

SENATE CONSERVATION COMMITTEE SUBSTITUTE FOR  
SENATE MEMORIAL 14

**56TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2024**

A MEMORIAL

REQUESTING NEW MEXICO STATE UNIVERSITY TO STUDY AND RECOMMEND  
APPROACHES FOR INCORPORATING TREATED PRODUCED WATER INTO THE  
STRATEGIC WATER SUPPLY PROGRAM AND THE ENERGY, MINERALS AND  
NATURAL RESOURCES DEPARTMENT TO STUDY AND RECOMMEND LEGISLATION  
FOR ESTABLISHING SETBACKS FOR OIL AND GAS FACILITIES.

WHEREAS, oil and natural gas have been produced in New  
Mexico since the 1920s; and

WHEREAS, New Mexico ranks second for oil production in the  
United States and is among the top ten states for production of  
natural gas; and

WHEREAS, the oil and gas sector generates approximately  
ninety billion gallons of produced water annually in the state;  
and

WHEREAS, the department of environment and the water

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1 quality control commission are empowered to regulate the  
2 treatment and reuse of produced water for purposes outside the  
3 oil and gas sector; and

4 WHEREAS, the department of environment and New Mexico  
5 state university have entered into a memorandum of  
6 understanding to advance produced water research and policy and  
7 to support programs that protect the environment and human  
8 health; and

9 WHEREAS, the oil conservation division of the energy,  
10 minerals and natural resources department and the oil  
11 conservation commission have jurisdiction and authority over  
12 all matters relating to the conservation of oil and gas; and

13 WHEREAS, the oil conservation division and the oil  
14 conservation commission are empowered to prevent waste and  
15 protect correlative rights; and

16 WHEREAS, the oil conservation division and the oil  
17 conservation commission regulate the venting and flaring of  
18 natural gas from wells, production equipment and facilities to  
19 prevent waste and protect correlative rights, public health and  
20 the environment; and

21 WHEREAS, the provisions of the Oil and Gas Act require  
22 operators to report and remediate unauthorized releases of oil,  
23 gas, produced water, condensate and oil field waste that occur  
24 during drilling, producing, storing, disposing, injecting,  
25 transporting, servicing or processing; and

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1           WHEREAS, the environmental improvement board and  
2 municipal, county and joint air quality control boards enforce  
3 emission standards for oil and gas operations that cause or  
4 contribute to ozone concentrations that exceed ninety-five  
5 percent of the primary national ambient air quality standard  
6 for ozone; and

7           WHEREAS, the United States environmental protection agency  
8 regulates emissions from oil and natural gas facilities; and

9           WHEREAS, local governments in the Permian and San Juan  
10 basins have adopted ordinances relating to the siting of oil  
11 and gas wells; and

12           WHEREAS, revenue to the state of New Mexico in 2023 from  
13 the oil and gas industry was approximately thirteen billion  
14 nine hundred million dollars (\$13,900,000,000); and

15           WHEREAS, labor statistics indicate that approximately one  
16 hundred thirty-four thousand New Mexicans are either directly  
17 or indirectly employed by the oil and gas industry; and

18           WHEREAS, the treatment of produced water would contribute  
19 to a strategic water supply program that would reduce reliance  
20 on freshwater resources while furthering clean energy and  
21 advanced manufacturing development;

22           NOW, THEREFORE, BE IT RESOLVED BY THE SENATE OF THE STATE  
23 OF NEW MEXICO that New Mexico state university be requested to  
24 prepare a report describing the state of scientific research  
25 and technology development and testing for the treatment and

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1 reuse of produced water outside of oil and gas production,  
2 including opportunities to extract or recover rare earth  
3 minerals through produced water treatment processes, and the  
4 energy, minerals and natural resources department be requested  
5 to convene a stakeholder working group that includes  
6 legislators and relevant stakeholders to study current laws and  
7 oil and gas industry operating practices and develop  
8 legislative recommendations for establishing setbacks for oil  
9 and gas facilities; and

10 BE IT FURTHER RESOLVED that New Mexico state university  
11 develop legislative recommendations for incorporating treated  
12 produced water into the strategic water supply program and the  
13 energy, minerals and natural resources department be requested  
14 to consult with the legislative finance committee to study the  
15 fiscal impacts to the state if setbacks for oil and gas  
16 facilities are adopted; and

17 BE IT FURTHER RESOLVED that New Mexico state university be  
18 requested to consult with the legislative finance committee to  
19 study the fiscal impacts to the state of including treated  
20 produced water in the strategic water supply program and to  
21 consult with the appropriate interim legislative committee  
22 dealing with natural resources to study the environment and  
23 human health impacts of treating produced water for use in  
24 clean energy and advanced manufacturing development and the  
25 energy, minerals and natural resources department be requested

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1 to study the adoption of setbacks that prevent waste and  
 2 protect correlative rights while protecting human health and  
 3 the environment; and

4 BE IT FURTHER RESOLVED that New Mexico state university  
 5 report its findings and legislative recommendations to the  
 6 appropriate interim legislative committee dealing with natural  
 7 resources and the legislative finance committee by October 1,  
 8 2024 and the energy, minerals and natural resources department  
 9 report its findings and legislative recommendations to the  
 10 appropriate interim legislative committee dealing with natural  
 11 resources and the legislative finance committee by October 1,  
 12 2024; and

13 BE IT FURTHER RESOLVED that copies of this memorial be  
 14 transmitted to the chancellor of New Mexico state university,  
 15 the secretary of energy, minerals and natural resources and the  
 16 director of the legislative finance committee.

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