

## **BILL ANALYSIS**

Senate Research Center  
77R13994 E

H.B. 2436  
By: Merritt (Brown)  
Natural Resources  
5/9/2001  
Engrossed

### **DIGEST AND PURPOSE**

The East Texas Oil Field (field) is not only the largest oil field in Texas, it is also the most productive in the lower 48 states. The field, which covers several counties, has produced more than 5.3 billion barrels of oil since its discovery in 1930. The impact of this oil treasure on the Texas economy, especially the local economies surrounding the field, has been tremendous. However, production has been declining rapidly, and if new approaches to capturing oil from the field are not implemented, effective production of oil could end by 2006. H.B. 2436 requires the Bureau of Economic Geology of The University of Texas at Austin to conduct a two-year project to provide a comprehensive reservoir characterization and engineering study of the field to optimize production strategies.

### **RULEMAKING AUTHORITY**

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

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Chapter 85, Natural Resources Code, as follows:

#### **SUBCHAPTER L. STUDY OF EAST TEXAS OIL FIELD**

Sec. 85.401. DEFINITIONS. Defines “advisory committee” and “bureau.”

Sec. 85.402. STUDY OF FIELD. Requires the Bureau of Economic Geology of The University of Texas at Austin (bureau) to conduct a study of the East Texas Oil Field for the purpose of making recommendations regarding measures that should be taken to maximize the ultimate recovery of oil and gas from the field.

Sec. 85.403. ADVISORY COMMITTEE. (a) Provides that the advisory committee is composed of certain persons.

(b) Provides that a member of the advisory committee serves at the will of the person who appointed the member.

(c) Provides that the member of the advisory committee who is the member of the Railroad Commission of Texas (commission) serves as the presiding officer of the advisory committee.

(d) Provides that members of the advisory committee are not entitled to compensation but are entitled to reimbursement for actual and necessary expenses incurred in performing their official duties as advisory committee members.

(e) Requires necessary costs for the operation of the advisory committee to be paid from money appropriated to the commission.

(f) Requires the advisory committee to meet at the call of the presiding officer.

(g) Requires the advisory committee to keep a public record of its decisions at the office of the commission.

(h) Requires the advisory committee to advise the bureau with regard to the study required by Section 85.402.

Sec. 85.404. REPORT. Requires the bureau to submit an interim report of its findings not later than January 1, 2003, and a final report to certain persons, not later than September 1, 2003.

Sec. 85.405. EXPIRATION. Provides that this subchapter expires and the advisory committee is abolished September 1, 2003.

SECTION 2. Provides that as soon as practicable on or after the effective date of this Act, the Railroad Commission, the lieutenant governor, and the speaker of the house of representatives, are required to appoint certain persons to the advisory committee.

SECTION 3. Requires the provisions of this proposed Act to be null and void if the legislature fails to adopt certain funding.

SECTION 4. Effective date: September 1, 2001.