

By: King of Parker

H.B. No. 1331

A BILL TO BE ENTITLED

AN ACT

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

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

SECTION 1. Section 122.001, Natural Resources Code, is amended by adding Subdivision (1-a) to read as follows:

(1-a) "Drill cuttings" means bits of rock or soil cut from a subsurface formation by a drill bit during the process of drilling an oil or gas well and lifted to the surface by means of the circulation of drilling mud.

SECTION 2. Section 122.002, Natural Resources Code, is amended to read as follows:

Sec. 122.002. OWNERSHIP OF CERTAIN OIL AND GAS WASTE TRANSFERRED FOR TREATMENT AND SUBSEQUENT BENEFICIAL USE. (a) This section applies only to oil and gas waste that consists of drill cuttings or fluid oil and gas waste.

(b) Unless otherwise expressly provided by a contract, bill of sale, or other legally binding document:

(1) when ~~fluid~~ oil and gas waste is transferred to a person who takes possession of that waste for the purpose of treating the waste for a subsequent beneficial use, the transferred material is considered to be the property of the person who takes possession of it for the purpose of treating the waste for

1 subsequent beneficial use until the person transfers the waste or
2 treated waste to another person for disposal or use; and

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

10 SECTION 3. Chapter 122, Natural Resources Code, is amended
11 by adding Section 122.0025 to read as follows:

12 Sec. 122.0025. RESPONSIBILITY IN TORT FOR DRILL CUTTINGS.
13 A person who generates drill cuttings and transfers the drill
14 cuttings to another person with the contractual understanding that
15 the drill cuttings will be treated and used in connection with road
16 building or another beneficial use is not liable in tort for a
17 consequence of the subsequent use of the drill cuttings by the
18 person to whom the drill cuttings are transferred or by another
19 person.

20 SECTION 4. The heading to Section 122.003, Natural
21 Resources Code, is amended to read as follows:

22 Sec. 122.003. RESPONSIBILITY IN TORT FOR FLUID OIL AND GAS
23 WASTE.

24 SECTION 5. This Act takes effect September 1, 2015.