

BILL ANALYSIS

C.S.H.B. 849
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Natural Resources
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Currently, rules are adopted and enforced that relate to applications for commercial disposal wells, but problems with the application process have increased as the number of permits have increased. Despite the notification requirements accompanying these permits, including notification to each landowner whose land is adjacent to the proposed site, many other affected parties receive no notification.

C.S.H.B. 849 seeks to remedy this problem by changing certain notice requirements for an application for a permit to dispose of oil and gas waste in a commercial disposal well.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

C.S.H.B. 849 amends the Water Code to require the rules adopted by the Railroad Commission of Texas under the Injection Well Act in connection with an application for a permit to dispose of oil and gas waste in a commercial disposal well, as defined by the railroad commission, to require, at a minimum, the applicant to give notice of the application to each owner of record of each surface tract that adjoins the tract on which the well is proposed to be located, the commissioners court of the county in which the well is proposed to be located, and any groundwater conservation district in which the well is proposed to be located. The bill requires such rules to require each owner of record of a surface tract who receives notice of the application to give notice of the application to each surface lessee or purchaser under a contract for deed, executory contract, or other executory conveyance of the tract who occupies a residence located on the tract; to require the applicant to publish notice of the application in each newspaper of general circulation in the county in which the well is proposed to be located that satisfies the requirements of statutory provisions relating to the type of newspaper required; and to provide each person who receives notice of the application an opportunity to request a public hearing on the application.

C.S.H.B. 849 establishes that the failure of a person who receives notice of an application for such a permit to give notice of the application as required by the bill does not invalidate any permit issued by the railroad commission and may not be considered by the railroad commission with respect to any pending permit application. The bill establishes that the railroad commission is not required to hold more than one public hearing on an application regardless of the number of persons who request a hearing.

C.S.H.B. 849 exempts the owner of record of a surface tract who received a notice of an application for a permit to dispose of oil and gas waste in a commercial disposal well who is required to give notice of the application to other specified entities from fines imposed on a person who knowingly or intentionally violates a provision of the Injection Well Act.

EFFECTIVE DATE

September 1, 2011.

COMPARISON OF ORIGINAL TO SUBSTITUTE

C.S.H.B. 849 differs from the original by requiring the rules to require an applicant to publish notice of an application in each newspaper of general circulation in the county in which the well

is proposed to be located that satisfies certain statutory requirements, whereas the original requires the rules to require an applicant to publish notice of an application in a newspaper of general circulation in the county in which the well is proposed to be located. The substitute omits a provision included in the original requiring an applicant to publish notice of an application in the newspaper that is published in closest proximity to the proposed site of the well.

The substitute differs from the original by establishing that the railroad commission is not required to hold more than one public hearing on an application regardless of the number of persons who request a hearing, whereas the original establishes that the commission on is not required to hold more than one public hearing on an application regardless of the number of persons who request a hearing.