

1-1 By: Birdwell S.B. No. 1260  
 1-2 (In the Senate - Filed March 9, 2021; March 18, 2021, read  
 1-3 first time and referred to Committee on Natural Resources &  
 1-4 Economic Development; April 19, 2021, reported favorably by the  
 1-5 following vote: Yeas 8, Nays 0; April 19, 2021, sent to printer.)

1-6 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-7				
1-8	X			
1-9	X			
1-10	X			
1-11	X			
1-12	X			
1-13	X			
1-14	X			
1-15			X	
1-16	X			

1-17 A BILL TO BE ENTITLED  
 1-18 AN ACT

1-19 relating to the authority of the Railroad Commission of Texas to  
 1-20 contract for the treatment of and sell drill cuttings.

1-21 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-22 SECTION 1. The heading to Section 91.115, Natural Resources  
 1-23 Code, is amended to read as follows:

1-24 Sec. 91.115. FIRST LIEN ON EQUIPMENT AND STORED  
 1-25 HYDROCARBONS OR DRILL CUTTINGS.

1-26 SECTION 2. Section 91.115, Natural Resources Code, is  
 1-27 amended by amending Subsections (a), (e), (f), and (g) and adding  
 1-28 Subsections (f-1) and (f-2) to read as follows:

1-29 (a) If a responsible person fails to clean up a site or  
 1-30 facility that has ceased oil and gas operations under the  
 1-31 commission's jurisdiction on or before the date the site or  
 1-32 facility is required to be cleaned up by law or by a rule adopted or  
 1-33 order issued by the commission, the state has a first lien, superior  
 1-34 to all preexisting and subsequent liens and security interests, on  
 1-35 the responsible person's interest in any hydrocarbons or drill  
 1-36 cuttings stored at the site or facility and in any equipment that  
 1-37 is:

1-38 (1) located at the site or facility; and

1-39 (2) used by the responsible person in connection with  
 1-40 the activity that generated the pollution.

1-41 (e) The lien is extinguished as to any stored hydrocarbons  
 1-42 or drill cuttings or items of equipment that are lawfully removed by  
 1-43 any person other than the operator or a nonoperator according to a  
 1-44 lien, lease, judgment, written contract, or security agreement  
 1-45 before the commission enters into a cleanup contract. An item of  
 1-46 equipment may not be removed from an abandoned site or facility if  
 1-47 the removal will cause the release of a substance that may cause  
 1-48 pollution unless the substance is lawfully disposed of.

1-49 (f) Equipment or stored hydrocarbons or drill cuttings  
 1-50 subject to a lien under this section are presumed to have been  
 1-51 abandoned on the date the commission enters into a contract to clean  
 1-52 up the site or facility on which the equipment, ~~or~~ hydrocarbons,  
 1-53 or drill cuttings are located.

1-54 (f-1) The commission may dispose of the abandoned equipment  
 1-55 or stored hydrocarbons in accordance with the provisions of  
 1-56 Sections 89.085, 89.086, and 89.087 ~~[of this code]~~ for the  
 1-57 disposition of well-site equipment and hydrocarbons.

1-58 (f-2) The commission may dispose of the abandoned stored  
 1-59 drill cuttings by contracting with a person to treat the drill  
 1-60 cuttings at the site or facility for a subsequent beneficial use and  
 1-61 selling the treated drill cuttings at a public auction or a public

2-1 or private sale. Sections 89.085(c)-(i), 89.086, and 89.087 apply  
2-2 to the disposition of drill cuttings under this subsection in the  
2-3 same manner as those sections apply to the disposition of  
2-4 hydrocarbons.

2-5 (g) In this section:  
2-6 (1) "Drill cuttings" has the meaning assigned by  
2-7 Section 123.001.

2-8 (2) "Responsible [~~responsible~~ person" has the  
2-9 meaning assigned by Section 91.113 [~~of this code~~].

2-10 (3) "Treat" means to use a manufacturing, mechanical,  
2-11 thermal, or chemical process other than sizing, shaping, diluting,  
2-12 or sorting.

2-13 SECTION 3. This Act takes effect immediately if it receives  
2-14 a vote of two-thirds of all the members elected to each house, as  
2-15 provided by Section 39, Article III, Texas Constitution. If this  
2-16 Act does not receive the vote necessary for immediate effect, this  
2-17 Act takes effect September 1, 2021.

2-18 \* \* \* \* \*