

BILL ANALYSIS

Senate Research Center

H.B. 849
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Natural Resources
4/28/2011
Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Currently, rules are adopted and enforced that relate to applications for commercial disposal wells, but problems with the application process have increased as the number of permits have increased. Despite the notification requirements accompanying these permits, including notification to each landowner whose land is adjacent to the proposed site, many other affected parties receive no notification.

H.B. 849 seeks to remedy this problem by changing certain notice requirements for an application for a permit to dispose of oil and gas waste in a commercial disposal well.

H.B. 849 amends current law relating to notice of an application for a permit to dispose of oil and gas waste in a commercial disposal well and creates an offense.

RULEMAKING AUTHORITY

Rulemaking authority previously granted to the Railroad Commission of Texas is modified in SECTION 1 (Section 27.034, Water Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 27.034, Water Code, by adding Subsections (a-1), (a-2), and (a-3), as follows:

(a-1) Requires that the rules adopted under Subsection (a) (relating to requiring the Railroad Commission of Texas (railroad commission) to adopt rules and procedures reasonably required for the performance of its powers, duties, and functions under this chapter), in connection with an application for a permit to dispose of oil and gas waste in a commercial disposal well, as defined by the railroad commission, at a minimum:

(1) require the applicant to give notice of the application to:

(A) each owner of record of each surface tract that adjoins the tract on which the well is proposed to be located;

(B) the commissioners court of the county in which the well is proposed to be located; and

(C) any groundwater conservation district in which the well is proposed to be located;

(2) require each owner of record of a surface tract who receives notice of the application under Subdivision (1)(A) to give notice of the application to each surface lessee or purchaser under a contract for deed, executory contract, or other executory conveyance of the tract who occupies a residence located on the tract;

(3) require the applicant to publish notice of the application in each newspaper of general circulation in the county in which the well is proposed to be located that

satisfies the requirements of Section 2051.044 (Type of Newspaper Required), Government Code; and

(4) provide each person who receives notice of the application under Subdivision (1)(A) or (B) an opportunity to request a public hearing on the application.

(a-2) Provides that the failure of a person who receives notice of an application under Subsection (a-1)(1)(A) to give notice of the application to any person to whom the person is required to give notice under Subsection (a-1)(2) does not invalidate any permit issued by the railroad commission and is prohibited from being considered by the railroad commission with respect to any pending permit application.

(a-3) Provides that the railroad commission is not required to hold more than one public hearing on an application regardless of the number of persons who request a hearing.

SECTION 2. Amends Section 27.105(a), Water Code, to provide that a person who knowingly or intentionally violates a provision of this chapter under the jurisdiction of the railroad commission, a rule of the railroad commission other than a rule adopted under Section 27.034(a-1)(2), or a term, condition, or provision of a permit issued by the railroad commission under this chapter is subject to a fine of not more than \$5,000 for each violation and for each day of violation.

SECTION 3. Provides that Section 27.034(a-1), Water Code, as added by this Act, applies only to an application for a permit to dispose of oil and gas waste in a commercial disposal well, as defined by the railroad commission.

SECTION 4. Effective date: September 1, 2011.