

BILL ANALYSIS

Senate Research Center
79R1725 SMH-F

S.B. 575
By: Armbrister
Natural Resources
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As Filed

AUTHOR'S/SPONSOR'S STATEMENT OF INTENT

A real property surface estate owner must allow the mineral estate owner (and the mineral estate owner's lessee) reasonable access and accommodation for the exploration and development of the minerals. This impacts the use and enjoyment of the surface estate, and the surface owner should have some prior indication that his surface use is about to be disrupted.

Currently, the mineral estate owner and the mineral estate owner's lessee have no obligation to notify the surface owner of pending oil and gas operations. The surface owner has no readily accessible way to obtain the information.

As proposed, S.B. 575 requires an oil and gas developer to give written notice to each surface owner at least 30 days before initiating oil and gas explorations and production operations. If the oil and gas lease will terminate in less than 30 days, the oil and gas developer may give notice at any time before the operations begin. The written notice must be given to the surface owner at the surface owner's address as shown in the records of the county clerk or tax assessor-collector at the time the notice is given. The notice requirement would apply to oil and gas explorations and production operations that begin on or after October 1, 2005.

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 91, Natural Resources Code, by adding Subchapter P, as follows:

SUBCHAPTER P. NOTICE OF OIL AND GAS EXPLORATION AND PRODUCTION OPERATIONS

Sec. 91.701. NOTICE REQUIRED. (a) Requires an oil and gas developer to give each surface owner written notice of the oil and gas exploration and production operations contemplated by the oil and gas developer not less than 30 days before the date the operations begin.

(b) Authorizes the oil and gas developer, notwithstanding Subsection (a), if it plans to begin oil and gas exploration and production operations less than 30 days before the date the oil and gas lease terminates, to give notice at any time before the oil and gas exploration and production operations begin.

Sec. 91.702. ADDRESS FOR NOTICE. Requires notice to be given to each surface owner at the surface owner's address as shown by the records of the county clerk or county tax assessor-collector at the time notice is given.

SECTION 2. Makes application of the change in law made by this Act prospective to oil and gas exploration and production operations that begin on or after October 1, 2005.

SECTION 3. Effective date: September 1, 2005.