

By: King

H.B. No. 3334

Substitute the following for H.B. No. 3334:

By: Darby

C.S.H.B. No. 3334

A BILL TO BE ENTITLED

1 AN ACT

2 relating to wildfire prevention, mitigation, and response at
3 certain wells under the jurisdiction of the Railroad Commission of
4 Texas; authorizing an administrative penalty.

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

6 SECTION 1. The Natural Resources Code is amended by adding
7 Title 13 to read as follows:

8 TITLE 13. WILDFIRE PREVENTION, MITIGATION, AND RESPONSE

9 CHAPTER 231. OIL AND GAS FACILITIES

10 SUBCHAPTER A. GENERAL PROVISIONS

11 Sec. 231.001. DEFINITIONS. In this chapter:

12 (1) "Commission" means the Railroad Commission of
13 Texas.

14 (2) "Operator" means a person who assumes
15 responsibility for the physical operation and control of a well as
16 shown by a form the person files with the commission and the
17 commission approves.

18 (3) "Well" means a hole drilled for the purpose of:

19 (A) producing oil or gas;

20 (B) injecting fluid or gas into the ground in
21 connection with the exploration for or production of oil or gas; or

22 (C) obtaining geological information by taking
23 cores or through seismic operations.

24 SUBCHAPTER B. WILDFIRE SAFETY INSPECTIONS OF WELLS

1 Sec. 231.051. INSPECTION AND CERTIFICATION REQUIRED BEFORE
2 TRANSFER OF WELL. (a) This section applies only to a well that has
3 been the subject of a formal complaint filed with the commission.

4 (b) At least 60 but not more than 150 days before the date
5 ownership of a well or oil or gas lease on which a well is located
6 may be transferred from one operator to another, a bonded and
7 state-certified third-party inspector must inspect the well, well
8 site, and related facilities to determine compliance with state
9 laws and regulations pertaining to susceptibility to wildfires.

10 (c) Not later than the 30th day after the date of conducting
11 an inspection under Subsection (b), a third-party inspector shall
12 provide to the commission and the operator of any well or related
13 facility inspected a written report of the results of the
14 inspection. The inspector's report shall document any safety
15 issue, violation, or fire risk identified during the inspection.

16 (d) Not later than the 30th day after the date an operator
17 receives a report under Subsection (c), the operator shall confer
18 with the commission and take any remedial action necessary to
19 address a violation, safety issue, or fire risk identified in the
20 report.

21 (e) On completion of all remedial actions required by the
22 commission under Subsection (d), the third-party inspector shall:

23 (1) conduct a follow-up inspection to confirm that
24 there are no remaining violations; and

25 (2) provide to the commission and the operator a
26 report of the follow-up inspection.

27 (f) On receipt of a report issued under Subsection (e)(2)

1 documenting that a well, well site, and associated facilities are
2 compliant with state laws and regulations pertaining to
3 susceptibility to wildfires, an operator may submit to the
4 commission a certification affirming that the well is in compliance
5 with all such state laws and regulations.

6 (g) The commission may not approve a proposed transfer
7 subject to this section until the commission receives a
8 certification under Subsection (f).

9 SUBCHAPTER C. INACTIVE WELLS: COMMISSION POWERS AND DUTIES;

10 SURFACE OWNER LIABILITY

11 Sec. 231.101. COMMISSION CONTROL OF WELLS OR FACILITIES
12 WITH NO LOCATABLE OWNER OR OPERATOR. For any well and related
13 facilities for which there is no locatable owner or operator or for
14 which the owner or operator is not responsive, the commission
15 shall:

16 (1) assume control of and responsibility for the well
17 and related facilities; and

18 (2) ensure that the well and related facilities are
19 compliant with applicable state laws and regulations pertaining to
20 susceptibility to wildfires.

