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HOUSE BILL 326

57TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2026

INTRODUCED BY

Debra M. Sariñana

AN ACT

RELATING TO PRODUCED WATER; REQUIRING THE OWNER OR OPERATOR OF
A PRODUCED WATER FACILITY SEEKING AUTHORIZATION FOR THE
TREATMENT, REUSE, DISCHARGE OR TRANSPORT OF PRODUCED WATER TO
ACQUIRE INSURANCE; PROVIDING FOR JOINT AND SEVERAL LIABILITY.

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

SECTION 1. Section 70-13-1 NMSA 1978 (being Laws 2019,
Chapter 197, Section 1) is amended to read:

"70-13-1. SHORT TITLE.--~~[Sections 1 through 5 of this~~
~~act]~~ Chapter 70, Article 13 NMSA 1978 may be cited as the
"Produced Water Act".

SECTION 2. A new section of the Produced Water Act is
enacted to read:

"[NEW MATERIAL] INSURANCE REQUIREMENT FOR PRODUCED WATER
PERMITS OR OTHER AUTHORIZATIONS.--

.233317.3

1 A. A state agency acting pursuant to the provisions
2 of the Produced Water Act shall not issue a permit or other
3 authorization for the treatment, reuse, discharge or transport
4 of produced water to an owner or operator of a produced water
5 facility who fails to acquire and maintain an insurance policy
6 that meets the requirements of Subsection B of this section.

7 B. Insurance required pursuant to the provisions of
8 this section shall:

9 (1) be issued by an insurer authorized to do
10 business in the state; and

11 (2) provide coverage in an amount sufficient
12 to fully recover the reasonably foreseeable costs of the spill
13 response, cleanup, remediation, reclamation, long-term
14 monitoring and public health impacts arising from produced
15 water treatment, reuse, discharge or transport activities of
16 the specific produced water facility for which coverage is
17 being obtained."

18 SECTION 3. A new section of the Produced Water Act is
19 enacted to read:

20 "[NEW MATERIAL] JOINT AND SEVERAL LIABILITY FOR PRODUCED
21 WATER ACTORS.--A person who exercises control over the
22 production, treatment, use or reuse, discharge, disposal, sale
23 or transport of produced water shall be jointly and severally
24 liable to a person harmed by such activities for damages
25 arising from that harm."

.233317.3

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1 SECTION 4. EFFECTIVE DATE.--The effective date of the
2 provisions of this act is July 1, 2026.

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