

By: Crownover

H.B. No. 3460

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, SUBCHAPTER M. is amended to read as follows:

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

SECTION 2. Natural Resources Code, Sections 91.551(a)(1) and (2) are amended 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 and is limited to a:

(A) spontaneous potential log;

(B) induction log;

(C) borehole compensated sonic log;

- 1 (D) dual lateral log;
- 2 (E) density log;
- 3 (F) gamma ray log; or
- 4 (G) compensated neutron log [~~wireline survey,~~
- 5 ~~except dipmeter surveys and seismic wireline surveys, run in an~~
- 6 ~~open hole or a cased hole of a well for purposes of obtaining~~
- 7 ~~geological information].~~

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

10 Sec. 91.552. WELL [~~ELECTRIC~~] LOGS REQUIRED TO BE FILED;
11 CRITERIA. (a) Except as otherwise provided by this subchapter, not
12 later than the 90th day after the date a drilling operation is
13 completed, the operator shall file with the commission a copy of
14 each well log, including each borehole section of the log at all
15 depths, [a basic electric log] run after September 1, 2011
16 [~~September 1, 1985~~], in conjunction with the drilling or deepening
17 of the well that meets basic criteria established by the
18 commission. Each well log shall include each borehole section of
19 the log at all depths. Each well log shall be filed with the
20 commission electronically in a manner acceptable to the commission
21 provided the commission has the technological capability to receive
22 the electronic filing.

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

25 (c) Not later than the deadline prescribed by Subsection (a)
26 for the filing of each well log, an operator shall file with the
27 commission a copy of a cased hole log run after September 1, 2011,

1 in conjunction with the drilling or deepening of a well in lieu of a
2 well log run after that date if:

3 (1) a cased hole log was run; and

4 (2) a well log was not run.

5 (d) Nothing in this subchapter requires an operator to run a
6 well log in conjunction with the drilling or deepening of a well.

7 SECTION 4. Natural Resources Code, Section 91.553, is
8 amended to read as follows:

9 Sec. 91.553. AVAILABILITY OF WELL [~~ELECTRIC~~] LOGS. (a)
10 Except as specifically provided by this section, each well
11 [~~electric~~] log filed with the commission under this subchapter is
12 not confidential and is public information under Chapter 552,
13 Government Code.

14 (b) Not later than the date by which a well [~~an electric~~] log
15 is required to be filed with the commission under Section 91.552,
16 the operator may file a written request (Form L-1) with the
17 commission asking that the well [~~electric~~] log remain confidential
18 and not be made available as public information. On filing this
19 request, the commission will hold confidential the well [~~electric~~]
20 log or copy of the well [~~electric~~] log required to be filed with the
21 commission [~~may be retained by the operator, and the electric log~~
22 ~~may remain in the possession of the operator~~] for the period of
23 confidentiality. On filing of the request for confidentiality, the
24 well [~~electric~~] log becomes confidential and remains confidential
25 for a period of three years [~~one year~~] after the date that the
26 drilling operation was completed on an on-shore well and five years
27 after the date that the drilling operation was completed on an

1 offshore well.

2 ~~[(c) If an electric log is made confidential under~~
3 ~~Subsection (b), the operator is entitled to have the period of~~
4 ~~confidentiality extended once for an additional period of two~~
5 ~~years. The commission shall grant the two-year extension on~~
6 ~~written request of the operator. The written request must be made~~
7 ~~to the commission before the one-year period of confidentiality~~
8 ~~under (b) expires.~~

9 ~~[(d) If an electric log is made confidential under (b) and~~
10 ~~the log was run in a well drilled on land submerged in state water,~~
11 ~~the operator is entitled to have the period of confidentiality~~
12 ~~extended for not more than two additional periods of two years each.~~
13 ~~The commission shall grant the extension or extensions on written~~
14 ~~request of the operator. The written request must be made to the~~
15 ~~commission before the expiration of the one-year period of~~
16 ~~confidentiality under (b) or the expiration of the first extension~~
17 ~~granted under this subsection.~~

18 ~~[(e) An operator required to file an electric log under this~~
19 ~~section who has held the log during a period of confidentiality or~~
20 ~~any extensions of that period shall file the log with the commission~~
21 ~~within 30 days after the conclusion of the period of~~
22 ~~confidentiality or the period of the last extension.]~~

23 (f) An operator who fails to timely file with the commission
24 a written request under Subsection (b) that a well ~~[an electric]~~ log
25 remain confidential and not be made available as public information
26 shall file the log with the commission immediately after the
27 conclusion of the period for filing the request.

1 SECTION 5. Natural Resources Code, Section 91.554, is
2 amended to read as follows:

3 Sec. 91.554. AVAILABILITY OF CONFIDENTIAL WELL [~~ELECTRIC~~]
4 LOGS. If the commission requires a well [~~an electric~~] log to be
5 available [~~filed~~] before the expiration of a period of
6 confidentiality, the commission shall make that well [~~electric~~] log
7 available for inspection during the period of confidentiality only
8 to:

9 (1) a person authorized in writing by the operator;
10 and

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

13 SECTION 6. Natural Resources Code, Section 91.555, is
14 amended to read as follows:

15 Sec. 91.555. MANAGEMENT AND STORAGE OF WELL [~~ELECTRIC~~]
16 LOGS. The commission may contract with any person for the
17 management and storage of the well [~~electric~~] logs filed with the
18 commission.

19 SECTION 7. Natural Resources Code, Section 91.556, is
20 amended to read as follows:

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

24 (1) if the well is completed as a producing well,
25 refuse to assign an allowable or a change in allowable for
26 production from the well [~~for which the electric log is required~~]
27 until the operator files the well [~~electric~~] log with the

1 commission; or

2 (2) impose an administrative penalty on the operator
3 in the manner provided by Sections 81.0531-81.0534 in an amount not
4 to exceed \$5,000 for each well for which the operator failed to file
5 a well log.

6 SECTION 8. Government Code, Section 552.113(a) is amended
7 to read as follows:

8 Sec. 552.113(a) Information is excepted from the
9 requirements of Section 552.021 if it is:

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

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

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

16 SECTION 9. Amends Government Code, Section 552.113(c)(2):

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

19 SECTION 10. Amends Gov Code, Sections 552.113(d), (e), and
20 (f):

21 (d) Confidential material, except well [~~basic electric~~]
22 logs, filed in the General Land Office on or after September 1,
23 1985, is public information and is available to the public under
24 Section 552.021 on and after the later of:

25 (1) five years from the filing date of the
26 confidential material; or

27 (2) one year from the expiration, termination, or

1 forfeiture of the lease in connection with which the confidential
2 material was filed.

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

11 (f) The following are public information:

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

14 (2) confidential material, except well [~~basic~~
15 ~~electric~~] logs, filed in the General Land Office before September
16 1, 1985, provided, that Subsection (d) governs the disclosure of
17 that confidential material filed in connection with a lease that is
18 a valid and subsisting lease on September 1, 1995.

19 SECTION 11. The changes in law made by this Act apply only
20 to a drilling operation that is completed on or after the effective
21 date of this Act. A drilling operation that is completed before the
22 effective date of this Act is subject to the law in effect on the
23 date of completion, and that law is continued in effect for that
24 purpose.

25 SECTION 12. This Act takes effect September 1, 2011.