

## **BILL ANALYSIS**

Senate Research Center  
89R21691 ANG-F

H.B. 2663  
By: Darby et al. (Birdwell)  
Natural Resources  
5/12/2025  
Engrossed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

H.B. 2663 amends the Natural Resources Code to require operators applying for an extension of the deadline to plug an inactive well to provide written affirmation to the Railroad Commission of Texas (RRC) that all equipment associated with providing electric service to the well's production site, except for equipment owned by an electric utility, has been removed. To enforce this requirement, the RRC is authorized to impose administrative penalties of up to \$25,000 per violation upon those who fail to terminate electric service to the well as is currently required as well as upon those who fail to remove electric service equipment as required by this bill.

H.B. 2663 amends current law relating to the affirmation required to be made by an operator as part of an application to the Railroad Commission of Texas for an extension of the deadline for plugging an inactive well and provides an administrative penalty.

### **RULEMAKING AUTHORITY**

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 89.029, Natural Resources Code, by amending Subsection (a) and adding Subsection (g), as follows:

(a) Requires that an application for an extension of the deadline for plugging an inactive well include a written affirmation by the operator:

(1) makes no changes to this subdivision; and

(2) stating the following, as applicable, if the operator does not own the surface of the land on which the well is located:

(A) makes no changes to this paragraph; or

(B) if the well has been inactive for at least 10 years as of the date of renewal of the operator's organization report, that the operator has removed all surface process equipment and related piping, tanks, tank batteries, pump jacks, headers, and fences, as well as junk and trash as defined by Railroad Commission of Texas (RRC) rule, associated with and exclusive to the well and all equipment associated with providing electric service to the well's production site, except for equipment owned by an electric utility, as defined by Section 31.002 (Definitions), Utilities Code.

Makes nonsubstantive changes to this subsection.

(g) Requires RRC to impose an administrative penalty on a person who provides an affirmation under Subsection (a) but fails to terminate electric service to the well's production site in accordance with Subsection (a)(1) (relating to requiring a written

affirmation by the operator that the operator has physically terminated electric service to the well's production site) or remove all equipment and materials in accordance with Subsection (a)(2)(B). Prohibits the amount of the penalty from exceeding \$25,000 for each violation.

SECTION 2. Makes application of this Act prospective.

SECTION 3. Effective date: upon passage or September 1, 2025.