

BILL ANALYSIS

Senate Research Center
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H.B. 1633
By: Romero, Jr. (Uresti)
Natural Resources & Economic Development
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Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The Railroad Commission of Texas (railroad commission) has a checkbox on its application for a permit to drill an oil or gas well (Form W-1) that asks if the operator has a right to develop minerals under any right of way. But the box is not specific to the type or ownership of the right of way, and the railroad commission does not notify any other state or local agencies that the box has been checked and is not required to do so under current law. This lack of communication between state agencies about plans to drill an oil or gas well can particularly become a concern when the well is located in or near an easement held by the Texas Department of Transportation (TxDOT), which is responsible for planning future transportation projects. For example, if TxDOT makes plans to expand a portion of a highway but a natural gas well is located within a TxDOT easement at the time TxDOT intends to begin expansion, and TxDOT has no foreknowledge of the well's location, TxDOT's plans would need to be reworked and a taxpayer-funded project would be halted. H.B. 1633 seeks to help prevent such situations.

H.B. 1633 amends the Natural Resources Code to require the railroad commission to adopt rules to require that an application for a permit to drill an oil or gas well include an affirmation as to whether or not the well is located within an easement held by TxDOT or within 50 yards of an easement held by TxDOT. The bill requires the railroad commission to transmit to TxDOT a copy of an application for a permit to drill an oil or gas well that contains an affirmation that the well is located within or in such proximity to a TxDOT easement not later than the 14th day after the date the railroad commission receives the application. The bill expressly does not grant to TxDOT any authority regarding the approval of an application for a permit to drill an oil or gas well. The legislation would become effective on September 1, 2015.

H.B. 1633 amends current law relating to application and notification requirements for a permit to drill an oil or gas well in or near an easement held by the Texas Department of Transportation.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the Railroad Commission of Texas in SECTION 1 (Section 91.021, Natural resources Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Subchapter B, Chapter 91, Natural Resources Code, by adding Section 91.021, as follows:

Sec. 91.021. NOTICE OF PERMIT TO DRILL WELL IN TRANSPORTATION EASEMENT. (a) Defines "department" to mean the Texas Department of Transportation (TxDOT).

(b) Requires the Railroad Commission of Texas (railroad commission) to adopt rules to require that an application for a permit to drill an oil or gas well include an affirmation as to whether or not the well is located within an easement held by TxDOT or within 50 yards of an easement held by TxDOT.

(c) Requires the railroad commission to transmit a copy of the application to TxDOT, not later than the 14th day after the date the railroad commission

receives an application for a permit to drill an oil or gas well that contains an affirmation that the well is located within an easement held by the department or within 50 yards of an easement held by TxDOT.

(d) Provides that this section does not grant to TxDOT any authority regarding the approval of an application for a permit to drill an oil or gas well.

SECTION 2. Provides that Section 91.021, Natural Resources Code, as added by this Act, applies only to a permit application filed with the Railroad Commission of Texas on or after the effective date of this Act. Makes application of this Act prospective.

SECTION 3. Effective date: September 1, 2015.