

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

March 21, 2005

TO: Honorable George "Buddy" West, Chair, House Committee on Energy Resources

FROM: John S. O'Brien, Deputy Director, Legislative Budget Board

IN RE: HB753 by Gattis (Relating to notice to surface owners of oil and gas exploration and production operations.), **As Introduced**

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| <p>No significant fiscal implication to the State is anticipated.</p> |
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The bill would require an oil and gas developer to provide written notice to each surface owner at least 30 days before any oil and gas exploration and production operations, unless the oil and gas lease will terminate in less than 30 days, in which case the oil and gas developer may give notice at any time before operations begin. The written notice would be provided by mail to the surface owner's address.

Assuming the Railroad Commission would not be required to verify and monitor all notices provided by oil and gas developers to surface owners, the bill is not expected to result in a significant workload increase at the agency.

Local Government Impact

The bill could impact a local government that also is the surface owner because the local government would be required to pay the cost of notifying affected surface land owners. The bill also could delay recovery of minerals in a case where the local government is the mineral owner, but not the surface owner.

Source Agencies: 455 Railroad Commission

LBB Staff: JOB, KJG, WK, ZS, TL