

Michelle Lujan Grisham, Governor
Sarah Cottrell Propst, Cabinet Secretary
Todd E. Leahy, JD, PhD, Deputy Cabinet Secretary
Adrienne Sandoval, Oil Conservation Division Director

FOR IMMEDIATE RELEASE:

Contact: Susan Torres
Public Information Officer, EMNRD
susan.torres@state.nm.us
505-476-3226



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Rule authorizing Oil Conservation Division to assess civil penalties for Oil and Gas Act violations is now in effect

Santa Fe, NM – A rule allowing the Energy, Minerals and Natural Resource Department's (EMNRD) Oil Conservation Division (OCD) to assess administrative civil penalties for violations of New Mexico's Oil and Gas Act is now in effect. This is the first time in 11 years the OCD will be able to issue administrative penalties for rule violations.

On January 1, 2020 a portion of House Bill 546 (HB 546) went into effect, allowing the OCD to assess administrative civil penalties for violations of New Mexico's Oil and Gas Act. The Act directed the Division to undergo rulemaking to outline the process and the final order was signed by the Oil Conservation Commission on January 16th. Today the rule went into effect upon its publication in the New Mexico Register.

Penalties may be assessed at \$2,500 per day for each violation, with a higher cap of \$10,000 per day for a violation that poses a risk to health or safety of the public or of causing significant environmental harm. Penalties issued by the OCD are capped at \$200,000 per violation. A penalty in excess of \$200,000 must be issued by a court.

"The Oil Conservation Division is committed to making sure that the oil and gas industry is acting responsibly and this rule going into effect provides another enforcement tool," said Oil Conservation Division Director Adrienne Sandoval. "This rule is another example of the great strides EMNRD and the State of New Mexico are making towards a more sustainable future."

To learn more about the rule, visit the [OCD website](#).

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