

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

**FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION**

**March 14, 2007**

**TO:** Honorable Rick Hardcastle, Chair, House Committee on Energy Resources

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

**IN RE: HB630** by King, Phil (Relating to notice to a surface owner by an oil or gas well operator of certain oil and gas operations.), **As Introduced**

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

The bill would require that an oil and gas operator provide written notice to the surface owner of a tract for which the operator has received a permit from the Railroad Commission to drill a new oil or gas well or re-enter a plugged and abandoned oil or gas well with certain exceptions.

The Railroad Commission reports that the bill could impact the agency's online drilling permit system, since they would be required to track operators' compliance with notice requirement and differentiate permits. The agency also reports that passage of the bill could impact current Commission policy, which allows an operator to immediately commence drilling operations upon issuance of a drilling permit. The bill could also result in additional enforcement responsibilities and a greater number of hearings for the Railroad Commission. However, this estimate assumes that costs resulting from the bill's passage would not be significant and could be reasonably absorbed within existing agency resources.

**Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 455 Railroad Commission

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