

BILL ANALYSIS

S.B. 367
By: Miles
Energy Resources
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Recently, an oil well blew out in suburban Fort Bend County. It was soon reported that the operator responsible for the blowout filed for an additional permit to drill an oil well while undergoing remediation efforts. Concerns have been raised given that there is currently no statutory requirement for oil and gas well operators to notify the Railroad Commission of Texas (RRC) of past blowouts when applying for a permit to drill an oil or gas well. S.B. 367 seeks to address this issue by requiring oil and gas well applicants, in certain regions of Texas, to disclose to the RRC whether the applicant was the operator of an oil or gas well that blew out at an adjacent site.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that rulemaking authority is expressly granted to the Railroad Commission of Texas in SECTION 1 of this bill.

ANALYSIS

S.B. 367 amends the Natural Resources Code to require the Railroad Commission of Texas (RRC) by rule to require that an applicant for a permit to drill an oil or gas well in a county with a population of more than 750,000 disclose to the RRC in the application that the applicant was the operator of an oil or gas well as follows:

- located at a site adjacent to the site of the proposed well;
- drilled through or into the same formations as the proposed well is to be drilled; and
- from which an uncontrolled release of a subterranean fluid containing oil, gas, or condensate or of a well fluid that is caused by a loss of well control occurred while the applicant operated the oil or gas well.

The bill authorizes the rules to include criteria for determining whether a site is adjacent to another site for the purposes of the disclosure requirement.

EFFECTIVE DATE

September 1, 2021.