

The Legislature
of the
State of New Mexico

35th Legislature, 1st Session

LAWS 1981

CHAPTER 372

SENATE BILL 162

Introduced by
SENATOR JACK M. MORGAN



AN ACT

RELATING TO EXPENDITURES FROM THE OIL AND GAS RECLAMATION FUND.

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

Section 1. Section 70-2-38 NMSA 1978 (being Laws 1977, Chapter 237, Section 5, as amended) is amended to read:

"70-2-38. OIL AND GAS RECLAMATION FUND ADMINISTERED--PLUGGING WELLS ON FEDERAL LAND--RIGHT OF INDEMNIFICATION--ANNUAL REPORT--CONTRACTORS SELLING EQUIPMENT FOR SALVAGE.--

A. The oil and gas reclamation fund shall be administered by the oil conservation division. Expenditures from the fund may be used by the director of the division for the purpose of employing the necessary personnel to survey abandoned wells and to prepare plans for the plugging of abandoned wells which have not been plugged or which have been improperly plugged. The director, as funds become available in the oil and gas reclamation fund, shall reclaim, and properly plug, all abandoned wells in accordance with the provisions of the Oil and Gas Act and the rules and regulations promulgated thereunder. The division may order wells plugged on federal lands on which there are no bonds running to the benefit of the state in the same manner and in accordance with the same procedures as with wells drilled on state and fee land, including utilizing funds from the oil and gas reclamation fund to pay the cost of such plugging. When the costs of plugging a well drilled on federal mineral leases are paid from the oil and gas reclamation fund, the division is authorized to bring a

suit against the operator or the owner of the minerals under the tract, or both, in the district court of the county in which the well is located for indemnification for all costs incurred by the division in plugging the well. Any funds collected pursuant to a judgment in a suit for indemnification brought under the Oil and Gas Act shall be deposited in the oil and gas reclamation fund.

B. The director shall make an annual report to the secretary of energy and minerals, the governor and the legislature on the use of the oil and gas reclamation fund.

C. All contracts for well plugging shall be entered into in accordance with the provisions of the Public Purchases Act. Any contractor employed by the division to plug a well is authorized to sell for salvage the equipment and material which is removed from the well in plugging it."

The Legislature of the State of New Mexico

35TH Legislature, 11ST Session

LAWS 1981

CHAPTER 362

HOUSE BILL 232, AS AMENDED

Introduced by
REPRESENTATIVE THOMAS P. FOY
REPRESENTATIVE FRANK L. HORAN



CHAPTER 362

AN ACT

1
2 RELATING TO ENERGY; PROVIDING PENALTIES FOR VIOLATIONS OF THE OIL AND
3 GAS ACT OR THE GEOTHERMAL RESOURCES CONSERVATION ACT.
4

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

6 Section 1. Section 70-2-31 NMSA 1978 (being Laws 1935, Chapter
7 72, Section 22, as amended) is repealed and a new Section 70-2-31
8 NMSA 1978 is enacted to read:

9 "70-2-31. VIOLATIONS OF THE OIL AND GAS ACT--PENALTIES.--

10 A. Any person who knowingly and willfully violates any
11 provision of the Oil and Gas Act or any provision of any rule or
12 order issued pursuant to that act shall be subject to a civil penalty
13 of not more than one thousand dollars (\$1,000) for each violation.
14 For purposes of this subsection, in the case of a continuing vio-
15 lation, each day of violation shall constitute a separate violation.
16 The penalties provided in this subsection shall be recoverable by a
17 civil suit filed by the attorney general in the name and on behalf
18 of the commission or the division in the district court of the
19 county in which the defendant resides or in which any defendant
20 resides if there be more than one defendant or in the district court
21 of any county in which the violation occurred. The payment of such
22 penalty shall not operate to legalize any illegal oil, illegal gas
23 or illegal product involved in the violation for which the penalty
24 is imposed or relieve a person on whom the penalty is imposed from
25 liability to any other person for damages arising out of such

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Approved April 10, 1981

1 violation.

