

By: Reynolds

H.B. No. 2482

A BILL TO BE ENTITLED

AN ACT

relating to oil and gas operations; increasing fees.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 81.067(c), Natural Resources Code, is amended to read as follows:

(c) The fund consists of:

(1) proceeds from bonds and other financial security required by this chapter and benefits under well-specific plugging insurance policies described by Section 91.104(c) that are paid to the state as contingent beneficiary of the policies, subject to the refund provisions of Section 91.1091, if applicable;

(2) private contributions, including contributions made under Section 89.084;

(3) expenses collected under Section 89.083;

(4) fees imposed under Section 85.2021;

(5) costs recovered under Section 91.457 or 91.459;

(6) proceeds collected under Sections 89.085 and 91.115;

(7) interest earned on the funds deposited in the fund;

(8) oil and gas waste hauler permit application fees collected under Section 29.015, Water Code;

(9) costs recovered under Sections 89.043(c-1) and [Section] 91.113(f);

- 1           (10) hazardous oil and gas waste generation fees  
2 collected under Section 91.605;
- 3           (11) oil-field cleanup regulatory fees on oil  
4 collected under Section 81.116;
- 5           (12) oil-field cleanup regulatory fees on gas  
6 collected under Section 81.117;
- 7           (13) fees for a reissued certificate collected under  
8 Section 91.707;
- 9           (14) fees collected under Section 91.1013;
- 10          (15) fees collected under Section 89.088;
- 11          (16) fees collected under Section 91.142;
- 12          (17) fees collected under Section 91.654;
- 13          (18) costs recovered under Sections 91.656 and 91.657;
- 14          (19) fees collected under Section 81.0521;
- 15          (20) ~~[fees collected under Sections 89.024 and 89.026,~~  
16 ~~(21)]~~ legislative appropriations;
- 17          (21) ~~[(22)]~~ any surcharges collected under Section  
18 81.070;
- 19          (22) ~~[(23)]~~ fees collected under Section 91.0115;
- 20          (23) ~~[(24)]~~ fees collected under Subchapter E,  
21 Chapter 121, Utilities Code;
- 22          (24) ~~[(25)]~~ fees collected under Section 27.0321,  
23 Water Code;
- 24          (25) ~~[(26)]~~ fees collected under Section 81.071; and
- 25          (26) ~~[(27)]~~ money collected under Section 81.021.

26           SECTION 2. Section 85.2021(a), Natural Resources Code, is  
27 amended to read as follows:

1 (a) With each application or materially amended application  
2 for a permit to drill, deepen, plug back, or reenter a well, the  
3 applicant shall submit to the commission a nonrefundable fee of:

4 (1) \$2,000 [~~\$200~~] if the total depth of the well is  
5 2,000 feet or less;

6 (2) \$2,250 [~~\$225~~] if the total depth of the well is  
7 greater than 2,000 feet but less than or equal to 4,000 feet;

8 (3) \$2,500 [~~\$250~~] if the total depth of the well is  
9 greater than 4,000 feet but less than or equal to 9,000 feet;

10 (4) \$3,000 [~~\$300~~] if the total depth of the well is  
11 greater than 9,000 feet.

12 SECTION 3. Subchapter A, Chapter 89, Natural Resources  
13 Code, is amended by adding Section 89.004 to read as follows:

14 Sec. 89.004. ACTIVE STATUS. For the purposes of this  
15 chapter, an inactive well that is not permitted as a disposal or  
16 injection well may not be considered to be active again until:

17 (1) the well has reported production of at least 10  
18 barrels of oil for oil wells or 100 MCF of gas for gas wells each  
19 month for at least three consecutive months; or

20 (2) the well has reported production of at least one  
21 barrel of oil for oil wells or at least one MCF of gas for gas wells  
22 each month for 12 consecutive months.

23 SECTION 4. Subchapter B, Chapter 89, Natural Resources  
24 Code, is amended by adding Section 89.013 to read as follows:

25 Sec. 89.013. DUTY OF COMMISSION. The commission shall  
26 monitor wells in this state to ensure that operators and  
27 nonoperators comply with the requirements of this subchapter.

