By: Hughes

S.B. No. 1585

A BILL TO BE ENTITLED

AN ACT

2 relating to the authority of the Texas Commission on Environmental 3 Quality to issue permits for the discharge into water of this state 4 of produced water, hydrostatic test water, and gas plant effluent 5 resulting from certain oil and gas activities.

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

7 SECTION 1. Section 26.131, Water Code, as effective until 8 delegation of authority under the Resource Conservation and 9 Recovery Act of 1976 (42 U.S.C. Section 6901 et seq.) to the 10 Railroad Commission of Texas, is amended by amending Subsections 11 (a) and (b) and adding Subsection (d) to read as follows:

(a) <u>Except as provided by this section, the</u> [The] Railroad
Commission of Texas is solely responsible for the control and
disposition of waste and the abatement and prevention of pollution
of surface and subsurface water resulting from:

16 (1) activities associated with the exploration, 17 development, and production of oil or gas or geothermal resources, 18 including:

(A) activities associated with the drilling of
injection water source wells which penetrate the base of useable
quality water;

(B) activities associated with the drilling of
cathodic protection holes associated with the cathodic protection
of wells and pipelines subject to the jurisdiction of the Railroad

S.B. No. 1585

1 Commission of Texas;

2 (C) activities associated with gasoline plants,
3 natural gas or natural gas liquids processing plants, pressure
4 maintenance plants, or repressurizing plants;

5 (D) activities associated with any underground 6 natural gas storage facility, provided the terms "natural gas" and 7 "storage facility" shall have the meanings set out in Section 8 91.173, Natural Resources Code;

9 (E) activities associated with any underground 10 hydrocarbon storage facility, provided the terms "hydrocarbons" 11 and "underground hydrocarbon storage facility" shall have the 12 meanings set out in Section 91.201, Natural Resources Code; and

(F) activities associated with the storage, handling, reclamation, gathering, transportation, or distribution of oil or gas prior to the refining of such oil or prior to the use of such gas in any manufacturing process or as a residential or industrial fuel;

(2) except to the extent the activities are regulated by the Texas Department of Health under Chapter 401, Health and Safety Code, activities associated with uranium exploration consisting of the disturbance of the surface or subsurface for the purpose of or related to determining the location, quantity, or quality of uranium ore; and

(3) any other activities regulated by the Railroad
Commission of Texas pursuant to Section 91.101, Natural Resources
Code.

27 (b) Except as provided by Subsection (d), the [The] Railroad

S.B. No. 1585

Commission of Texas may issue permits for the discharge of waste
 resulting from the [these] activities described by Subsection (a),
 and the discharge of waste into water in this state resulting from
 those [these] activities must [shall] meet the water quality
 standards established by the commission.

6 <u>(d) The commission may issue permits for the discharge into</u> 7 <u>water of this state of produced water, hydrostatic test water, and</u> 8 <u>gas plant effluent resulting from the activities described by</u> 9 <u>Subsection (a). The discharge of produced water, hydrostatic test</u> 10 <u>water, and gas plant effluent into water in this state under this</u> 11 <u>subsection must meet the water quality standards established by the</u> 12 <u>commission.</u>

13 SECTION 2. Section 26.131, Water Code, as effective on 14 delegation of authority under the Resource Conservation and 15 Recovery Act of 1976 (42 U.S.C. 6901 et seq.) to the Railroad 16 Commission of Texas, is amended to read as follows:

Sec. 26.131. DUTIES OF RAILROAD COMMISSION. (a) <u>Except as</u> <u>provided by this section, the</u> [The] Railroad Commission of Texas is solely responsible for the control and disposition of waste and the abatement and prevention of pollution of surface and subsurface water resulting from:

(1) activities associated with the exploration,
development, and production of oil or gas or geothermal resources,
including:

(A) activities associated with the drilling of
 injection water source wells which penetrate the base of useable
 quality water;

S.B. No. 1585

(B) activities associated with the drilling of
 cathodic protection holes associated with the cathodic protection
 of wells and pipelines subject to the jurisdiction of the Railroad
 Commission of Texas;

5 (C) activities associated with gasoline plants,
6 natural gas or natural gas liquids processing plants, pressure
7 maintenance plants, or repressurizing plants;

8 (D) activities associated with any underground 9 natural gas storage facility, provided the terms "natural gas" and 10 "storage facility" shall have the meanings set out in Section 11 91.173, Natural Resources Code;

(E) activities associated with any underground
hydrocarbon storage facility, provided the terms "hydrocarbons"
and "underground hydrocarbon storage facility" shall have the
meanings set out in Section 91.201, Natural Resources Code; and

16 (F) activities associated with the storage, 17 handling, reclamation, gathering, transportation, or distribution 18 of oil or gas prior to the refining of such oil or prior to the use 19 of such gas in any manufacturing process or as a residential or 20 industrial fuel;

(2) except to the extent the activities are regulated by the Texas Department of Health under Chapter 401, Health and Safety Code, activities associated with uranium exploration consisting of the disturbance of the surface or subsurface for the purpose of or related to determining the location, quantity, or quality of uranium ore; and

27 (3) any other activities regulated by the Railroad

Commission of Texas pursuant to Section 91.101, Natural Resources
 Code.

S.B. No. 1585

(b) Except as provided by Subsection (c), the [The] Railroad
Commission of Texas may issue permits for the discharge of waste
resulting from the [these] activities described by Subsection (a),
and the discharge of waste into water in this state resulting from
those [these] activities must [shall] meet the water quality
standards established by the commission.

9 (c) The commission may issue permits for the discharge into 10 water of this state of produced water, hydrostatic test water, and 11 gas plant effluent resulting from the activities described by 12 Subsection (a). The discharge of produced water, hydrostatic test 13 water, and gas plant effluent into water in this state under this 14 subsection must meet the water quality standards established by the 15 commission.

SECTION 3. The change in law made by this Act to Section 16 17 26.131, Water Code, applies only to an application for an authorization to discharge produced water, hydrostatic test water, 18 or gas plant effluent that is filed on or after the effective date 19 of this Act. An application that is filed before the effective date 20 of this Act is governed by the law as it existed immediately before 21 the effective date of this Act, and that law is continued in effect 22 23 for that purpose.

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SECTION 4. This Act takes effect September 1, 2019.