

By: Darby

H.B. No. 2663

A BILL TO BE ENTITLED

AN ACT

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; providing for the imposition of a penalty.

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

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

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

(1) that the operator has physically terminated electric service to the well's production site; 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) if the well has been inactive for at least five years but for less than 10 years as of the date of renewal of the operator's organization report, that the operator has emptied or purged of production fluids all piping, tanks, vessels, and equipment associated with and exclusive to the well; 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:

(i) all surface process equipment and related piping, tanks, tank batteries, pump jacks, headers, and fences, as well as junk and trash as defined by commission rule, associated with and exclusive to the well; and

(ii) all equipment associated with providing electric service to the well's production site.

(g) The commission may 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) or remove all equipment and materials in accordance with Subsection (a)(2)(B). The amount of the penalty may not exceed \$10,000 for each violation.

SECTION 2. The change in law made by this Act applies to an application for an extension of the deadline for plugging an inactive well filed with the Railroad Commission of Texas on or after the effective date of this Act. An application for an extension of the deadline for plugging an inactive well filed with the Railroad Commission of Texas before the effective date of this Act is governed by the law in effect on the date the application was submitted, and the former law is continued in effect for that purpose.

SECTION 3. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2025.