

AN ACT

RELATING TO NATURAL RESOURCES; PROVIDING FOR A STUDY OF THE ECONOMIC FEASIBILITY OF ADDITIONAL NATURAL GAS PIPELINE SYSTEMS.

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

Section 1. FINDINGS AND PURPOSE.--

A. The legislature finds that:

(1) the natural gas industry is an important contributor to the New Mexico economy, as a significant source of both employment and direct state revenues;

(2) New Mexico ranks second among the states in onshore natural gas reserves and will likely continue to be a major producer of natural gas for the foreseeable future;

(3) a study funded by Laws 1996, Chapter 7 concluded that an additional pipeline capable of transporting New Mexico natural gas to additional markets was, at that time, not economically feasible; and

(4) the study should be updated on a regular basis and, if the results show that such a pipeline is economically feasible and otherwise in the best interests of the state, the legislature should take such actions as necessary.

B. The purpose of this act is to provide a

mechanism for monitoring the need for an additional natural gas pipeline in New Mexico.

Section 2. NATURAL GAS PIPELINE STUDY--ADDITIONAL DUTIES.--

A. The state highway and transportation department, the energy, minerals and natural resources department and the economic development department shall jointly study the need for additional natural gas pipelines to transport natural gas produced in New Mexico to additional markets. The study shall include:

(1) the economic feasibility of the proposed pipeline;

(2) the necessity of the proposed pipeline;
and

(3) alternatives to the proposed pipeline and the environmental or economic benefit of the alternatives.

B. If, at any time, the study concludes that an additional natural gas pipeline is necessary, the energy, minerals and natural resources department shall give notice to all persons the department finds, in its sole discretion, to be interested in or affected by the pipeline. If, after six months from the notice, the department finds that the need still exists and persons capable of meeting the need for the pipeline have not acted or proposed to act in a manner

capable of meeting the need, the energy, minerals and natural resources department, the state highway and transportation department and the economic development department shall report to the legislature on the results of the study required by Subsection A of this section, including any activities conducted pursuant to this subsection. The report shall address whether the pipeline should be considered a "transportation system" for the purposes of Sections 67-3-71 through 67-3-77 NMSA 1978.
