By:  Miles S.B. No. 185

(In the Senate - Filed November 14, 2018; February 1, 2019, read first time and referred to Committee on Natural Resources & Economic Development; May 6, 2019, reported adversely, with favorable Committee Substitute by the following vote: Yeas 11, Nays 0; May 6, 2019, sent to printer.)

COMMITTEE VOTE

               Yea Nay Absent  PNV

Birdwell        X

Zaffirini       X

Fallon          X

Flores          X

Hancock         X

Hinojosa        X

Hughes          X

Miles           X

Paxton          X

Powell          X

Rodríguez       X

COMMITTEE SUBSTITUTE FOR S.B. No. 185 By:  Miles

A BILL TO BE ENTITLED

AN ACT

relating to the response to certain oil or gas well accidents by state agencies and responsible parties.

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

SECTION 1.  Subchapter D, Chapter 91, Natural Resources Code, is amended by adding Sections 91.118 and 91.119 to read as follows:

Sec. 91.118.  NOTICE TO COMMISSION OF WELL FIRE, LEAK, SPILL, OR BREAK. (a)  An operator of an oil or gas well shall:

(1)  give immediate notice of a fire, leak, spill, or break at the well to the appropriate commission oil and gas division district office; and

(2)  submit to the commission a letter giving a full description of the event, including the volume of crude oil, gas, or other well liquids or gases lost.

(b)  This section does not limit the authority of the commission to require other types of notice from operators.

Sec. 91.119.  APPLICATION FOR PERMIT FOR WELL ADJACENT TO WELL BLOWOUT SITE. (a)  In the case of a conflict between this section and Section 91.114, this section controls.

(b)  Except as provided by Subsection (e), the commission may not approve an application for a permit to drill an oil or gas well if:

(1)  the organization that submitted the application violated a statute or commission rule, order, license, certificate, or permit that relates to safety or the prevention or control of pollution or is under investigation by a state or federal agency for an alleged violation of a statute or commission rule, order, license, certificate, or permit that relates to safety or the prevention or control of pollution;

(2)  the violation or alleged violation described by Subdivision (1) relates to an uncontrolled release from an oil or gas well of a substance that substantially endangered human health or the environment; and

(3)  the well that is the subject of the application is proposed to be drilled at a site adjacent to the site of the violation or alleged violation described by Subdivision (1).

(c)  An organization has committed a violation for purposes of Subsection (b)(1) of this section if the circumstances described by Section 91.114(b) have been met with respect to the violation.

(d)  The commission may adopt rules if necessary to establish criteria for determining whether a site is adjacent to another site for the purposes of this section.

(e)  The commission may approve the application if:

(1)  the conditions that constituted the violation have been corrected;

(2)  the organization has paid all administrative, civil, and criminal penalties and all cleanup and plugging costs incurred by the state relating to those conditions; and

(3)  the application is in compliance with all other requirements of law and commission rules.

(f)  If an application is rejected under this section, the commission shall provide the organization with a written statement explaining the reason for the rejection.

(g)  Notwithstanding Subsection (b), the commission may issue a permit to drill an oil or gas well to an organization described by Subsection (b) for a term specified by the commission if the permit is necessary to remedy a violation of law or commission rules.

(h)  A fee tendered in connection with an application that is rejected under this section is nonrefundable.

SECTION 2.  Section 91.119, Natural Resources Code, as added by this Act, applies only to an application for a permit to drill an oil or gas well filed with the Railroad Commission of Texas on or after the effective date of this Act. An application for a permit filed before the effective date of this Act is governed by the law in effect on the date of filing, and that law is continued in effect for that purpose.

SECTION 3.  This Act takes effect September 1, 2019.

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