas within
any area containing commercial deposits of potash where the
operations would have the effect unduly to reduce the total
quantity of the commercial deposits of potash that may
reasonably be recovered in commercial quantities or where the
operations would interfere unduly with the orderly commercial
development of the potash deposits;

(18) to spend the oil and gas reclamation fund
and do all acts necessary and proper to plug dry and abandoned
oil and gas wells and to restore and remediate abandoned well
sites and associated production facilities in accordance with
the provisions of the Oil and Gas Act, the rules adopted under
that act and the Procurement Code, including disposing of
salvageable equipment and material removed from oil and gas
wells being plugged by the state;
(19) to make well price category
determinations pursuant to the provisions of the federal
Natural Gas Policy Act of 1978 or any successor act and, by
regulation, to adopt fees for such determinations, which fees
shall not exceed twenty-five dollars ($25.00) per filing. Such
fees shall be credited to the account of the oil conservation
division by the state treasurer and may be expended as
authorized by the legislature;

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

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

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

SECTION 7. Section 70-2-33 NMSA 1978 (being Laws 1935,
Chapter 72, Section 24, as amended) is amended to read:

.214578.4

- 11 -
"70-2-33. DEFINITIONS.--As used in the Oil and Gas Act:
A. "person" means:
   (1) any individual, estate, trust, receiver, cooperative association, club, corporation, company, firm, partnership, joint venture, syndicate or other entity; or
   (2) the United States or any agency or instrumentality thereof or the state or any political subdivision thereof;
B. "pool" means an underground reservoir containing a common accumulation of crude petroleum oil or natural gas or both. Each zone of a general structure, which zone is completely separate from any other zone in the structure, is covered by the word "pool" as used in the Oil and Gas Act. "Pool" is synonymous with "common source of supply" and with "common reservoir";
C. "field" means the general area that is underlaid or appears to be underlaid by at least one pool and also includes the underground reservoir or reservoirs containing the crude petroleum oil or natural gas or both. The words "field" and "pool" mean the same thing when only one underground reservoir is involved; however, "field", unlike "pool", may relate to two or more pools;
D. "product" means any commodity or thing made or manufactured from crude petroleum oil or natural gas and all derivatives of crude petroleum oil or natural gas, including
refined crude oil, crude tops, topped crude, processed crude petroleum, residue from crude petroleum, cracking stock, uncracked fuel oil, treated crude oil, fuel oil, residuum, gas oil, naphtha, distillate, gasoline, kerosene, benzine, wash oil, waste oil, lubricating oil and blends or mixtures of crude petroleum oil or natural gas or any derivative thereof;

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

F. "producer" means the owner of a well capable of producing oil or natural gas or both in paying quantities;

G. "gas transportation facility" means a pipeline in operation serving gas wells for the transportation of natural gas or some other device or equipment in like operation whereby natural gas produced from gas wells connected therewith can be transported or used for consumption;

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

I. "potash" means the naturally occurring bedded deposits of the salts of the element potassium;

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

K. "produced water" means [water] a fluid that is an incidental byproduct from drilling for or the production of oil and gas."

SECTION 8. Section 74-6-2 NMSA 1978 (being Laws 1967, Chapter 190, Section 2, as amended) is amended to read:

"74-6-2. DEFINITIONS.--As used in the Water Quality Act:

A. "gray water" means untreated household wastewater that has not come in contact with toilet waste and includes wastewater from bathtubs, showers, washbasins, clothes washing machines and laundry tubs, but does not include wastewater from kitchen sinks or dishwashers or laundry water from the washing of material soiled with human excreta, such as diapers;

B. "water contaminant" means any substance that could alter, if discharged or spilled, the physical, chemical,
biological or radiological qualities of water. "Water contaminant" does not mean source, special nuclear or byproduct material as defined by the federal Atomic Energy Act of 1954;

C. "water pollution" means introducing or permitting the introduction into water, either directly or indirectly, of one or more water contaminants in such quantity and of such duration as may with reasonable probability injure human health, animal or plant life or property, or to unreasonably interfere with the public welfare or the use of property;

D. "wastes" means sewage, industrial wastes or any other liquid, gaseous or solid substance that may pollute any waters of the state;

E. "sewer system" means pipelines, conduits, pumping stations, force mains or any other structures, devices, appurtenances or facilities used for collecting or conducting wastes to an ultimate point for treatment or disposal;

F. "treatment works" means any plant or other works used for the purpose of treating, stabilizing or holding wastes;

G. "sewerage system" means a system for disposing of wastes, either by surface or underground methods, and includes sewer systems, treatment works, disposal wells and other systems;
HJC/HENRC/HB 546

H. "water" means all water, including water situated wholly or partly within or bordering upon the state, whether surface or subsurface, public or private, except private waters that do not combine with other surface or subsurface water;

