

By: Farabee

H.B. No. 1564

A BILL TO BE ENTITLED

AN ACT

relating to the use of money in the oil-field cleanup fund.

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

SECTION 1. Section 91.001, Natural Resources Code, is amended by adding Subdivision (4) to read as follows:

(4) "Well-site" means the area associated with a well regulated by the commission, including the drillpad on which the well is located and any pits associated with the well, together with any equipment associated with the well that is necessary for the exploration, production, and sale of hydrocarbons, including tank batteries, meters, casing, tubing, and rods.

SECTION 2. Section 91.112, Natural Resources Code, is amended to read as follows:

Sec. 91.112. PURPOSE OF THE FUND. (a) Money in the fund may be used by the commission or its employees or agents for:

(1) conducting a site investigation or environmental assessment of a well or well-site to determine:

(A) the nature and extent of contamination caused by oil and gas wastes, [or] other substances or materials, or equipment associated with wells regulated by the commission under Section 91.101; and

(B) the measures that should be taken to control or clean up the wastes, substances, [or] materials, or equipment described in Paragraph (A);

1 (2) controlling or cleaning up oil and gas wastes,
2 ~~[or]~~ other substances or materials, or equipment associated with
3 wells regulated by the commission under Section 91.101 that is
4 ~~[are]~~ causing or is ~~[are]~~ likely to cause the pollution of surface
5 or subsurface water, consistent with Section 91.113;

6 (3) plugging abandoned wells and administering or
7 enforcing permits, orders, and rules relating to the commission's
8 authority to prevent pollution from wells and well-sites ~~[under~~
9 ~~this chapter, Chapter 89, or any other law administered or enforced~~
10 ~~by the commission under Title 3]~~;

11 (4) implementing Subchapter N and enforcing rules,
12 orders, and permits adopted or issued under that subchapter;

13 (5) implementing the voluntary cleanup program under
14 Subchapter O; and

15 (6) preparing the report required under Subsection
16 (b).

17 (b) The commission shall submit to the legislature and make
18 available to the public, annually, a report that reviews the extent
19 to which money provided under Section 91.111 has enabled the
20 commission to better protect the environment and enhance the income
21 of the oil-field cleanup fund. The report shall include:

22 (1) the number of wells plugged, by region;

23 (2) the number of wells abandoned, by region;

24 (3) the number of inactive wells not currently in
25 compliance with commission rules, by region;

26 (4) the status of enforcement proceedings for all
27 wells in violation of commission rules and the time period during

1 which the wells have been in violation, by region in which the wells
2 are located;

3 (5) the number of wells and well-sites [~~surface~~
4 ~~locations~~] remediated, by region;

5 (6) a detailed accounting of expenditures of money in
6 the fund, including expenditures for site investigations and
7 environmental assessments, plugging of abandoned wells,
8 remediation of wells and well-sites [~~surface locations~~], and staff
9 salaries and other administrative expenses;

10 (7) the method by which the commission sets priorities
11 by which it determines the order in which abandoned wells are
12 plugged;

13 (8) a projection of the amount of money needed for the
14 next biennium for conducting site investigations and environmental
15 assessments, plugging abandoned wells, and remediating wells and
16 well-sites [~~surface locations~~];

17 (9) the status of implementation of the provisions of
18 Section 89.085 relating to possession and sale of equipment to
19 recover plugging costs; and

20 (10) the number of wells and well-sites [~~sites~~]
21 successfully remediated under the voluntary cleanup program under
22 Subchapter O, by region.

23 SECTION 3. Sections 91.113(a), (b), (c), (d), and (f),
24 Natural Resources Code, are amended to read as follows:

25 (a) If oil and gas wastes, [or] other substances or
26 materials, or equipment associated with wells regulated by the
27 commission under Section 91.101 is [~~are~~] causing or is [~~are~~] likely

1 to cause the pollution of surface or subsurface water, the
2 commission, through its employees or agents, may use money in the
3 oil-field cleanup fund to conduct a site investigation or
4 environmental assessment or control or clean up the oil and gas
5 wastes, ~~[or]~~ other substances or materials, or equipment if:

6 (1) the responsible person has failed or refused to
7 control or clean up the oil and gas wastes, ~~[or]~~ other substances or
8 materials, or equipment after notice and opportunity for hearing;

9 (2) the responsible person is unknown, cannot be
10 found, or has no assets with which to control or clean up the oil and
11 gas wastes, ~~[or]~~ other substances or materials, or equipment; or

12 (3) the oil and gas wastes, ~~[or]~~ other substances or
13 materials, or equipment is ~~[are]~~ causing the pollution of surface
14 or subsurface water.

15 (b) For purposes of this section, "responsible person"
16 means any operator or other person required by law, rules adopted by
17 the commission, or a valid order of the commission to control or
18 clean up the oil and gas wastes, ~~[or]~~ other substances or materials, or equipment.
19

20 (c) The commission or its employees or agents, on proper
21 identification, may enter the land of another for the purpose of
22 conducting a site investigation or environmental assessment or
23 controlling or cleaning up oil and gas wastes, ~~[or]~~ other
24 substances or materials, or equipment under this section.

25 (d) The conducting of a site investigation or environmental
26 assessment or the control or cleanup of oil and gas wastes, ~~[or]~~
27 other substances or materials, or equipment by the commission under

1 this section does not prevent the commission from seeking penalties
 2 or other relief provided by law from any person who is required by
 3 law, rules adopted by the commission, or a valid order of the
 4 commission to control or clean up the oil and gas wastes, ~~or~~ other
 5 substances or materials, or equipment.

6 (f) If the commission conducts a site investigation or
 7 environmental assessment or controls or cleans up oil and gas
 8 wastes, ~~or~~ other substances or materials, or equipment under this
 9 section, the commission may recover all costs incurred by the
 10 commission from any person who was required by law, rules adopted by
 11 the commission, or a valid order of the commission to control or
 12 clean up the oil and gas wastes, ~~or~~ other substances or materials, or equipment. The commission by order may require the person to
 13 reimburse the commission for those costs or may request the
 14 attorney general to file suit against the person to recover those
 15 costs. At the request of the commission, the attorney general may
 16 file suit to enforce an order issued by the commission under this
 17 subsection. A suit under this subsection may be filed in any court
 18 of competent jurisdiction in Travis County. Costs recovered under
 19 this subsection shall be deposited to the oil-field cleanup fund.

21 SECTION 4. Section 91.1131(a), Natural Resources Code, is
 22 amended to read as follows:

23 (a) The commission by rule shall ~~may~~ establish risk
 24 assessment as the guide for:

25 (1) conducting site investigations and environmental
 26 assessments; and

27 (2) controlling and cleaning up oil and gas wastes,

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1 [~~and~~] other substances and materials, and equipment associated with
2 wells regulated by the commission.

3 SECTION 5. This Act takes effect September 1, 2005.