

SUBJECT: Barnett Shale natural gas well gas release regulations

COMMITTEE: Environmental Regulation — favorable, without amendment

VOTE: 8 ayes — Cook, Chisum, Burnam, Dunnam, Farrar, Hancock, Legler, Weber
0 nays
1 absent — Veasey

SENATE VOTE: On final passage, April 22— 30-0

WITNESSES: (*On House companion bill, HB 2255:*)
For — Laura Blackburn, League of Women Voters of Texas; Brian Boerner, City of Fort Worth; (*Registered, but did not testify:* Kinnan Golemon, Devon Energy; Adam Haynes, TIPRO; Shanna Igo, Texas Municipal League; Cyrus Reed, Lone Star Chapter, Sierra Club; Tom Smith, Public Citizen)

Against — None

On — Tommie Seitz, Railroad Commission

DIGEST: SB 902 would require gas well operators in the Barnett Shale area to employ certain techniques when completing or recompleting wells. Gas well operators would be required to perform one of the following two processes to prevent the release of gas and associated vapors into the air:

- piping salable gas to a sales line as soon as pressure conditions allowed, or
- shutting in the well and conserving the gas.

TCEQ would allow an operator to release gas into the air during a well completion or recompletion only under the following circumstances:

- to protect the safety of the public or of an individual working on the well;

- to comply with an oil or gas lease entered into before September 1; 2009;
- to repair or modify a gas-gathering system;
- the composition of the gas precluded gathering it;
- the gas had insufficient pressure; or
- other circumstances relevant to preventing waste or protecting the public.

TCEQ would require operators to complete a form acknowledging compliance with these requirements. TCEQ could set a maximum amount of gas and vapors that could be released into the air. TCEQ would be required to establish a procedure for obtaining commission certification to release gas and associated vapors into the air.

The bill would apply only to a county that had a population of more than 1.4 million and was located above a hydrocarbon-producing geological formation that contained more than 1,000 TCEQ-permitted wells in 2008. The municipality in the area would be able to adopt an ordinance and monitor operator's compliance with green completion requirements.

This bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2009.

NOTES:

The House companion bill, HB 2255 by Hancock, was heard and left pending in the Environmental Regulation Committee on April 22.