

By: Callegari

H.B. No. 3249

A BILL TO BE ENTITLED

AN ACT

1
2 relating to recycling, reclamation, handling, and/or treatment of
3 oil and gas waste, water, and related materials and clarifying the
4 Railroad Commission's jurisdiction.

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

6 SECTION 1. Section 91.101, Natural Resources Code, is
7 amended to read as follows:

8 91.101. Text of section effective until delegation of RCRA
9 [Resource Conservation and Recovery Act] authority to Railroad
10 Commission of Texas.

11 (a) To prevent pollution of surface water or subsurface
12 water in the state, the commission shall adopt and enforce rules and
13 orders and may issue permits relating to:

14 (1) the drilling of exploratory wells and oil and gas
15 wells or any purpose in connection with them;

16 (2) the production of oil and gas, including:

17 (A) activities associated with the drilling of
18 injection water source wells which penetrate the base of useable
19 quality water;

20 (B) activities associated with the drilling of
21 cathodic protection holes associated with the cathodic protection
22 of wells and pipelines subject to the jurisdiction of the
23 commission;

24 (C) activities associated with gasoline plants,

1 natural gas or natural gas liquids processing plants, pressure
2 maintenance plants, or repressurizing plants;

3 (D) activities associated with any underground
4 natural gas storage facility, provided the terms "natural gas" and
5 "storage facility" shall have the meanings set out in Section
6 91.173, Natural Resources Code;

7 (E) activities associated with any underground
8 hydrocarbon storage facility, provided the terms "hydrocarbons"
9 and "underground hydrocarbon storage facility" shall have the
10 meanings set out in Section 91.201, Natural Resources Code; and

11 (F) activities associated with the storage,
12 handling, reclamation, gathering, transportation, or distribution
13 of oil or gas prior to the refining of such oil or prior to the use
14 of such gas in any manufacturing process or as a residential or
15 industrial fuel;

16 (3) the operation, abandonment, and proper plugging of
17 wells subject to the jurisdiction of the commission; and

18 (4) the discharge, storage, handling, transportation,
19 reclamation, recycling, or disposal of oil and gas waste as defined
20 in Section 91.1011 of this subchapter, or of any other substance or
21 material associated with any operation or activity regulated by the
22 commission under Subdivisions (1), (2), and (3) of this subsection.

23 (b) Notwithstanding the provisions of Subsection (a) of
24 this section, the authority granted to the commission by this
25 section does not include the authority to adopt and enforce rules
26 and orders or issue permits regarding the collection, storage,
27 handling, transportation, processing, recycling, or disposal of

1 waste arising out of or incidental to activities associated with
2 gasoline plants, natural gas or natural gas liquids processing
3 plants, pressure maintenance plants, or repressurizing plants if
4 that waste is a hazardous waste as defined by the administrator of
5 the United States Environmental Protection Agency pursuant to the
6 federal Solid Waste Disposal Act, as amended by the Resource
7 Conservation and Recovery Act, 42 U.S.C. 6901 et seq., as amended.
8 91.101. Text of section effective upon delegation of RCRA
9 [Resource Conservation and Recovery Acts] authority to Railroad
10 Commission of Texas.

11 To prevent pollution of surface water or subsurface water in
12 the state, the commission shall adopt and enforce rules and orders
13 and may issue permits relating to:

14 (1) the drilling of exploratory wells and oil and gas
15 wells or any purpose in connection with them;

16 (2) the production of oil and gas, including:

17 (A) activities associated with the drilling of
18 injection water source wells which penetrate the base of useable
19 quality water;

20 (B) activities associated with the drilling of
21 cathodic protection holes associated with the cathodic protection
22 of wells and pipelines subject to the jurisdiction of the
23 commission;

24 (C) activities associated with gasoline plants,
25 natural gas or natural gas liquids processing plants, pressure
26 maintenance plants, or repressurizing plants;

27 (D) activities associated with any underground

1 natural gas storage facility, provided the terms "natural gas" and
2 "storage facility" shall have the meanings set out in Section
3 91.173, Natural Resources Code;

