

Amend Amendment No. 34 by Villarreal to CSSB 655 (prefiled amendment packet at page 140) by adding the following appropriately numbered SECTION to the amendment:

SECTION _____. (a) Section 201.057, Tax Code, is amended by adding Subsection (e-1) to read as follows:

(e-1) Each month, the commission shall certify the average closing price of gas during the previous three months based on various price indices available to producers. The commission shall publish certifications under this subsection in the Texas Register. Notwithstanding any other provision of this section, the commission may not certify that gas is high-cost gas for purposes of this section during any month that the average closing price of gas certified by the commission for the previous three-month period is more than \$6 per mcf. If the price is later \$6 per mcf or less, any drilling and completion costs incurred during a month when the price exceeds \$6 per mcf are excluded from the calculation of the cumulative value of the exemption under Subsection (c).

(b) The Railroad Commission of Texas shall publish the initial certification required by Section 201.057(e-1), Tax Code, as added by this section, not later than September 30, 2011.