

SENATE FINANCE COMMITTEE SUBSTITUTE FOR  
SENATE BILL 553

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

AN ACT

RELATING TO OIL AND GAS; IMPOSING FEES; CREATING A FUND; MAKING  
AN APPROPRIATION.

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:

"~~[NEW MATERIAL]~~ FEES--APPROPRIATION.--

A. The following fees are required to be paid to  
the oil conservation division of the energy, minerals and  
natural resources department:

(1) with each application for a non-federal  
and non-Indian permit to drill, deepen, plug back or reenter a  
well, the applicant shall submit to the division a  
nonrefundable fee of five hundred dollars (\$500);

(2) with each individual application for

.214330.3

underscored material = new  
[bracketed material] = delete

1 administrative approval of a non-standard location, downhole  
2 commingle, surface commingle, off-lease measurement, release  
3 notification and corrective action, change of operator,  
4 application for modification to surface waste management  
5 facility, request for the creation of a new pool, proposed  
6 alternative method permit or closure plan application or  
7 authorization to move produced water, the applicant shall  
8 submit to the division a nonrefundable fee of one hundred fifty  
9 dollars (\$150);

10 (3) with each application for a fluid  
11 injection well permit, the applicant shall submit to the  
12 division a nonrefundable fee of five hundred dollars (\$500) per  
13 well;

14 (4) with each application for a permit for a  
15 commercial surface waste management facility, landfill or  
16 landfarm, the applicant shall submit to the division a  
17 nonrefundable fee of ten thousand dollars (\$10,000) per  
18 facility;

19 (5) with each application for an  
20 administrative hearing, re-hearing or de novo hearing before  
21 the division or commission, the applicant shall submit to the  
22 division a nonrefundable fee of five hundred dollars (\$500) per  
23 application; and

24 (6) with each application for a continuance of  
25 an administrative hearing, re-hearing or de novo hearing before

1 the division or commission, the applicant shall submit to the  
2 division a nonrefundable fee of one hundred fifty dollars  
3 (\$150) per application.

4 B. An application for an administrative hearing,  
5 re-hearing or de novo hearing before the oil conservation  
6 division or commission will be considered to be materially  
7 amended if the amendment is made for a purpose other than to  
8 correct:

9 (1) typographical errors; or

10 (2) clerical errors.

11 C. The "oil conservation division systems and  
12 hearings fund" is created in the state treasury as a  
13 nonreverting fund. All funds received by the oil conservation  
14 division from fees imposed pursuant to Subsection A of this  
15 section shall be delivered to the state treasurer and deposited  
16 in the fund. Disbursements from the fund shall be made upon  
17 warrants drawn by the secretary of finance and administration  
18 pursuant to vouchers signed by the secretary of energy,  
19 minerals and natural resources or the secretary's authorized  
20 representative. Money in the fund is appropriated to the  
21 division to develop and modernize the division's online  
22 application processing system, online case management system  
23 and online case file system and for other technological  
24 upgrades and hearing administration costs. Any unexpended or  
25 unencumbered balance remaining in the fund at the end of a

.214330.3

1 fiscal year shall not revert to the general fund."

2 SECTION 2. EFFECTIVE DATE.--The effective date of the  
3 provisions of this act is July 1, 2019.

4 - 4 -

5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

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