

BILL ANALYSIS

Senate Research Center
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C.S.S.B. 575
By: Armbrister
Natural Resources
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Committee Report (Substituted)

AUTHOR'S/SPONSOR'S STATEMENT OF INTENT

A real property surface estate owner must allow the mineral estate owner (and the mineral estate owner's lessee) reasonable access and accommodation for the exploration and development of the minerals. This impacts the use and enjoyment of the surface estate, and the surface owner should have some prior indication that his surface use is about to be disrupted.

Currently, the mineral estate owner and the mineral estate owner's lessee have no obligation to notify the surface owner of pending oil and gas operations. The surface owner has no readily accessible way to obtain the information.

C.S.S.B. 575 requires an oil or gas operator to give written notice to the surface owner not later than the third day after the issuance of a permit to drill a new well or reenter a plugged and abandoned well. The written notice must be given to the surface owner at the surface owner's address as shown in the records of the tax assessor-collector at the time the notice is given. The notice requirement applies to oil and gas operations for which the permits were issued on or after October 1, 2005.

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 91, Natural Resources Code, by adding Subchapter P, as follows:

SUBCHAPTER P. NOTICE OF OIL AND GAS OPERATIONS

Sec. 91.701. DEFINITION. Defines "surface owner."

Sec. 91.702. APPLICABILITY. Provides that this subchapter applies only to the drilling of a new oil or gas well or the reentry of a plugged and abandoned oil or gas well. Sets forth the activities to which this subchapter does not apply.

Sec. 91.703. NOTICE REQUIRED. (a) Requires an operator to give the surface owner written notice of the operator's intention to drill a new oil or gas well or reenter a plugged and abandoned oil or gas well, not later than the third day after the date the Railroad Commission of Texas issues a permit to do so.

(b) Sets forth the circumstances under which an oil or gas operator is not required to give notice to a surface owner.

Sec. 91.704. ADDRESS FOR NOTICE. Requires notice to be given to the surface owner at the surface owner's address as shown by the records of the county tax assessor-collector at the time notice is given.

Sec. 91.705. RIGHTS OF OWNER OF MINERAL ESTATE NOT AFFECTED. Provides that this subchapter does not affect the status of any rule of law to the effect that the mineral estate in land is dominant over the surface estate. Provides that failure to

give notice does not restrict, limit, work as a forfeiture of, or terminate any existing or future rights to develop the mineral estate in land.

SECTION 2. Makes application of the change in law made by this Act prospective to oil and gas operations for which a permit is issued on or after October 1, 2005.

SECTION 3. Effective date: September 1, 2005.