4 (E) activities associated with any underground
5 hydrocarbon storage facility, provided the terms "hydrocarbons"
6 and "underground hydrocarbon storage facility" shall have the
7 meanings set out in Section 91.201, Natural Resources Code; and

8 (F) activities associated with the storage,
9 handling, reclamation, gathering, transportation, or distribution
10 of oil or gas prior to the refining of such oil or prior to the use
11 of such gas in any manufacturing process or as a residential or
12 industrial fuel;

13 (3) the operation, abandonment, and proper plugging of
14 wells subject to the jurisdiction of the commission; and

15 (4) the discharge, storage, handling, transportation,
16 reclamation, recycling, or disposal of oil and gas waste as defined
17 in Section 91.1011 of this subchapter, or of any other substance or
18 material associated with any operation or activity regulated by the
19 commission under Subdivisions (1), (2), and (3) of this section.

20 SECTION 2. Section 91.1011, Natural Resources Code, is
21 amended to read as follows:

22 Sec. 91.1011. Text of section effective until delegation of RCRA
23 authority to Railroad Commission of Texas

24 (a) In this subchapter, "oil and gas waste" means waste that
25 arises out of or incidental to the drilling for or producing of oil
26 or gas, including waste arising out of or incidental to:

27 (1) activities associated with the drilling of

1 injection water source wells which penetrate the base of useable
2 quality water;

3 (2) activities associated with the drilling of
4 cathodic protection holes associated with the cathodic protection
5 of wells and pipelines subject to the jurisdiction of the
6 commission;

7 (3) activities associated with gasoline plants,
8 natural gas or natural gas liquids processing plants, pressure
9 maintenance plants, or repressurizing plants;

10 (4) activities associated with any underground
11 natural gas storage facility, provided the terms "natural gas" and
12 "storage facility" shall have the meanings set out in Section
13 91.173, Natural Resources Code;

14 (5) activities associated with any underground
15 hydrocarbon storage facility, provided the terms "hydrocarbons"
16 and "underground hydrocarbon storage facility" shall have the
17 meanings set out in Section 91.201, Natural Resources Code; and

18 (6) activities associated with the storage, handling,
19 reclamation, gathering, transportation, or distribution of oil or
20 gas prior to the refining of such oil or prior to the use of such gas
21 in any manufacturing process or as a residential or industrial
22 fuel.

23 (b) "Oil and gas waste" includes salt water, brine, sludge,
24 drilling mud, and other liquid, semiliquid, or solid waste
25 material, but does not include waste arising out of or incidental to
26 activities associated with gasoline plants, natural gas or natural
27 gas liquids processing plants, pressure maintenance plants, or

1 repressurizing plants if that waste is a hazardous waste as defined
2 by the administrator of the United States Environmental Protection
3 Agency pursuant to the federal Solid Waste Disposal Act, as amended
4 by the Resource Conservation and Recovery Act, 42 U.S.C. 6901 et
5 seq., as amended.

6 (c) "Oil and gas waste" does not include Recycled Material.
7 For purposes of this Section, "Recycled Material" means a material,
8 good, or product that consists of or includes materials derived
9 from oil and gas waste that has been recycled and/or reclaimed so
10 that it meets the applicable standards for its intended use.

11 Sec. 91.1011. Text of section effective upon delegation of RCRA
12 authority to Railroad Commission of Texas

13 (a) In this subchapter, "oil and gas waste" means waste that
14 arises out of or incidental to the drilling for or producing of oil
15 or gas, including waste arising out of or incidental to:

16 (1) activities associated with the drilling of
17 injection water source wells which penetrate the base of useable
18 quality water;

19 (2) activities associated with the drilling of
20 cathodic protection holes associated with the cathodic protection
21 of wells and pipelines subject to the jurisdiction of the
22 commission;

23 (3) activities associated with gasoline plants,
24 natural gas or natural gas liquids processing plants, pressure
25 maintenance plants, or repressurizing plants;

26 (4) activities associated with any underground
27 natural gas storage facility, provided the terms "natural gas" and

1 "storage facility" shall have the meanings set out in Section
2 91.173, Natural Resources Code;

3 (5) activities associated with any underground
4 hydrocarbon storage facility, provided the terms "hydrocarbons"
5 and "underground hydrocarbon storage facility" shall have the
6 meanings set out in Section 91.201, Natural Resources Code; and

7 (6) activities associated with the storage, handling,
8 reclamation, gathering, transportation, or distribution of oil or
9 gas prior to the refining of such oil or prior to the use of such gas
10 in any manufacturing process or as a residential or industrial
11 fuel.