1 SECTION 5. Section 89.022(a), Natural Resources Code, is  
2 amended to read as follows:

3 (a) On [~~Except as provided by Section 89.023, or~~] or before  
4 the date the operator is required to renew the operator's  
5 organization report required by Section 91.142, an operator of an  
6 inactive well must plug the well in accordance with statutes and  
7 commission rules in effect at the time of plugging.

8 SECTION 6. Section 89.043, Natural Resources Code, is  
9 amended by adding Subsections (c-1) and (g) to read as follows:

10 (c-1) Costs recovered under Subsection (c) shall be  
11 deposited to the credit of the oil and gas regulation and cleanup  
12 fund.

13 (g) The commission shall establish a goal of plugging at  
14 least 1,400 wells per year under this section.

15 SECTION 7. Section 91.1013(a), Natural Resources Code, is  
16 amended to read as follows:

17 (a) With each application for a fluid injection well permit,  
18 the applicant shall submit to the commission a nonrefundable fee of  
19 \$500 [~~\$200~~]. In this section, "fluid injection well" means any well  
20 used to inject fluid or gas into the ground in connection with the  
21 exploration or production of oil or gas other than an oil and gas  
22 waste disposal well regulated by the commission pursuant to Chapter  
23 27, Water Code.

24 SECTION 8. Section 91.1041(a), Natural Resources Code, is  
25 amended to read as follows:

26 (a) A person required to file a bond, letter of credit, or  
27 cash deposit under Section 91.103 who operates one or more wells may

1 file a bond in an amount equal to \$10 [~~\$2~~] for each foot of well  
2 depth for each well. The amount of the bond, letter of credit, or  
3 cash deposit shall be adjusted every three years based on the  
4 percentage change in the consumer price index or actual plugging  
5 costs. In this subsection, "consumer price index" means the  
6 consumer price index for all urban consumers for all items and for  
7 all regions of the United States combined, as determined by the  
8 United States Department of Labor, Bureau of Labor Statistics, or,  
9 if that index is discontinued or superseded, a similar index  
10 selected or calculated by the comptroller.

11 SECTION 9. Section 91.1042, Natural Resources Code, is  
12 amended by amending Subsection (a) and adding Subsection (a-1) to  
13 read as follows:

14 (a) A person required to file a bond, letter of credit, or  
15 cash deposit under Section 91.103 may file a blanket bond in the  
16 amount of \$100,000 to cover all wells for which a bond, letter of  
17 credit, or cash deposit is required [~~as follows:~~

18 [~~(1) a person who operates 10 or fewer wells shall file~~  
19 ~~a \$25,000 blanket bond,~~

20 [~~(2) a person who operates more than 10 but fewer than~~  
21 ~~100 wells shall file a \$50,000 blanket bond, and~~

22 [~~(3) a person who operates 100 or more wells shall file~~  
23 ~~a \$250,000 blanket bond].~~

24 (a-1) The commission may require an additional blanket bond  
25 in an amount not to exceed \$10 per foot for each idle well. The  
26 amount of the blanket bond shall be adjusted every three years based  
27 on the percentage change in the consumer price index or actual

1 plugging costs. In this subsection:

2 (1) "Consumer price index" means the consumer price  
3 index for all urban consumers for all items and for all regions of  
4 the United States combined, as determined by the United States  
5 Department of Labor, Bureau of Labor Statistics, or, if that index  
6 is discontinued or superseded, a similar index selected or  
7 calculated by the comptroller.

8 (2) "Idle well" means a well that is not producing,  
9 injecting, or disposing in an economically significant manner.

10 SECTION 10. Sections 89.022(b), 89.023, 89.024, 89.025,  
11 89.026, 89.027, 89.028, and 89.029, Natural Resources Code, are  
12 repealed.

13 SECTION 11. This Act takes effect September 1, 2021.