

BILL ANALYSIS

Senate Research Center
87R1767 JXC-D

S.B. 367
By: Miles
Natural Resources & Economic Development
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

In late 2017, an oil well blew out in suburban Fort Bend County and the operator responsible for the blowout filed for an additional permit while undergoing remediation efforts. There is currently no statutory requirement for oil well operators to notify the Railroad Commission when applying for a permit adjacent to a blow out.

S.B. 367 requires oil and gas well applicants to disclose to the Railroad Commission that they were the operator of an oil or gas well that blew out at an adjacent site if the proposed well is to be placed in a county with more than 750,000 people. Applicants must also disclose if they drilled into the same formations as the proposed well and if there was an uncontrolled release of well fluid that was caused by loss of well control while the applicant operated the oil or gas well.

As proposed, S.B. 367 amends current law relating to the requirements for an application for a permit to drill an oil or gas well at a site adjacent to a well blowout site.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the Railroad Commission of Texas in SECTION 1 (Section 91.118, Natural Resources Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Subchapter D, Chapter 91, Natural Resources Code, by adding Section 91.118, as follows:

Sec. 91.118. APPLICATION FOR PERMIT FOR WELL ADJACENT TO WELL BLOWOUT SITE IN CERTAIN COUNTIES. (a) Requires the Railroad Commission of Texas (RRC) by rule to require that an applicant for a permit to drill an oil or gas well in a county with a population of more than 750,000 disclose to RRC in the application that the applicant was the operator of an oil or gas well:

- (1) located at a site adjacent to the site of the proposed well;
- (2) drilled through or into the same formations as the proposed well is to be drilled; and
- (3) from which an uncontrolled release of a subterranean fluid containing oil, gas, or condensate or of a well fluid that is caused by a loss of well control occurred while the applicant operated the oil or gas well.

(b) Provides that the rules may include criteria for determining whether a site is adjacent to another site for the purposes of this section.

SECTION 2. Effective date: September 1, 2021.