

AN ACT

RELATING TO INDEMNIFICATION; AMENDING SECTION 56-7-2 NMSA 1978 (BEING LAWS 1971, CHAPTER 205, SECTION 1) TO EXPAND COVERAGE OF PROHIBITED INDEMNIFICATION ARRANGEMENTS.

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

Section 1. Section 56-7-2 NMSA 1978 (being Laws 1971, Chapter 205, Section 1) is amended to read:

"56-7-2. OIL, GAS OR WATER WELLS AND MINERAL MINES-- AGREEMENTS, COVENANTS AND PROMISES TO INDEMNIFY VOID.--

A. An agreement, covenant or promise contained in, collateral to or affecting an agreement pertaining to a well for oil, gas or water, or mine for a mineral that purports to indemnify the indemnitee against loss or liability for damages arising from the circumstances specified in Paragraphs (1), (2) or (3) of this subsection is against public policy and is void:

(1) the sole or concurrent negligence of the indemnitee or the agents or employees of the indemnitee;

(2) the sole or concurrent negligence of an independent contractor who is directly responsible to the indemnitee; or

(3) an accident that occurs in operations carried on at the direction or under the supervision of the indemnitee, an employee or representative of the indemnitee

or in accordance with methods and means specified by the indemnitee or employees or representatives of the indemnitee.

B. As used in this section, "agreement pertaining to a well for oil, gas or water, or mine for a mineral" means an agreement:

(1) concerning any operations related to drilling, deepening, reworking, repairing, improving, testing, treating, perforating, acidizing, logging, conditioning, altering, plugging or otherwise rendering services in connection with a well drilled for the purpose of producing or disposing of oil, gas or other minerals or water;

(2) for rendering services in connection with a mine shaft, drift or other structure intended for use in the exploration for or production of a mineral; or

(3) to perform a portion of the work or services described in Paragraphs (1) or (2) of this subsection or an act collateral thereto.

C. A provision in an insurance contract indemnity agreement naming a person as an additional insured or a provision in an insurance contract or any other contract requiring a waiver of rights of subrogation or otherwise having the effect of imposing a duty of indemnification on the primary insured party that would, if it were a direct or collateral agreement described in Subsections A and B of this

