

By: Burnam

H.B. No. 3601

A BILL TO BE ENTITLED

AN ACT

relating to notice to a surface owner regarding certain oil or gas transactions or operations; providing an administrative penalty.

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

SECTION 1. The heading to Subchapter Q, Chapter 91, Natural Resources Code, is amended to read as follows:

SUBCHAPTER Q. NOTICE OF [~~PERMIT FOR~~] CERTAIN OIL AND GAS  
TRANSACTIONS OR OPERATIONS

SECTION 2. Sections 91.752, 91.753, and 91.754, Natural Resources Code, are amended to read as follows:

Sec. 91.752. APPLICABILITY. The provisions of this subchapter that relate to the drilling or reentry of an oil or gas well apply [~~This subchapter applies~~] only to the drilling of a new oil or gas well or the reentry of a plugged and abandoned oil or gas well. This subchapter does not apply to:

(1) the plugging back, reworking, sidetracking, or deepening of an existing oil or gas well that has not been plugged and abandoned; or

(2) the use of a surface location that is the site of an existing oil or gas well that has not been plugged and abandoned to drill a horizontal oil or gas well.

Sec. 91.753. NOTICE REQUIRED. (a) Not later than the 10th day after the date the mineral estate of a tract of land is sold or leased, the purchaser or lessee shall give written notice of the

1 sale or lease to the surface owner of the tract of land.

2       (b) Not later than the 15th business day after the date the  
3 commission issues an oil or gas well operator a permit to drill a  
4 new oil or gas well or to reenter a plugged and abandoned oil or gas  
5 well, the operator shall give written notice of the issuance of the  
6 permit to the surface owner of the tract of land on which the well is  
7 located or is proposed to be located.

8       (c) An oil or gas well operator shall give written notice to  
9 the surface owner of a tract of land not later than the 15th day  
10 before the date the operator begins conducting the following  
11 operations on the tract of land:

- 12               (1) seismic tests;  
13               (2) the exploration for or production of oil or gas; or  
14               (3) the construction of access roads or pipelines or  
15 other facilities, including well sites or gathering systems.

16       (d) A notice under Subsection (c)(3) must include the  
17 location of the roads or pipelines or other facilities to be  
18 constructed.

19       (e) [~~(b)~~] An oil or gas well operator is not required to  
20 give notice under Subsection (b) or (c) [~~this subchapter~~] to a  
21 surface owner if:

22               (1) the operator and the surface owner have entered  
23 into an agreement that contains alternative provisions regarding  
24 the operator's obligation to give notice of oil and gas operations;  
25 or

26               (2) the surface owner has waived in writing the owner's  
27 right to notice under those subsections [~~this subchapter~~].

1           Sec. 91.754. ADDRESS FOR NOTICE. Notice under this  
2 subchapter [~~The notice~~] must be given to the surface owner at the  
3 surface owner's address as shown by the records of the county tax  
4 assessor-collector at the time the notice is given.

5           SECTION 3. Subchapter Q, Chapter 91, Natural Resources  
6 Code, is amended by adding Section 91.756 to read as follows:

7           Sec. 91.756. ADMINISTRATIVE PENALTY. (a) The commission  
8 may impose an administrative penalty in the manner provided by  
9 Sections 81.0531-81.0534 on a person who violates this subchapter.  
10 The amount of the penalty is equal to \$10,000 for each violation.

11           (b) A penalty collected under this section shall be  
12 deposited to the credit of the oil and gas regulation and cleanup  
13 fund.

14           SECTION 4. Section 91.756, Natural Resources Code, as added  
15 by this Act, applies only to a violation of Subchapter Q, Chapter  
16 91, Natural Resources Code, that occurs on or after the effective  
17 date of this Act. A violation of Subchapter Q, Chapter 91, Natural  
18 Resources Code, that occurs before the effective date of this Act is  
19 governed by the law in effect on the date the violation occurred,  
20 and the former law is continued in effect for that purpose.

21           SECTION 5. This Act takes effect September 1, 2013.