21 Sec. 231.102. TERMINATION OF ELECTRIC SERVICE FOR ORPHANED,
22 INACTIVE, OR NONCOMPLIANT WELL OR FACILITY. (a) At the time the
23 commission determines a well or related facility to be orphaned,
24 inactive, or not in compliance with state laws and regulations
25 pertaining to susceptibility to wildfires, the commission, in
26 consultation with the Public Utility Commission of Texas, shall
27 direct the electric utility or other entity that provides electric

1 service for the well or related facility to terminate electric
2 service for the well or related facility at the point of origin.

3 (b) Electric service that is terminated under this section
4 may not be reinstated until:

5 (1) an approved operator assumes ownership of the well
6 or related facility;

7 (2) the site of the well or related facility is
8 confirmed by the commission to be in compliance with all applicable
9 state laws and regulations pertaining to susceptibility to
10 wildfires; and

11 (3) the electric utility or other entity receives
12 written notice from the commission and the Public Utility
13 Commission of Texas that the service may be reinstated.

14 Sec. 231.103. SURFACE OWNER LIABILITY. (a) A surface owner
15 affected by a well or related facility that is orphaned, inactive,
16 or not in compliance with state laws and regulations pertaining to
17 susceptibility to wildfires is not liable for an action taken by the
18 owner to ensure the safety of the owner's property:

19 (1) if the operator of the well or related facility has
20 been unresponsive;

21 (2) if the owner has received notice of noncompliance
22 from the commission under Section 231.151(a)(2); or

23 (3) in the event of an emergency, including the
24 imminent threat of wildfire.

25 (b) A surface owner may seek reimbursement from the operator
26 of a well or related facility located on the owner's land for any
27 action taken by the owner to ensure the safety of the owner's

1 property.

2 SUBCHAPTER D. ENFORCEMENT AND PENALTIES

3 Sec. 231.151. REVOCATION OF OPERATING PERMIT; NOTICE TO

4 SURFACE OWNER. (a) If an operator fails to have an inspection
5 conducted under Section 231.051(b) or fails to take any required
6 remedial action under Section 231.051(d), the commission shall:

7 (1) suspend or revoke the permit to operate the well or
8 related facility for which a report was not submitted or remedial
9 action was not taken; and

10 (2) send to the owner of the surface of the tract of
11 land on which the well or related facility is located notice that
12 the operator of the well or related facility is not in compliance
13 with this chapter.

14 (b) A suspension or revocation issued under this section
15 remains in effect until the operator comes into compliance with
16 this chapter.

17 Sec. 231.152. ADMINISTRATIVE PENALTY. (a) The commission
18 may impose an administrative penalty on a person who violates this
19 chapter or a rule adopted or order issued under this chapter.

20 (b) The amount of the penalty may not exceed \$5,000 for each
21 violation. Each day a violation continues or occurs is a separate
22 violation for the purpose of imposing a penalty. The amount of the
23 penalty shall be based on:

24 (1) the seriousness of the violation, including the
25 nature, circumstances, extent, and gravity of the violation;
26 (2) the economic harm to property or the environment
27 caused by the violation;

- 1 (3) the history of previous violations;
- 2 (4) the amount necessary to deter a future violation;
- 3 (5) efforts to correct the violation; and
- 4 (6) any other matter that justice may require.

5 (c) The enforcement of the penalty may be stayed during the
6 time the order is under judicial review if the person pays the
7 penalty to the clerk of the court or files a supersedeas bond with
8 the court in the amount of the penalty. A person who cannot afford
9 to pay the penalty or file the bond may stay the enforcement by
10 filings an affidavit in the manner required by the Texas Rules of
11 Civil Procedure for a party who cannot afford to file security for
12 costs, subject to the right of the commission to contest the
13 affidavit as provided by those rules.

14 (d) The attorney general may sue to collect the penalty.

15 (e) A proceeding to impose the penalty is considered to be a
16 contested case under Chapter 2001, Government Code.

17 SECTION 2. As soon as practicable after the effective date
18 of this Act, the Railroad Commission of Texas shall adopt rules
19 necessary to implement the changes in law made by this Act.

20 SECTION 3. This Act takes effect September 1, 2025.