

By: Hinojosa

H.B. No. 1913

A BILL TO BE ENTITLED

AN ACT

relating to a requirement that an applicant for a permit to drill an oil or gas well submit a gas capture plan for the well.

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

SECTION 1. Subchapter F, Chapter 86, Natural Resources Code, is amended by adding Section 86.186 to read as follows:

Sec. 86.186. GAS CAPTURE PLAN. (a) The commission may not issue a permit to drill, deepen, plug back, or reenter an oil or gas well unless the applicant submits with the application a gas capture plan to minimize flaring from the well.

(b) The gas capture plan must include:

(1) the volume of gas anticipated to be produced from the well annually, measured in thousands of cubic feet;

(2) the volume of oil anticipated to be produced from the well annually, measured in barrels;

(3) the volume of condensate anticipated to be produced from the well annually, measured in barrels;

(4) a detailed map depicting each existing, planned, and anticipated gas gathering system in the general area of the well;

(5) the following information with regard to the gas gathering system that the operator of the well has contracted to use or, if the operator has not entered into a contract, the gas gathering system that is closest to the well:

1 (A) the name of the operator of the gas gathering
2 system;

3 (B) a description of the approximate route of the
4 pipeline required to connect the well to the gas gathering system;

5 (C) the distance in feet of the pipeline required
6 to connect the well to the gas gathering system;

7 (D) the volume of gas in thousands of cubic feet
8 per day that the gas gathering system is capable of transporting;

9 (E) the volume of gas in thousands of cubic feet
10 per day that the gas gathering system is currently transporting;

11 (F) the volume of gas in thousands of cubic feet
12 per day that the gas gathering system is anticipated to be
13 transporting on the date of first sale of gas from the well;

14 (G) the reliability of the gas gathering system,
15 including the average annual downtime of the system; and

16 (H) the name and location of the gas processing
17 plant that receives or is anticipated to receive gas from the gas
18 gathering system;

19 (6) any plans for expanding the gas gathering systems
20 in the general area of the well;

21 (7) any other issues affecting the gathering of gas in
22 the general area of the well;

23 (8) a plan for connecting the well to a gas gathering
24 system, including:

25 (A) a description of any potential right-of-way
26 issues;

27 (B) the schedule for constructing any necessary

- 1 gas gathering facilities;
2 (C) the date a gas gathering line will be
3 available;
4 (D) a statement of whether the gas gathering
5 system described by Subdivision (5) has the capacity to accept the
6 volume of gas anticipated to be produced from the well at the time
7 of application for the permit; and
8 (E) a description of any discussions the operator
9 of the well has had with other upstream operators regarding the
10 construction or availability of a gas gathering line; and
11 (9) a description of any options available to the
12 operator of the well for the beneficial use of gas from the well if
13 the well cannot be connected to a gas gathering system, including:
14 (A) on-site use of the gas;
15 (B) the processing of liquids in the gas;
16 (C) the use of the gas for electric power
17 generation;
18 (D) the conversion of the gas to liquid fuels;
19 (E) the compression of the gas on the lease on
20 which the well is located;
21 (F) the reinjection of the gas for underground
22 storage;
23 (G) the reinjection of the gas for temporary
24 storage;
25 (H) the reinjection of the gas for enhanced oil
26 recovery; and
27 (I) shutting in the well, taking into account the

1 effect of doing so on the reservoir as well as public health,
2 safety, and the environment.

3 SECTION 2. The change in law made by this Act applies only
4 to a permit the application for which is filed with the Railroad
5 Commission of Texas on or after the effective date of this Act. A
6 permit the application for which is filed before the effective date
7 of this Act is subject to the law in effect on the date the
8 application is filed, and that law is continued in effect for that
9 purpose.

10 SECTION 3. This Act takes effect September 1, 2021.