

By: Nevárez

H.B. No. 1168

A BILL TO BE ENTITLED

AN ACT

relating to the mineral use of land that has been subdivided for energy development resulting in the generation of electricity.

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

SECTION 1. Section 92.002, Natural Resources Code, is amended by adding Subdivision (5) to read as follows:

(5) "Qualified subdivision for energy development" means a tract of land of not more than 640 acres that:

(A) has been subdivided in a manner authorized by law by the surface owners for energy development resulting in the generation of electricity by a plant or industrial facility; and

(B) contains one or more operations sites within the tract and provisions for road and pipeline easements to allow use of the operations sites.

SECTION 2. Section 92.003, Natural Resources Code, is amended to read as follows:

Sec. 92.003. CREATION OF SUBDIVISION. The surface owners of a parcel of land may create a qualified subdivision or a qualified subdivision for energy development on the land if a plat of the subdivision has been approved by the railroad commission and filed with the clerk of the county in which the subdivision is to be located.

SECTION 3. Section 92.004(a), Natural Resources Code, is amended to read as follows:

1 (a) The railroad commission shall adopt rules governing the
2 contents of an application for a qualified subdivision or a
3 qualified subdivision for energy development. An application must
4 be accompanied by a plat of the subdivision showing the applicant's
5 proposed location of operations sites and road and pipeline
6 easements.

7 SECTION 4. Section 92.005, Natural Resources Code, is
8 amended to read as follows:

9 Sec. 92.005. USE OF OPERATIONS SITE. (a) An owner of a
10 possessory mineral interest within a qualified subdivision or a
11 qualified subdivision for energy development may use only the
12 surface contained in designated operations sites for exploration,
13 development, and production of minerals and the designated
14 easements only as necessary to adequately use the operations sites.

15 (b) The owner of the possessory mineral interest may drill
16 wells or extend well bores from an operations site or from a site
17 outside of the qualified subdivision or qualified subdivision for
18 energy development under the surface of other parts of the
19 qualified subdivision or qualified subdivision for energy
20 development if the operations do not unreasonably interfere with
21 the use of the surface of the qualified subdivision or qualified
22 subdivision for energy development outside the operations site.

23 (c) This section ceases to apply to a qualified subdivision
24 if, by the third anniversary of the date on which the order of the
25 commission becomes final:

26 (1) the surface owner has not commenced actual
27 construction of roads or utilities within the qualified

1 subdivision; and

2 (2) a lot within the qualified subdivision has not
3 been sold to a third party.

4 (d) This section ceases to apply to a qualified subdivision
5 for energy development if, by the third anniversary of the date on
6 which the order of the commission becomes final, the surface owner
7 has not commenced actual construction of roads or facilities for
8 use in generating electricity within the qualified subdivision for
9 energy development.

10 SECTION 5. Section 92.006, Natural Resources Code, is
11 amended to read as follows:

12 Sec. 92.006. AMENDMENT, REPLAT, OR ABANDONMENT. All or any
13 portion of a qualified subdivision or qualified subdivision for
14 energy development may be amended, replatted, or abandoned by the
15 surface owner. An amendment or replat, however, may not alter,
16 diminish, or impair the usefulness of an operations site or
17 appurtenant road or pipeline easement unless the amendment or
18 replat is approved by the commission in accordance with Section
19 92.003 [~~of this code~~].

20 SECTION 6. Not later than January 1, 2018, the Railroad
21 Commission of Texas shall adopt rules necessary to implement
22 Chapter 92, Natural Resources Code, as amended by this Act.

23 SECTION 7. This Act takes effect immediately if it receives
24 a vote of two-thirds of all the members elected to each house, as
25 provided by Section 39, Article III, Texas Constitution. If this
26 Act does not receive the vote necessary for immediate effect, this
27 Act takes effect September 1, 2017.