I. "person" means an individual or any other entity, including partnerships, corporations, associations, responsible business or association agents or officers, the state or a political subdivision of the state or any agency, department or instrumentality of the United States and any of its officers, agents or employees;

J. "commission" means the water quality control commission;

K. "constituent agency" means, as the context may require, any or all of the following agencies of the state:

(1) the department of environment;

(2) the state engineer and the interstate stream commission;

(3) the department of game and fish;

(4) the oil conservation commission;

(5) the state parks division of the energy, minerals and natural resources department;

(6) the New Mexico department of agriculture;

(7) the soil and water conservation commission; and

.214578.4

- 16 -
(8) the bureau of geology and mineral resources at the New Mexico institute of mining and technology;

L. "new source" means:

(1) any source, the construction of which is commenced after the publication of proposed regulations prescribing a standard of performance applicable to the source; or

(2) any existing source when modified to treat substantial additional volumes or when there is a substantial change in the character of water contaminants treated;

M. "source" means a building, structure, facility or installation from which there is or may be a discharge of water contaminants directly or indirectly into water;

N. "septage" means the residual wastes and water periodically pumped from a liquid waste treatment unit or from a holding tank for maintenance or disposal purposes;

O. "sludge" means solid, semi-solid or liquid waste generated from a municipal, commercial or industrial wastewater treatment plant, water supply treatment plant or air pollution control facility that is associated with the treatment of these wastes. "Sludge" does not mean treated effluent from a wastewater treatment plant;

P. "substantial adverse environmental impact" means that an act or omission of the violator causes harm or damage:

(1) to human beings; or
(2) that amounts to more than ten thousand dollars ($10,000) damage or mitigation costs to flora, including agriculture crops; fish or other aquatic life; waterfowl or other birds; livestock or wildlife or damage to their habitats; ground water or surface water; or the lands of the state;

Q. "federal act" means the Federal Water Pollution Control Act, its subsequent amendment and successor provisions; [and]

R. "standards of performance" means any standard, effluent limitation or effluent standard adopted pursuant to the federal act or the Water Quality Act; and

S. "produced water" means a fluid that is an incidental byproduct from drilling for or the production of oil and gas."

SECTION 9. Section 74-6-4 NMSA 1978 (being Laws 1967, Chapter 190, Section 4, as amended) is amended to read:

"74-6-4. DUTIES AND POWERS OF COMMISSION.---The commission:

A. may accept and supervise the administration of loans and grants from the federal government and from other sources, public or private, which loans and grants shall not be expended for other than the purposes for which provided;

B. shall adopt a comprehensive water quality management program and develop a continuing planning process;
C. shall not adopt or promulgate a standard or regulation that exceeds a grant of rulemaking authority listed in the statutory section of the Water Quality Act authorizing the standard or regulation;

D. shall adopt water quality standards for surface and ground waters of the state based on credible scientific data and other evidence appropriate under the Water Quality Act. The standards shall include narrative standards and, as appropriate, the designated uses of the waters and the water quality criteria necessary to protect such uses. The standards shall at a minimum protect the public health or welfare, enhance the quality of water and serve the purposes of the Water Quality Act. In making standards, the commission shall give weight it deems appropriate to all facts and circumstances, including the use and value of the water for water supplies, propagation of fish and wildlife, recreational purposes and agricultural, industrial and other purposes;

E. shall adopt, promulgate and publish regulations to prevent or abate water pollution in the state or in any specific geographic area, aquifer or watershed of the state or in any part thereof, or for any class of waters, and to govern the disposal of septage and sludge and the use of sludge for various beneficial purposes. The regulations governing the disposal of septage and sludge may include the use of tracking and permitting systems or other reasonable means necessary to
assure that septage and sludge are designated for disposal in, 
and arrive at, disposal facilities, other than facilities on 
the premises where the septage and sludge is generated, for 
which a permit or other authorization has been issued pursuant 
to the federal act or the Water Quality Act. Regulations may 
specify a standard of performance for new sources that reflects 
the greatest reduction in the concentration of water 
contaminants that the commission determines to be achievable 
through application of the best available demonstrated control 
technology, processes, operating methods or other alternatives, 
including where practicable a standard permitting no discharge 
of pollutants. In making regulations, the commission shall 
give weight it deems appropriate to all relevant facts and 
circumstances, including:

(1) the character and degree of injury to or 
interference with health, welfare, environment and property;

(2) the public interest, including the social 
and economic value of the sources of water contaminants;

(3) the technical practicability and economic 
reasonableness of reducing or eliminating water contaminants 
from the sources involved and previous experience with 
equipment and methods available to control the water 
contaminants involved;

(4) the successive uses, including [but not 
limited to] domestic, commercial, industrial, pastoral,
agricultural, wildlife and recreational uses;

(5) feasibility of a user or a subsequent user
treating the water before a subsequent use;

(6) property rights and accustomed uses; and

(7) federal water quality requirements;

