

By: Hancock

H.B. No. 2255

A BILL TO BE ENTITLED

AN ACT

relating to restrictions on the release into the air of natural gas and associated vapors from a gas well.

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

SECTION 1. Section 86.185, Natural Resources Code, is amended to read as follows:

Sec. 86.185. RESTRICTIONS ON RELEASE OF [~~PROHIBITION AGAINST~~] GAS IN AIR: GAS WELLS IN GENERAL. (a) This section does not apply to a gas well to which Section 86.186 applies.

(b) No gas from a gas well may be permitted to escape into the air after the expiration of 10 days from the time the gas is encountered in the gas well, or from the time of perforating the casing opposite a gas-bearing zone if casing is set through the zone, whichever is later, but the commission may permit the escape of gas into the air for an additional time if the operator of a well or other facility presents information to show the necessity for the escape; provided that the amount of gas which is flared under that authority is charged to the operator's allowable production. A necessity includes but is not limited to the following situations:

(1) cleaning a well of sand or acid or both following stimulation treatment of a well; and

(2) repairing or modifying a gas-gathering system.

SECTION 2. Subchapter F, Chapter 86, Natural Resources

1 Code, is amended by adding Section 86.186 to read as follows:

2 Sec. 86.186. RESTRICTIONS ON RELEASE OF GAS IN AIR: GAS  
3 WELLS IN THE NEWARK, EAST (BARNETT SHALE) FIELD. (a) This section  
4 applies only to a gas well that is anticipated to be or has been  
5 completed or recompleted in the Newark, East (Barnett Shale) Field.

6 (b) Gas from a gas well may not be permitted to escape into  
7 the air after the second day after the date gas is encountered in  
8 the well, except that the commission may permit the escape of gas  
9 into the air for an additional period if the operator of the well or  
10 other facility presents information to show the necessity for the  
11 escape. The amount of gas flared under the commission's authority  
12 shall be charged to the operator's allowable production. A  
13 necessity includes the following situations:

14 (1) to avoid endangering the safety of persons  
15 performing work on the well or of the public;

16 (2) to drill the initial exploratory well in a field  
17 before a sales pipeline to which gas produced from the field may be  
18 delivered has been constructed;

19 (3) to comply with an oil or gas lease entered into  
20 before September 1, 2009; and

21 (4) to repair or modify a gas-gathering system.

22 (c) An operator of a gas well shall use techniques or  
23 methods that minimize the release into the air of gas and associated  
24 vapors when gas from the well is permitted to flow during the  
25 completion or recompletion of the well. After a gas well is  
26 fractured or refractured, the operator as soon as practicable shall  
27 employ appropriate equipment and processes to minimize the release

1 into the air of gas and associated vapors and:

2 (1) take necessary actions to deliver salable gas to  
3 the sales pipeline; or

4 (2) shut the well in and conserve the gas.

5 SECTION 3. Section 86.012(a), Natural Resources Code, is  
6 amended to read as follows:

7 (a) The term "waste" includes:

8 (1) the operation of an oil well or wells with an  
9 inefficient gas-oil ratio;

10 (2) the drowning with water of a stratum or part of a  
11 stratum capable of producing gas in paying quantities;

12 (3) permitting a gas well to burn wastefully;

13 (4) the creation of unnecessary fire hazards;

14 (5) physical waste or loss incident to or resulting  
15 from so drilling, equipping, or operating a well or wells as to  
16 reduce or tend to reduce the ultimate recovery of gas from any pool;

17 (6) the escape of gas from a well producing both oil  
18 and gas into the open air in excess of the amount that is necessary  
19 in the efficient drilling or operation of the well;

20 (7) the production of gas in excess of transportation  
21 or market facilities or reasonable market demand for the type of gas  
22 produced;

23 (8) the use of gas for the manufacture of carbon black  
24 without first having extracted the natural gasoline content from  
25 the gas, except it shall not be necessary to first extract the  
26 natural gasoline content from the gas where it is utilized in a  
27 plant producing an average recovery of not less than five pounds of

1 carbon black to each 1,000 cubic feet of gas;

2 (9) the use of sweet gas produced from a gas well for  
3 the manufacture of carbon black unless it is used in a plant  
4 producing an average recovery of not less than five pounds of carbon  
5 black to each 1,000 cubic feet and unless the sweet gas is produced  
6 from a well located in a common reservoir producing both sweet and  
7 sour gas;

8 (10) permitting gas produced from a gas well to escape  
9 into the air before or after the gas has been processed for its  
10 gasoline content, unless authorized as provided in Section 86.185  
11 or 86.186 [~~of this code~~];

12 (11) the production of natural gas from a well  
13 producing oil from a stratum other than that in which the oil is  
14 found unless the gas is produced in a separate string of casing from  
15 that in which the oil is produced;

16 (12) the production of more than 100,000 cubic feet of  
17 gas to each barrel of crude petroleum oil unless the gas is put to  
18 one or more of the uses authorized for the type of gas so produced  
19 under allocations made by the commission or unless authorized as  
20 provided in Section 86.185 or 86.186 [~~of this code~~]; and

21 (13) underground waste or loss however caused and  
22 whether or not defined in other subdivisions of this section.

23 SECTION 4. This Act takes effect immediately if it receives  
24 a vote of two-thirds of all the members elected to each house, as  
25 provided by Section 39, Article III, Texas Constitution. If this  
26 Act does not receive the vote necessary for immediate effect, this  
27 Act takes effect September 1, 2009.