12 (b) "Oil and gas waste" includes salt water, brine, sludge,
13 drilling mud, and other liquid, semiliquid, or solid waste
14 material.

15 (c) "Oil and gas waste" does not include Recycled Material.
16 For purposes of this Section, "Recycled Material" means a material,
17 good, or product that consists of or includes materials derived
18 from oil and gas waste that has been recycled and/or reclaimed so
19 that it meets the applicable standards for its intended use.

20 SECTION 3. Section 91.109, Natural Resources Code, is
21 amended to read as follows:

22 Sec. 91.109. FINANCIAL SECURITY FOR PERSONS INVOLVED IN
23 ACTIVITIES OTHER THAN OPERATION OF WELLS. (a) A person applying
24 for or acting under a commission permit to store, handle, treat,
25 reclaim, or dispose of oil and gas waste may be required by the
26 commission to maintain a performance bond or other form of
27 financial security conditioned that the permittee will operate and

1 close the storage, handling, treatment, reclamation, or disposal
2 site in accordance with state law, commission rules, and the permit
3 to operate the site. However, this section does not authorize the
4 commission to require a bond or other form of financial security for
5 saltwater disposal pits, emergency saltwater storage pits
6 (including blow-down pits), collecting pits, or skimming pits
7 provided that such pits are used in conjunction with the operation
8 of an individual oil or gas lease. Subject to the refund provisions
9 of Section 91.1091, proceeds from any bond or other form of
10 financial security required by this section shall be placed in the
11 oil and gas regulation and cleanup fund. Each bond or other form of
12 financial security shall be renewed and continued in effect until
13 the conditions have been met or release is authorized by the
14 commission.

15 (b) In addition to the financial security requirements of
16 Subsection (a), a person required to file a bond, letter of credit,
17 or cash deposit under Section 91.103 who is involved in activities
18 other than the ownership or operation of wells must file the bond,
19 letter of credit, or cash deposit at the time of filing or renewing
20 an organization report required by Section 91.142 according to the
21 following schedule:

22 (1) no bond, letter of credit, or cash deposit if the
23 person is a:

- 24 (A) local distribution company;
- 25 (B) gas marketer;
- 26 (C) crude oil nominator;
- 27 (D) first purchaser;

1 (E) well servicing company;

2 (F) survey company;

3 (G) salt water hauler;

4 (H) gas nominator;

5 (I) gas purchaser; or

6 (J) well plugger; or

7 (2) a bond, letter of credit, or cash deposit in an
8 amount not to exceed \$25,000 if the person is involved in an
9 activity that is not associated with the ownership or operation of
10 wells and is not listed in Subdivision (1).

11 (c) A person who engages in more than one activity or
12 operation, including well operation, for which a bond, letter of
13 credit, or cash deposit is required under this subchapter is not
14 required to file a separate bond, letter of credit, or cash deposit
15 for each activity or operation in which the person is engaged. The
16 person is required to file a bond, letter of credit, or cash deposit
17 only in the amount required for the activity or operation in which
18 the person engages for which a bond, letter of credit, or cash
19 deposit in the greatest amount is required. The bond, letter of
20 credit, or cash deposit filed covers all of the activities and
21 operations for which a bond, letter of credit, or cash deposit is
22 required under this subchapter.

23 (d) In calculating the bond requirement for recycling
24 operations, the Commission shall not include the cost or
25 anticipated cost of removal, reclamation, disposal, or remediation
26 of Recycled Material. "Recycled Material" shall have the meaning
27 specified in Section 91.1011(c) of this Chapter.

1 SECTION 4. This Act takes effect September 1, 2013.