

- SUBJECT:** Electric log filing deadlines for oil and gas well operators
- COMMITTEE:** Energy Resources — favorable, without amendment
- VOTE:** 6 ayes — West, Farabee, Corte, Crownover, Gonzalez Toureilles, Howard
0 nays
1 absent — Crabb
- WITNESSES:** None
- BACKGROUND:** Natural Resources Code, sec. 91.552 requires a person conducting oil and gas well drilling operations to file with the Railroad Commission a copy of a basic electric log in conjunction with the drilling of the well at the time the person files a completion report for the well or an application to plug a dry well. An electric log is a wireline survey, other than dipmeter surveys and seismic wireline surveys, that is run in an open hole or a cased hole of a well to obtain geological information.
- Under sec. 91.553, filed electric logs are public information. However, upon filing an electric log, the person responsible may request in writing that the log remain confidential and in the possession of the person responsible for filing. The period of confidentiality is one year after the date that the completion report was filed, and the filer can file a written request for one two-year extension.
- The person required to file an electric log who has held the log during a period of confidentiality or any extensions of that period must file the log with the Railroad Commission within 30 days after the conclusion of the period of confidentiality or period of the last extension.
- DIGEST:** HB 484 would require a copy of a basic electric log, and any written request for confidentiality, to be filed with the Railroad Commission not later than the 90th day after the date a drilling operation was completed.
- The confidentiality period would last until one year after the date that the drilling operation was completed. If an operator failed timely to file a written confidentiality request, the operator would have to file the log with

the commission immediately after the conclusion of the period for filing the request — within 90 days following the completion of drilling operations or, in the case of a requested extension, one year after the 90 days following the completion of drilling operations.

The bill would change the language of the code by replacing “person” with “operator” and defining “operator” as the person, including a predecessor or successor operator, who assumes responsibility for the regulatory compliance of a well and files and maintains copies of the electric log. The definition of “well” would include a well drilled for any purpose related to oil or gas exploration, production, or storage, and a “drilling operation” would be defined as a continuous effort to drill or deepen a well bore for which the Railroad Commission had issued a permit.

The bill would take effect September 1, 2005.

**SUPPORTERS
SAY:**

HB 484 would establish a clear deadline for submission of electric logs to the Railroad Commission. Under current law, the date by which operators submit log information is variable because it is connected to when operators submit completion reports, for which there is no clear deadline. As a result, some operators take excessively long to file log information, which makes it very difficult for the commission to maintain and disseminate the information. This is very frustrating for prospective oil and gas well operators who rely on electric logs to determine whether a particular location shows promise for profitable drilling.

The bill would prevent operators from taking such long periods to file by limiting the log filing and confidentiality request deadline to 90 days after the completion of a drilling operation. This would limit the maximum confidentiality period for an electric log, including a two-year extension, to 90 days plus three years. This change would be an improvement over the current situation where the confidentiality period, in effect, is indefinite depending on when the operator files the completion report. The bill also would save the Railroad Commission time and manpower by not having constantly to field complaints from prospective operators seeking electric log information.

HB 484 also would give the term “operator” legal clarity by identifying the person responsible for compliance. It would eliminate any confusion among operators who are unsure when to submit the electric log by

requiring all operators to file logs within 90 days of the completion of drilling operations. Ninety days is a reasonable amount of time to collect and submit the necessary information.

OPPONENTS
SAY:

HB 484 would remove the language under Natural Resources Code, sec. 91.552(a) regarding the filing of a completion report for a well or an application to plug a dry well. It is unclear whether the completion report or application to plug still would be required for submission to the Railroad Commission or when such submission might be required.