

BILL ANALYSIS

Senate Research Center

H.B. 3226
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Natural Resources & Economic Development
4/22/2019
Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

It has been suggested that certain provisions of the Mineral Interest Pooling Act are outdated and do not reflect modern drilling technology and practices that allow for drilling operations to occur at surface locations adjacent to tracts from which they are producing. H.B. 3226 seeks to update a statutory provision relating to automatic dissolution to ensure that an oil or gas pooled unit is not dissolved for lack of drilling operations on the unit when drilling operations are taking place on an adjacent surface location that benefits the unit.

H.B. 3226 amends current law relating to the terms of dissolution of an oil or gas pooled unit.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 102.082, Natural Resources Code, to provide that a unit is automatically dissolved under certain conditions, including two years after its effective date if no production or drilling operations have been had on the unit or surface location for the unit, rather than one year after its effective date if no production or drilling operations have been had on the unit.

SECTION 2. Effective date: September 1, 2019.