

BILL ANALYSIS

Senate Research Center
78R16646 SMH-D

S.B. 1954
By: Ratliff
Natural Resources
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As Filed

DIGEST AND PURPOSE

The East Texas Oil Field is the largest oil field in Texas. The field, which covers several counties, has produced more than 5.3 billion barrels of oil since its discovery in 1930. However, production has been declining rapidly, and if new approaches to capturing oil from the field are not implemented, effective production of oil could end by 2006.

As proposed, S.B. 1954 requires the Bureau of Economic Geology of The University of Texas at Austin (bureau) to conduct a study of the East Texas Oil Field to make recommendations regarding ways to maximize the recovery of oil and gas from the field and creates the East Texas Oil Field Advisory Committee (advisory committee) composed of representatives of Kilgore ISD, White Oak ISD, Pine Tree ISD, Kilgore Junior College, and the oil industry. The bill requires the bureau to report the results of the study to the members of the legislature by 2005, at which time the advisory committee is abolished.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Chapter 85, Natural Resources Code, by adding Subchapter L, as follows:

SUBCHAPTER L. STUDY OF EAST TEXAS OIL FIELD

Sec. 85.401. DEFINITIONS. Defines “advisory committee” and “bureau.”

Sec. 85.402. STUDY OF FIELD. Requires the Bureau of Economic Geology of The University of Texas at Austin (bureau) to conduct a study of the East Texas Oil Field for the purpose of making comprehensive recommendations regarding measures that should be taken to maximize the ultimate recovery of oil and gas from the field.

Sec. 85.403. ADVISORY COMMITTEE. (a) Provides that the East Texas Oil Field Advisory Committee (advisory committee) is composed of certain persons appointed by the bureau.

(b) Requires the advisory committee to advise the bureau with regard to the study required by Section 85.402.

Sec. 85.404. REPORT. Requires the bureau to make a report on or before January 1, 2005, to the governor, lieutenant governor, and speaker of the house of representatives containing comprehensive recommendations regarding measures that should be taken to maximize the ultimate recovery of oil and gas from the East Texas Oil Field.

Sec. 85.405. EXPIRATION. Provides that this subchapter expires, and the advisory committee is abolished September 1, 2005.

SECTION 2. (a) Provides that the bureau is required to implement this Act only if the

legislature appropriates money specifically for that purpose. Authorizes but does not require the bureau, if the legislature does not appropriate money specifically for that purpose, to implement this Act using other appropriations available for that purpose.

(b) Requires the legislature, if the operators of oil or gas wells in the East Texas Oil Field implement the recommendations contained in the report required by Section 85.404, Natural Resources Code, as added by this Act and that implementation results in an increase in the amount of oil and gas produced from the field, to provide for recovery of the cost of implementing this Act from the owners or operators of the wells in the manner the legislature determines to be most appropriate.

SECTION 3. Effective date: upon passage or September 1, 2003.