F. shall assign responsibility for administering
its regulations to constituent agencies so as to assure
adequate coverage and prevent duplication of effort. To this
end, the commission may make such classification of waters and
sources of water contaminants as will facilitate the assignment
of administrative responsibilities to constituent agencies.
The commission shall also hear and decide disputes between
constituent agencies as to jurisdiction concerning any matters
within the purpose of the Water Quality Act. In assigning
responsibilities to constituent agencies, the commission shall
give priority to the primary interests of the constituent
agencies. The department of environment shall provide
technical services, including certification of permits pursuant
to the federal act, and shall maintain a repository of the
scientific data required by this Water Quality Act;

G. may enter into or authorize constituent agencies
to enter into agreements with the federal government or other
state governments for purposes consistent with the Water
Quality Act and receive and allocate to constituent agencies
funds made available to the commission;
H. may grant an individual variance from any regulation of the commission whenever it is found that compliance with the regulation will impose an unreasonable burden upon any lawful business, occupation or activity. The commission may only grant a variance conditioned upon a person effecting a particular abatement of water pollution within a reasonable period of time. Any variance shall be granted for the period of time specified by the commission. The commission shall adopt regulations specifying the procedure under which variances may be sought, which regulations shall provide for the holding of a public hearing before any variance may be granted;

I. may adopt regulations to require the filing with it or a constituent agency of proposed plans and specifications for the construction and operation of new sewer systems, treatment works or sewerage systems or extensions, modifications of or additions to new or existing sewer systems, treatment works or sewerage systems. Filing with and approval by the federal housing administration of plans for an extension to an existing or construction of a new sewerage system intended to serve a subdivision solely residential in nature shall be deemed compliance with all provisions of this subsection;

J. may adopt regulations requiring notice to it or a constituent agency of intent to introduce or allow the
introduction of water contaminants into waters of the state;

K. shall specify in regulations the measures to be taken to prevent water pollution and to monitor water quality. The commission may adopt regulations for particular industries. The commission shall adopt regulations for the dairy industry and the copper industry. The commission shall consider, in addition to the factors listed in Subsection E of this section, the best available scientific information. The regulations may include variations in requirements based on site-specific factors, such as depth and distance to ground water and geological and hydrological conditions. The constituent agency shall establish an advisory committee composed of persons with knowledge and expertise particular to the industry category and other interested stakeholders to advise the constituent agency on appropriate regulations to be proposed for adoption by the commission. The regulations shall be developed and adopted in accordance with a schedule approved by the commission. The schedule shall incorporate an opportunity for public input and stakeholder negotiations;

L. may adopt regulations establishing pretreatment standards that prohibit or control the introduction into publicly owned sewerage systems of water contaminants that are not susceptible to treatment by the treatment works or that would interfere with the operation of the treatment works;

M. shall not require a permit respecting the use of .214578.4
water in irrigated agriculture, except in the case of the employment of a specific practice in connection with such irrigation that documentation or actual case history has shown to be hazardous to public health or the environment or for the use of produced water;

N. shall not require a permit for applying less than two hundred fifty gallons per day of private residential gray water originating from a residence for the resident's household gardening, composting or landscape irrigation if:

(1) a constructed gray water distribution system provides for overflow into the sewer system or on-site wastewater treatment and disposal system;

(2) a gray water storage tank is covered to restrict access and to eliminate habitat for mosquitos or other vectors;

(3) a gray water system is sited outside of a floodway;

(4) gray water is vertically separated at least five feet above the ground water table;

(5) gray water pressure piping is clearly identified as a nonpotable water conduit;

(6) gray water is used on the site where it is generated and does not run off the property lines;

(7) gray water is applied in a manner that minimizes the potential for contact with people or domestic
pets;

(8) ponding is prohibited, application of gray water is managed to minimize standing water on the surface and to ensure that the hydraulic capacity of the soil is not exceeded;

(9) gray water is not sprayed;

(10) gray water is not discharged to a watercourse; and

(11) gray water use within municipalities or counties complies with all applicable municipal or county ordinances enacted pursuant to Chapter 3, Article 53 NMSA 1978;

[and]

O. shall coordinate application procedures and funding cycles for loans and grants from the federal government and from other sources, public or private, with the local government division of the department of finance and administration pursuant to the New Mexico Community Assistance Act;

P. may adopt regulations to be administered by the department of environment for the discharge, handling, transport, storage, recycling or treatment for the disposition of treated produced water, including disposition in road construction maintenance, roadway ice or dust control or other construction, or in the application of treated produced water to land, for activities unrelated to the exploration, drilling,
production, treatment or refinement of oil or gas; and

Q. may adopt regulations to be administered by the
department of environment for surface water discharges."

SECTION 10. APPLICABILITY.--The provisions of this act
apply to contracts entered into on and after July 1, 2019.

SECTION 11. EFFECTIVE DATE.--The effective date of the
provisions of this act is July 1, 2019.