

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION**

**March 29, 2005**

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

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

**IN RE: HB2482** by West, George "Buddy" (Relating to the financial security requirements for certain operators of oil and gas wells.), **As Introduced**

**No significant fiscal implication to the State is anticipated.**

The bill would increase the amount of financial assurance bonds oil and gas well operators would have to maintain for oil and gas wells from \$2 per foot to \$3 per foot based on well depth. The bill also would provide that the increased level of blanket bonding apply to wells that are transferred from one owner to another. The Railroad Commission does expect to incur additional computer programming costs as a result of the bill's passage and the staff costs associated with tracking bonding levels. However, these costs are not anticipated to be significant to the agency's overall budget.

**Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 455 Railroad Commission

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