

Amend HB 3328 (senate committee report) by adding the following appropriately numbered SECTIONS and renumbering subsequent SECTIONS of the bill accordingly:

SECTION _____. Subchapter B, Chapter 91, Natural Resources Code, is amended by adding Section 91.021 to read as follows:

Sec. 91.021. HYDRAULIC FRACTURING FLUID TRACER. (a) In this section, "hydraulic fracturing treatment" means the stimulation of a well by the application of a base stimulation fluid containing a proppant with force in order to create artificial fractures in a formation for the purpose of improving the well's capacity to produce hydrocarbons.

(b) The commission shall conduct a study on the feasibility of requiring a person who performs a hydraulic fracturing treatment operation on a well to include a tracer substance in the base stimulation fluid used to perform the operation. If the commission determines that the technology necessary to include a tracer substance in base stimulation fluid exists and may feasibly be used in hydraulic fracturing treatment operations in this state, the commission shall adopt rules to require a person who performs a hydraulic fracturing treatment operation on a well to include a tracer substance in the base stimulation fluid used to perform the operation.

(c) Rules adopted under this section may specify the type of tracer substance a person is required to use in performing a hydraulic fracturing treatment operation, such as an isotope tracer or a color tracer, provided that:

(1) the tracer substance is traceable to a specific person after the tracer substance is used in a hydraulic fracturing treatment operation; and

(2) the commission has determined that the use of the tracer substance in a hydraulic fracturing treatment operation will not endanger the public health.

(d) If the commission determines that the technology necessary to include a tracer substance in base stimulation fluid does not exist or may not feasibly be used in hydraulic fracturing treatment operations in this state, the commission may encourage the development of the necessary technology.

(e) The commission may periodically update the study required by this section as necessary.

SECTION _____. The Railroad Commission of Texas shall conduct the initial study required by Section 91.021(b), Natural Resources Code, as added by this Act, not later than February 1, 2012.