

By: Crownover

H.B. No. 2356

A BILL TO BE ENTITLED

AN ACT

relating to the filing with the state of well logs by operators of oil-related or gas-related wells; providing a penalty.

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

SECTION 1. The heading to Subchapter M, Chapter 91, Natural Resources Code, is amended to read as follows:

SUBCHAPTER M. WELL [~~ELECTRIC~~] LOGS

SECTION 2. Section 91.551(a), Natural Resources Code, is amended by amending Subdivisions (1) and (2) and adding Subdivision (5) to read as follows:

(1) "Well" means a well drilled for any purpose related to exploration for or production or storage of oil or gas or both oil and gas, including a well drilled for injection of fluids to enhance hydrocarbon recovery, disposal of produced fluids, disposal of waste from exploration or production activity, or brine mining. The term includes a well that is completed as a dry hole.

(2) "Well [~~Electric~~] log" means a wireline-conveyed or drill pipe-conveyed survey recorded in an open borehole using electric or radioactive technologies for the purpose of obtaining geological or geophysical information or other information regarding the properties of a reservoir or of the rocks penetrated by the well. The term includes a:

(A) spontaneous potential log;

(B) induction log;

1 (C) laterolog;

2 (D) density log;

3 (E) gamma ray log;

4 (F) neutron log; or

5 (G) mud log [~~wireline survey, except dipmeter~~
6 ~~surveys and seismic wireline surveys, run in an open hole or a cased~~
7 ~~hole of a well for purposes of obtaining geological information].~~

8 (5) "Mud log" means a graphical representation
9 generated while drilling a well of:

10 (A) the rate of penetration of the well;

11 (B) the lithology, hydrocarbon content, or other
12 properties of the rocks penetrated by the well; or

13 (C) other properties of the drilling of the well
14 or of the mud used in the drilling of the well.

15 SECTION 3. Section 91.552, Natural Resources Code, is
16 amended to read as follows:

17 Sec. 91.552. WELL [~~ELECTRIC~~] LOGS REQUIRED TO BE FILED;
18 CRITERIA. (a) Except as otherwise provided by this subchapter,
19 not later than the 60th [~~90th~~] day after the date a drilling
20 operation is completed, the operator shall file with the commission
21 a copy of each well log, including each borehole section of the log,
22 [~~a basic electric log~~] run after January 1, 2009 [~~September 1,~~
23 ~~1985~~], in conjunction with the drilling or deepening of the well
24 that meets basic criteria established by the commission.

25 (b) The commission by rule shall establish criteria for well
26 [~~basic electric~~] logs to be filed with the commission.

27 SECTION 4. The heading to Section 91.553, Natural Resources

1 Code, is amended to read as follows:

2 Sec. 91.553. AVAILABILITY OF WELL [~~ELECTRIC~~] LOGS.

3 SECTION 5. Sections 91.553(a), (b), (c), (e), and (f),
4 Natural Resources Code, are amended to read as follows:

5 (a) Except as specifically provided by this section, each
6 well [~~electric~~] log filed with the commission under this subchapter
7 is not confidential and is public information under Chapter 552,
8 Government Code.

9 (b) Not later than the date by which a well [~~an electric~~] log
10 is required to be filed with the commission under Section 91.552,
11 the operator may file a written request with the commission asking
12 that the well [~~electric~~] log remain confidential and not be made
13 available as public information. On filing this request, the well
14 [~~electric~~] log or copy of the well [~~electric~~] log required to be
15 filed with the commission may be retained by the operator, and the
16 well [~~electric~~] log may remain in the possession of the operator for
17 the period of confidentiality and any extension [~~extensions~~] of
18 that period. On filing of the request for confidentiality, the
19 well [~~electric~~] log becomes confidential and remains confidential
20 for a period of six months [~~one year~~] after the date that the
21 drilling operation was completed.

22 (c) If a well [~~an electric~~] log is made confidential under
23 Subsection (b), the operator is entitled to have the period of
24 confidentiality extended once for an additional period of six
25 months [~~two years~~]. The commission shall grant the six-month
26 [~~two-year~~] extension on written request of the operator. The
27 written request must be made to the commission before the six-month

1 ~~[one-year]~~ period of confidentiality under Subsection (b) expires.

2 (e) An operator required to file a well ~~[an electric]~~ log
3 under this section who has held the log during a period of
4 confidentiality or any extension ~~[extensions]~~ of that period shall
5 file the log with the commission within 30 days after the conclusion
6 of the period of confidentiality or the period of the ~~[last]~~
7 extension.

