

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

May 6, 2009

TO: Honorable Jim Keffer, Chair, House Committee on Energy Resources

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

IN RE: HB2356 by Crossover (Relating to the filing with the state of well logs by operators of oil-related or gas-related wells; providing a penalty.), **Committee Report 1st House, Substituted**

No significant fiscal implication to the State is anticipated.

The bill would require operators to file well logs with the Railroad Commission for the drilling or deepening of a well in lieu of a well log run if a case hole log was run, and a well log was not run. In addition, the bill would provide for additional penalties for failing to file a well log in the amount of \$5,000 for each well for which an operator would fail to file a well log. The bill also would require the House Committee on Energy Resources to conduct an interim study to increase compliance with well log requirements and submit its findings to the Legislature by January 1, 2011.

This estimate assumes that any additional costs incurred by the Railroad Commission in implementing the provisions of the bill could be covered using existing resources.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 455 Railroad Commission, 305 General Land Office and Veterans' Land Board

LBB Staff: JOB, SD, TL, SZ