

BILL ANALYSIS

C.S.H.B. 3597
By: Burnam
Energy Resources
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Interested parties note that the Railroad Commission of Texas is not currently required to provide certain notice to the Texas Department of Transportation (TxDOT) of a permit to drill an oil or gas well and that this lack of communication between the state agencies can become an issue for planning transportation projects, as illustrated by a recent IH-35 expansion. The parties report that TxDOT had been planning to expand that portion of IH-35 for years, but natural gas wells that were in place at the time TxDOT intended to begin expansion forced TxDOT to rework its plans and instead expand into a historic neighborhood. C.S.H.B. 3597 seeks to prevent the occurrence of situations like this by establishing requirements relating to the issuance by the railroad commission of a permit to drill an oil or gas well in an easement or near an easement held by TxDOT.

RULEMAKING AUTHORITY

It is the committee's opinion that rulemaking authority is expressly granted to the Railroad Commission of Texas in SECTION 1 of this bill.

ANALYSIS

C.S.H.B. 3597 amends the Natural Resources Code to require the Railroad Commission of Texas to adopt rules to require that an application for a permit to drill an oil or gas well include an affirmation as to whether or not the well is located within an easement held by the Texas Department of Transportation (TxDOT) or within 50 yards of an easement held by TxDOT. The bill requires the railroad commission to transmit to TxDOT an application that contains such an affirmation not later than the 14th day after the date the railroad commission receives the application. The bill establishes that its provisions do not grant to TxDOT any authority regarding the approval of an application for a permit to drill an oil or gas well.

EFFECTIVE DATE

September 1, 2013.

COMPARISON OF ORIGINAL AND SUBSTITUTE

While C.S.H.B. 3597 may differ from the original in minor or nonsubstantive ways, the following comparison is organized and highlighted in a manner that indicates the substantial differences between the introduced and committee substitute versions of the bill.

INTRODUCED

SECTION 1. Subchapter B, Chapter 91, Natural Resources Code, is amended by adding Section 91.021 to read as follows:

HOUSE COMMITTEE SUBSTITUTE

SECTION 1. Subchapter B, Chapter 91, Natural Resources Code, is amended by adding Section 91.021 to read as follows:

Sec. 91.021. PERMIT TO DRILL WELL IN TRANSPORTATION EASEMENT. (a) In this section, "department" means the Texas Department of Transportation.

(b) Not later than the fifth day after the date the commission receives an application for a permit to drill an oil or gas well, the commission shall notify the department of the receipt of the application.

(c) Not later than the 30th day after the date the department receives the notice described by Subsection (b), the department shall notify the commission whether the proposed location of the well is in an easement held by the department.

(d) If the department notifies the commission that the proposed location of the well is in an easement held by the department, the commission may not issue the permit unless the commission includes in the permit conditions that prohibit drilling or other operations on the surface of land during the period in which the land is used by this state as a highway, road, street, or alley. This subsection does not prohibit the issuance of a permit for the drilling of a horizontal well the horizontal drain hole of which is proposed to be located under land used by this state as a highway, road, street, or alley if drilling or other operations will not be conducted on the surface of that land.

SECTION 2. Section 91.021, Natural Resources Code, as added by this Act, applies only to a permit application filed with the Railroad Commission of Texas on or after the effective date of this Act. A permit application filed with the commission before the effective date of this Act is governed by the law in effect when the application was filed, and the former law

Sec. 91.021. NOTICE OF PERMIT TO DRILL WELL IN TRANSPORTATION EASEMENT. (a) In this section, "department" means the Texas Department of Transportation.

(c) Not later than the 14th day after the date the commission receives an application for a permit to drill an oil or gas well that contains an affirmation that the well is located within an easement held by the department or within 50 yards of an easement held by the department, the commission shall transmit the application to the department.

(d) This section does not grant to the department any authority regarding the approval of an application for a permit to drill an oil or gas well.

(b) The commission shall adopt rules to require that an application for a permit to drill an oil or gas well include an affirmation as to whether or not the well is located within an easement held by the department or within 50 yards of an easement held by the department.

SECTION 2. Same as introduced version.

is continued in effect for that purpose.

SECTION 3. This Act takes effect
September 1, 2013.

SECTION 3. Same as introduced version.