

BILL ANALYSIS

Senate Research Center

H.B. 1178
By: Holzheuser (Haywood)
Natural Resources
4-29-97
Engrossed

DIGEST

The 74th Legislature defined a marginal gas well to help provide production incentives. A marginal gas well is defined in the Natural Resources Code as a gas well that is incapable of producing under normal operating conditions more than 250,000 cubic feet of gas per day. The Railroad Commission has proposed to exempt entire fields of marginal gas wells from production limitations on grounds that there is market demand for all production from those fields but, by statute, the commission cannot exempt individual marginal wells that exist in fields with other wells capable of producing more than 250,000 cubic feet of gas per day. This bill would give the Railroad Commission the authority to exempt marginal gas wells from otherwise applicable production limitations if the wells are located in gas fields without special field rules.

PURPOSE

As proposed, H.B. 1178 gives the Railroad Commission the authority to exempt marginal gas wells from otherwise applicable production limitations if the wells are located in gas fields without special field rules.

RULEMAKING AUTHORITY

This bill does not grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 86.091, Natural Resources Code, to provide that none of the provisions of this chapter shall require the Railroad Commission to limit the production from a marginal gas well to a quantity less than its actual deliverability if the well has certain characteristics, rather than to limit production from a gas well to a quantity less than its actual deliverability.

SECTION 2. Emergency clause.
Effective date: upon passage.