By: Birdwell, et al.
(Darby, Guillen, Gerdes)

S.B. No. 1146

## A BILL TO BE ENTITLED

1 AN ACT

2 relating to the plugging or replugging of certain inactive wells

- subject to the jurisdiction of the Railroad Commission of Texas.
- 4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:
- 5 SECTION 1. Section 89.045, Natural Resources Code, is
- 6 amended to read as follows:

3

- 7 Sec. 89.045. LIABILITY FOR DAMAGES. The commission and its
- 8 employees and agents, the operator, [and] the nonoperator, and any
- 9 private person who has paid money to the commission to plug or
- 10 replug a well under Section 89.084 are not liable for any damages
- 11 that may occur as a result of acts done or omitted to be done by them
- 12 or each of them in a good-faith effort to carry out this chapter.
- 13 SECTION 2. Subchapter C, Chapter 89, Natural Resources
- 14 Code, is amended by adding Section 89.049 to read as follows:
- 15 Sec. 89.049. PLUGGING OR REPLUGGING OF ORPHANED WELL BY OIL
- 16 AND GAS LESSEE OR MINERAL ESTATE OWNER. (a) In this section,
- 17 "operator in good standing" and "orphaned well" have the meanings
- 18 assigned by Section 89.047.
- (b) An operator in good standing who is the owner of an
- 20 interest in a current oil and gas lease or the mineral estate of a
- 21 tract of land on which an orphaned well is located or the owner of
- 22 the surface estate of a tract of land on which an orphaned well is
- 23 located may contract with a commission-approved well plugger to
- 24 plug or replug the well.

- 1 (c) A well plugger who enters into a contract under
- 2 Subsection (b) shall:
- 3 (1) not later than the 30th day before the date the
- 4 well is to be plugged or replugged, mail notice of the plugger's
- 5 intent to plug or replug the well to the operator of the well or the
- 6 surface owner, as applicable, at the operator's or surface owner's
- 7 address as shown by the records of the commission; and
- 8 (2) plug or replug the well in accordance with
- 9 commission rules.
- 10 (d) An operator in good standing or a surface owner who
- 11 enters into a contract under Subsection (b) does not assume
- 12 responsibility for the physical operation and control of the
- 13 orphaned well and is not liable for any plugging or replugging
- 14 responsibility or damages that may occur as a result of acts done or
- omitted to be done relating to plugging or replugging the well under
- 16 this section.
- (e) Paying money to or contracting with a well plugger to
- 18 plug or replug an orphaned well under this section is not an
- 19 admission that the person paying the money or contracting for the
- 20 plugging or replugging of the well is obligated to plug or replug
- 21 the well. Evidence that a person has paid money to or contracted
- 22 with a well plugger to plug or replug a well under this section is
- 23 not admissible against the person in a suit in which the person's
- 24 obligation to plug or replug the well is an issue, and introducing
- 25 the evidence is a compulsory ground for mistrial.
- 26 (f) The commission may require a plugging or replugging
- 27 operation conducted under this section to be supervised by a

S.B. No. 1146

- 1 commission employee. A plugging or replugging operation conducted
- 2 under this section is not considered complete until approved by the
- 3 commission.
- 4 (g) This section does not apply to the owner of the surface
- 5 estate of a tract of land on which an orphaned well is located if the
- 6 <u>surface owner was the operator who abandoned the well.</u>
- 7 (h) The commission shall adopt any rules reasonably
- 8 necessary to implement this section, including rules prescribing
- 9 procedures for the approval by the commission of a well plugging or
- 10 replugging operation conducted under this section.
- 11 SECTION 3. This Act takes effect September 1, 2025.