

By: King of Parker, Keffer

H.B. No. 2767

Substitute the following for H.B. No. 2767:

By: Dale

C.S.H.B. No. 2767

A BILL TO BE ENTITLED

1 AN ACT

2 relating to the treatment and recycling for beneficial use of
3 certain waste arising out of or incidental to the drilling for or
4 production of oil or gas.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

6 SECTION 1. Subtitle D, Title 3, Natural Resources Code, is
7 amended by adding Chapter 122 to read as follows:

8 CHAPTER 122. TREATMENT AND RECYCLING FOR BENEFICIAL USE OF CERTAIN
9 OIL AND GAS WASTE

10 Sec. 122.001. DEFINITIONS. In this chapter:

11 (1) "Commission" means the Railroad Commission of
12 Texas.

13 (2) "Fluid oil and gas waste" means waste containing
14 salt or other mineralized substances, brine, hydraulic fracturing
15 fluid, flowback water, produced water, or other fluid that arises
16 out of or is incidental to the drilling for or production of oil or
17 gas.

18 Sec. 122.002. OWNERSHIP OF CERTAIN OIL AND GAS WASTE
19 TRANSFERRED FOR TREATMENT AND SUBSEQUENT BENEFICIAL USE. Unless
20 otherwise expressly provided by a contract, bill of sale, or other
21 legally binding document:

22 (1) when fluid oil and gas waste is transferred to a
23 person who takes possession of that waste for the purpose of
24 treating the waste for a subsequent beneficial use, the transferred

1 material is considered to be the property of the person who takes
2 possession of it for the purpose of treating the waste for
3 subsequent beneficial use until the person transfers the waste or
4 treated waste to another person for disposal or use; and

5 (2) when a person who takes possession of fluid oil and
6 gas waste for the purpose of treating the waste for a subsequent
7 beneficial use transfers possession of the treated product or any
8 treatment byproduct to another person for the purpose of subsequent
9 disposal or beneficial use, the transferred product or byproduct is
10 considered to be the property of the person to whom the material is
11 transferred.

12 Sec. 122.003. RESPONSIBILITY IN TORT. A person who takes
13 possession of fluid oil and gas waste, produces from that waste a
14 treated product generally considered in the oil and gas industry to
15 be suitable for use in connection with the drilling for or
16 production of oil or gas, and transfers the treated product to
17 another person with the contractual understanding that the treated
18 product will be used in connection with the drilling for or
19 production of oil or gas is not liable in tort for a consequence of
20 the subsequent use of that treated product by the person to whom the
21 treated product is transferred or by another person.

22 Sec. 122.004. COMMISSION RULES FOR TREATMENT AND BENEFICIAL
23 USE. The commission shall adopt rules to govern the treatment and
24 beneficial use of oil and gas waste.

25 SECTION 2. This Act takes effect September 1, 2013.