2 B. It is unlawful, subject to a criminal penalty of a fine
3 of not more than five thousand dollars (\$5,000) or imprisonment for a
4 term not exceeding three years or both such fine and imprisonment,
5 for any person to knowingly and willfully:

6 (1) violate any provision of the Oil and Gas Act or
7 any rule, regulation or order of the commission or the division
8 issued pursuant to that act; or

9 (2) do any of the following for the purpose of
10 evading or violating the Oil and Gas Act or any rule, regulation or
11 order of the commission or the division issued pursuant to that act:

12 (a) make any false entry or statement in a

13 report required by the Oil and Gas Act or by any rule, regulation or
14 order of the commission or division issued pursuant to that act;

15 (b) make or cause to be made any false entry in

16 any record, account or memorandum required by the Oil and Gas Act or
17 by any rule, regulation or order of the commission or division issued
18 pursuant to that act;

19 (c) omit or cause to be omitted from any such
20 record, account or memorandum full, true and correct entries; or

21 (d) remove from this state or destroy, mutilate,
22 alter or falsify any such record, account or memorandum.

23 C. For the purposes of Subsection B of this section, each
24 day of violation shall constitute a separate offense.

25 D. Any person who knowingly and willfully procures,

1 counsels, aids or abets the commission of any act described in
2 Subsection A or B of this section shall be subject to the same
3 penalties as are prescribed therein."

4 Section 2. Section 71-5-23 NMSA 1978 (being Laws 1975, Chapter
5 272, Section 23, as amended) is repealed and a new Section 71-5-23
6 NMSA 1978 is enacted to read:

7 "71-5-23. VIOLATIONS OF THE GEOTHERMAL RESOURCES CONSERVATION
8 ACT--PENALTIES.--

9 A. Any person who knowingly and willfully violates any
10 provision of the Geothermal Resources Conservation Act or any
11 provision of any rule or order issued pursuant to that act shall be
12 subject to a civil penalty of not more than two thousand five
13 hundred dollars (\$2,500) for each violation. For purposes of this
14 subsection, in the case of a continuing violation, each day of
15 violation shall constitute a separate violation. The penalties
16 provided in this subsection shall be recoverable by a civil suit
17 filed by the attorney general in the name and on behalf of the
18 commission or the division in the district court of the county in
19 which the defendant resides or in which any defendant resides if
20 there be more than one defendant or in the district court of any
21 county in which the violation occurred. The payment to such penalty
22 shall not operate to legalize any illegal geothermal resources or
23 illegal product involved in the violation for which the penalty is
24 imposed or relieve a person on whom the penalty is imposed from
25 liability to any other person for damages arising out of such

1 violation.

2 B. It is unlawful, subject to a criminal penalty of a fine
3 of not more than five thousand dollars (\$5,000) or imprisonment for
4 a term not exceeding three years or both such fine and imprisonment,
5 for any person to knowingly and willfully:

6 (1) violate any provision of the Geothermal Resources
7 Conservation Act or any rule, regulation or order of the commission
8 or the division issued pursuant to that act; or

9 (2) do any of the following for the purpose of evading
10 or violating the Geothermal Resources Conservation Act or any rule,
11 regulation or order of the commission or the division issued pursuant
12 to that act:

13 (a) make any false entry or statement in a report
14 required by the Geothermal Resources Conservation Act or by any rule,
15 regulation or order of the commission or division issued pursuant to
16 that act;

17 (b) make or cause to be made any false entry in
18 any record, account or memorandum required by the Geothermal Resources
19 Conservation Act or by any rule, regulation or order of the commission
20 or division issued pursuant to that act;

21 (c) omit or cause to be omitted from any such
22 record, account or memorandum full, true and correct entries; or

23 (d) remove from this state or destroy, mutilate,
24 alter or falsify any such record, account or memorandum.

25 C. For the purposes of Subsection B of this section, each

1 day of violation shall constitute a separate offense.

2 D. Any person who knowingly and willfully procures,
3 counsels, aids or abets the commission of any act described in
4 Subsection A or B of this section shall be subject to the same
5 penalties as are prescribed therein."

6 Section 3. REPEAL.--Section 70-2-20 NMSA 1978 (being Laws 1941,
7 Chapter 166, Section 3, as amended) is repealed.
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