

SUBJECT: Requiring applicants for a drilling permit to disclose certain well blowouts

COMMITTEE: Energy Resources — favorable, without amendment

VOTE: 10 ayes — Goldman, Herrero, Anchia, Craddick, Darby, Ellzey, Geren, Leman, Longoria, Reynolds

0 nays

1 absent — T. King

SENATE VOTE: On final passage, April 12 — 29-2 (Hughes, Springer)

WITNESSES: For — Adrian Shelley, Public Citizen; (*Registered, but did not testify:* Cyrus Reed, Lone Star Chapter Sierra Club; Rita Beving; Susana Carranza)

Against — (*Registered, but did not testify:* Ryan Paylor, Texas Independent Producers and Royalty Owners Association)

On — Jason Clark, Railroad Commission; (*Registered, but did not testify:* Paul Dubois, Railroad Commission)

BACKGROUND: Concerns have been raised about incidents in recent years in which an oil well blew out and the company responsible for the blowout filed for an additional drilling permit while undergoing remediation efforts. Some have suggested requiring applicants for a drilling permit to report if the applicant was an operator of an oil or gas well that blew out at an adjacent site.

DIGEST: SB 367 would require the Railroad Commission to require an applicant for a permit to drill an oil or gas well in a county with a population of more than 750,000 to disclose if they were the operator of a well:

- located at a site adjacent to the proposed well;
- drilled through or into the same formation as the proposed well;

and

- from which an uncontrolled release of a subterranean fluid containing oil, gas, or condensate or of a well fluid that was caused by a loss of control occurred while the applicant operated the well.

The rules could include criteria for determining whether a well site was considered adjacent to another site.

The bill would take effect September 1, 2021.