

1-1 By: Armbrister S.B. No. 575
1-2 (In the Senate - Filed February 17, 2005; March 1, 2005,
1-3 read first time and referred to Committee on Natural Resources;
1-4 April 6, 2005, reported adversely, with favorable Committee
1-5 Substitute by the following vote: Yeas 9, Nays 0; April 6, 2005,
1-6 sent to printer.)

1-7 COMMITTEE SUBSTITUTE FOR S.B. No. 575 By: Armbrister

1-8 A BILL TO BE ENTITLED
1-9 AN ACT

1-10 relating to notice to a surface owner by an oil or gas well operator
1-11 of certain oil and gas operations.

1-12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-13 SECTION 1. Chapter 91, Natural Resources Code, is amended
1-14 by adding Subchapter P to read as follows:

1-15 SUBCHAPTER P. NOTICE OF OIL AND GAS OPERATIONS

1-16 Sec. 91.701. DEFINITION. In this subchapter, "surface
1-17 owner" means the first person who is shown on the appraisal roll of
1-18 the appraisal district established for the county in which a tract
1-19 of land is located as owning an interest in the surface estate of
1-20 the land at the time notice is required to be given under this
1-21 subchapter.

1-22 Sec. 91.702. APPLICABILITY. This subchapter applies only
1-23 to the drilling of a new oil or gas well or the reentry of a plugged
1-24 and abandoned oil or gas well. This subchapter does not apply to:

1-25 (1) the plugging back, reworking, sidetracking, or
1-26 deepening of an existing oil or gas well that has not been plugged
1-27 and abandoned; or

1-28 (2) the use of an existing oil or gas well bore that
1-29 has not been plugged and abandoned to drill a horizontal oil or gas
1-30 well.

1-31 Sec. 91.703. NOTICE REQUIRED. (a) Not later than the
1-32 third day after the date the commission issues an oil or gas well
1-33 operator a permit to drill a new oil or gas well or to reenter a
1-34 plugged and abandoned oil or gas well, the operator shall give
1-35 written notice of the operator's intention to drill or reenter the
1-36 well to the surface owner of the tract of land on which the well is
1-37 located or is proposed to be located.

1-38 (b) An oil or gas well operator is not required to give
1-39 notice under this subchapter to a surface owner if:

1-40 (1) the operator and the surface owner have entered
1-41 into an agreement that contains alternative provisions regarding
1-42 the operator's obligation to give notice of oil and gas operations;
1-43 or

1-44 (2) the surface owner has waived in writing the owner's
1-45 right to notice under this subchapter.

1-46 Sec. 91.704. ADDRESS FOR NOTICE. The notice must be given
1-47 to the surface owner at the surface owner's address as shown by the
1-48 records of the county tax assessor-collector at the time the notice
1-49 is given.

1-50 Sec. 91.705. RIGHTS OF OWNER OF MINERAL ESTATE NOT
1-51 AFFECTED. (a) This subchapter does not affect the status of any
1-52 rule of law to the effect that the mineral estate in land is
1-53 dominant over the surface estate.

1-54 (b) Failure to give notice as required by this subchapter
1-55 does not restrict, limit, work as a forfeiture of, or terminate any
1-56 existing or future right to develop the mineral estate in land.

1-57 SECTION 2. The change in law made by this Act applies only
1-58 to oil and gas operations for which a permit is issued on or after
1-59 October 1, 2005. Oil and gas operations for which a permit is
1-60 issued before October 1, 2005, are governed by the law as it existed
1-61 immediately before the effective date of this Act, and that law is
1-62 continued in effect for that purpose.

1-63 SECTION 3. This Act takes effect September 1, 2005.

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