

1-1 By: Darby, et al. (Senate Sponsor - Birdwell) H.B. No. 2663  
1-2 (In the Senate - Received from the House May 6, 2025;  
1-3 May 7, 2025, read first time and referred to Committee on Natural  
1-4 Resources; May 15, 2025, reported favorably by the following vote:  
1-5 Yeas 9, Nays 0; May 15, 2025, sent to printer.)

1-6	COMMITTEE VOTE				
1-7		Yea	Nay	Absent	PNV
1-8	Birdwell	X			
1-9	Zaffirini	X			
1-10	Alvarado	X			
1-11	Blanco	X			
1-12	Flores	X			
1-13	Hancock	X			
1-14	Hughes	X			
1-15	Parker	X			
1-16	Sparks	X			

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

1-19 relating to the affirmation required to be made by an operator as  
1-20 part of an application to the Railroad Commission of Texas for an  
1-21 extension of the deadline for plugging an inactive well; providing  
1-22 an administrative penalty.

1-23 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-24 SECTION 1. Section 89.029, Natural Resources Code, is  
1-25 amended by amending Subsection (a) and adding Subsection (g) to  
1-26 read as follows:

1-27 (a) An application for an extension of the deadline for  
1-28 plugging an inactive well must include a written affirmation by the  
1-29 operator:

1-30 (1) that the operator has physically terminated  
1-31 electric service to the well's production site; and

1-32 (2) stating the following, as applicable, if the  
1-33 operator does not own the surface of the land on which the well is  
1-34 located:

1-35 (A) if the well has been inactive for at least  
1-36 five years but for less than 10 years as of the date of renewal of  
1-37 the operator's organization report, that the operator has emptied  
1-38 or purged of production fluids all piping, tanks, vessels, and  
1-39 equipment associated with and exclusive to the well; or

1-40 (B) if the well has been inactive for at least 10  
1-41 years as of the date of renewal of the operator's organization  
1-42 report, that the operator has removed:

1-43 (i) all surface process equipment and  
1-44 related piping, tanks, tank batteries, pump jacks, headers, and  
1-45 fences, as well as junk and trash as defined by commission rule,  
1-46 associated with and exclusive to the well; and

1-47 (ii) all equipment associated with  
1-48 providing electric service to the well's production site, except  
1-49 for equipment owned by an electric utility, as defined by Section  
1-50 31.002, Utilities Code.

1-51 (g) The commission shall impose an administrative penalty  
1-52 on a person who provides an affirmation under Subsection (a) but  
1-53 fails to terminate electric service to the well's production site  
1-54 in accordance with Subsection (a)(1) or remove all equipment and  
1-55 materials in accordance with Subsection (a)(2)(B). The amount of  
1-56 the penalty may not exceed \$25,000 for each violation.

1-57 SECTION 2. The change in law made by this Act applies to an  
1-58 application for an extension of the deadline for plugging an  
1-59 inactive well filed with the Railroad Commission of Texas on or  
1-60 after the effective date of this Act. An application for an  
1-61 extension of the deadline for plugging an inactive well filed with

2-1 the Railroad Commission of Texas before the effective date of this  
2-2 Act is governed by the law in effect on the date the application was  
2-3 submitted, and the former law is continued in effect for that  
2-4 purpose.

2-5 SECTION 3. This Act takes effect immediately if it receives  
2-6 a vote of two-thirds of all the members elected to each house, as  
2-7 provided by Section 39, Article III, Texas Constitution. If this  
2-8 Act does not receive the vote necessary for immediate effect, this  
2-9 Act takes effect September 1, 2025.

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