

By: Landgraf

H.B. No. 3884

A BILL TO BE ENTITLED

AN ACT

relating to the regulation and management of produced water from oil and gas operations.

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

SECTION 1. Section 91.101(a), Natural Resources Code, as effective until delegation of authority under the Resource Conservation and Recovery Act of 1976 (42 U.S.C. Section 6901 et seq.) to the Railroad Commission of Texas, is amended to read as follows:

(a) To prevent pollution of surface water or subsurface water in the state, the commission shall adopt and enforce rules and orders and may issue permits relating to:

(1) the drilling of exploratory wells and oil and gas wells or any purpose in connection with them;

(2) the production of oil and gas, 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 commission;

(C) activities associated with gasoline plants, natural gas or natural gas liquids processing plants, pressure

1 maintenance plants, or repressurizing plants;

2 (D) activities associated with any underground  
3 natural gas storage facility, provided the terms "natural gas" and  
4 "storage facility" shall have the meanings set out in Section  
5 [91.173](#), Natural Resources Code;

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

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

15 (3) the operation, abandonment, and proper plugging of  
16 wells subject to the jurisdiction of the commission; ~~and~~

17 (4) the discharge, storage, handling, transportation,  
18 reclamation, or disposal of oil and gas waste as defined in Section  
19 [91.1011](#) of this subchapter, or of any other substance or material  
20 associated with any operation or activity regulated by the  
21 commission under Subdivisions (1), (2), and (3) of this subsection;  
22 and

23 (5) the recycling and beneficial use of produced water  
24 associated with any operation or activity regulated by the  
25 commission under Subdivisions (1), (2), and (3) of this subsection,  
26 taking into account the need to protect the public health and the  
27 environment.

1           SECTION 2. Section [91.101](#), Natural Resources Code, as  
2 effective on delegation of authority under the Resource  
3 Conservation and Recovery Act of 1976 (42 U.S.C. Section 6901 et  
4 seq.) to the Railroad Commission of Texas, is amended to read as  
5 follows:

6           Sec. 91.101. RULES AND ORDERS. To prevent pollution of  
7 surface water or subsurface water in the state, the commission  
8 shall adopt and enforce rules and orders and may issue permits  
9 relating to:

10           (1) the drilling of exploratory wells and oil and gas  
11 wells or any purpose in connection with them;

12           (2) the production of oil and gas, including:

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

16           (B) activities associated with the drilling of  
17 cathodic protection holes associated with the cathodic protection  
18 of wells and pipelines subject to the jurisdiction of the  
19 commission;

20           (C) activities associated with gasoline plants,  
21 natural gas or natural gas liquids processing plants, pressure  
22 maintenance plants, or repressurizing plants;

23           (D) activities associated with any underground  
24 natural gas storage facility, provided the terms "natural gas" and  
25 "storage facility" shall have the meanings set out in Section  
26 [91.173](#), Natural Resources Code;

27           (E) activities associated with any underground

1 hydrocarbon storage facility, provided the terms "hydrocarbons"  
2 and "underground hydrocarbon storage facility" shall have the  
3 meanings set out in Section 91.201, Natural Resources Code; and

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

9 (3) the operation, abandonment, and proper plugging of  
10 wells subject to the jurisdiction of the commission; ~~and~~

11 (4) the discharge, storage, handling, transportation,  
12 reclamation, or disposal of oil and gas waste as defined in Section  
13 91.1011 of this subchapter, or of any other substance or material  
14 associated with any operation or activity regulated by the  
15 commission under Subdivisions (1), (2), and (3) of this section;  
16 and

17 (5) the recycling and beneficial use of produced water  
18 associated with any operation or activity regulated by the  
19 commission under Subdivisions (1), (2), and (3) of this section,  
20 taking into account the need to protect the public health and the  
21 environment.

22 SECTION 3. Subtitle D, Title 3, Natural Resources Code, is  
23 amended by adding Chapter 122A to read as follows:

24 CHAPTER 122A. BENEFICIAL USE OF PRODUCED WATER

25 Sec. 122A.0101. BENEFICIAL USE. For the purposes of this  
26 chapter, a beneficial use of produced water means irrigation, a  
27 discharge approved under a permit issued by the Texas Commission on

1 Environmental Quality under Chapter 26, Water Code, or another  
2 beneficial use approved under a permit issued by the Railroad  
3 Commission of Texas under Chapter 91.

4 SECTION 4. Section 26.131(d), Water Code, as effective  
5 until delegation of authority under the Resource Conservation and  
6 Recovery Act of 1976 (42 U.S.C. Section 6901 et seq.) to the  
7 Railroad Commission of Texas, is amended to read as follows:

8 (d) The commission may issue permits for the discharge into  
9 water in this state of produced water, hydrostatic test water, and  
10 gas plant effluent resulting from the activities described by  
11 Subsection (a) on delegation to the commission of NPDES authority  
12 for those discharges. The discharge of produced water, hydrostatic  
13 test water, and gas plant effluent into water in this state under  
14 this subsection must meet the water quality standards established  
15 by the commission. The commission shall provide to an applicant for  
16 a permit described by this subsection for the discharge of produced  
17 water assistance with the preparation and submission of the permit  
18 application.

19 SECTION 5. Section 26.131(c), Water Code, as effective on  
20 delegation of authority under the Resource Conservation and  
21 Recovery Act of 1976 (42 U.S.C. Section 6901 et seq.) to the  
22 Railroad Commission of Texas, is amended to read as follows:

23 (c) The commission may issue permits for the discharge into  
24 water in this state of produced water, hydrostatic test water, and  
25 gas plant effluent resulting from the activities described by  
26 Subsection (a) on delegation to the commission of NPDES authority  
27 for those discharges. The discharge of produced water, hydrostatic

1 test water, and gas plant effluent into water in this state under  
2 this subsection must meet the water quality standards established  
3 by the commission. The commission shall provide to an applicant for  
4 a permit described by this subsection for the discharge of produced  
5 water assistance with the preparation and submission of the permit  
6 application.

7 SECTION 6. The change in law made by this Act does not  
8 affect tax liability accruing before the effective date of this  
9 Act. That liability continues in effect as if this Act had not been  
10 enacted, and the former law is continued in effect for the  
11 collection of taxes due and for civil and criminal enforcement of  
12 the liability for those taxes.

13 SECTION 7. This Act takes effect September 1, 2023.