8 (f) An operator who fails to timely file with the commission
9 a written request under Subsection (b) that a well ~~[an electric]~~ log
10 remain confidential and not be made available as public information
11 or a written request under Subsection (c) ~~[or (d)]~~ for an extension
12 of the period of confidentiality shall file the log with the
13 commission immediately after the conclusion of the period for
14 filing the request.

15 SECTION 6. Section 91.554, Natural Resources Code, is
16 amended to read as follows:

17 Sec. 91.554. AVAILABILITY OF CONFIDENTIAL WELL ~~[ELECTRIC]~~
18 LOGS. If the commission requires a well ~~[an electric]~~ log to be
19 filed before the expiration of a period of confidentiality, the
20 commission shall make that well ~~[electric]~~ log available for
21 inspection during the period of confidentiality only to:

22 (1) a person authorized in writing by the operator;
23 and

24 (2) members of the commission and its employees in the
25 exercise of their powers and duties under this code.

26 SECTION 7. Section 91.555, Natural Resources Code, is
27 amended to read as follows:

1 Sec. 91.555. MANAGEMENT AND STORAGE OF WELL [~~ELECTRIC~~]
2 LOGS. The commission may contract with any person for the
3 management and storage of the well [~~electric~~] logs filed with the
4 commission.

5 SECTION 8. Section 91.556, Natural Resources Code, is
6 amended to read as follows:

7 Sec. 91.556. ENFORCEMENT [~~DENIAL OF ALLOWABLE~~]. If an
8 operator fails to file a well [~~an electric~~] log as required by this
9 subchapter, the commission may:

10 (1) if the well is completed as a producing well,
11 refuse to assign an allowable or a change in allowable for
12 production from the well [~~for which the electric log is required~~]
13 until the operator files the well [~~electric~~] log with the
14 commission;

15 (2) if the well is completed as a dry hole, refuse to
16 approve the plugging of the well until the operator files the well
17 log with the commission;

18 (3) refuse to release the operator's financial
19 security filed under Subchapter D until the operator files the well
20 log with the commission;

21 (4) require the operator to reenter the well, run a
22 well log, and file the log with the commission; or

23 (5) impose an administrative penalty on the operator
24 in the manner provided by Sections 81.0531-81.0534 in the amount of
25 \$15,000 for each well for which the operator failed to file a well
26 log.

27 SECTION 9. Section 91.553(d), Natural Resources Code, is

1 repealed.

2 SECTION 10. Section 552.113(a), Government Code, is amended
3 to read as follows:

4 (a) Information is excepted from the requirements of
5 Section 552.021 if it is:

6 (1) a well [~~an electric~~] log confidential under
7 Subchapter M, Chapter 91, Natural Resources Code;

8 (2) geological or geophysical information or data,
9 including maps concerning wells, except information filed in
10 connection with an application or proceeding before an agency; or

11 (3) confidential under Subsections (c) through (f).

12 SECTION 11. Section 552.113(c)(2), Government Code, is
13 amended to read as follows:

14 (2) "Well [~~"Basic electric~~] logs" has the same meaning
15 as it has in Chapter 91, Natural Resources Code.

16 SECTION 12. Sections 552.113(d), (e), and (f), Government
17 Code, are amended to read as follows:

18 (d) Confidential material, except well [~~basic electric~~]
19 logs, filed in the General Land Office on or after September 1,
20 1985, is public information and is available to the public under
21 Section 552.021 on and after the later of:

22 (1) five years from the filing date of the
23 confidential material; or

24 (2) one year from the expiration, termination, or
25 forfeiture of the lease in connection with which the confidential
26 material was filed.

27 (e) Well [~~Basic electric~~] logs filed in the General Land

1 Office on or after September 1, 1985, are either public information
2 or confidential material to the same extent and for the same periods
3 provided for the same logs by Chapter 91, Natural Resources Code. A
4 person may request that a well [~~basic electric~~] log that has been
5 filed in the General Land Office be made confidential by filing with
6 the land office a copy of the written request for confidentiality
7 made to the Railroad Commission of Texas for the same log.

8 (f) The following are public information:

9 (1) well [~~basic electric~~] logs filed in the General
10 Land Office before September 1, 1985; and

11 (2) confidential material, except well [~~basic~~
12 ~~electric~~] logs, filed in the General Land Office before September
13 1, 1985, provided, that Subsection (d) governs the disclosure of
14 that confidential material filed in connection with a lease that is
15 a valid and subsisting lease on September 1, 1995.

16 SECTION 13. The changes in law made by this Act apply only
17 to a drilling operation that is completed on or after the effective
18 date of this Act. A drilling operation that is completed before the
19 effective date of this Act is subject to the law in effect on the
20 date of completion, and that law is continued in effect for that
21 purpose.

22 SECTION 14. This Act takes effect September 1, 2009.