

## **BILL ANALYSIS**

Senate Research Center

H.B. 3838  
By: Gonzalez Toureilles et al. (Hegar)  
Natural Resources  
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Engrossed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

There is currently a lack of clarity in statutes regarding jurisdiction over components necessary for the development of applications for in situ uranium recovery permits (area permits). This lack of clarity has not previously been addressed as the uranium industry has been largely dormant for the past 10 years due to extremely low market prices. Additionally, Chapter 27 (Injection Wells), Water Code, has been almost exclusively related to the use of injection wells for waste disposal rather than for mineral recovery.

H.B. 3838 is designed to expand the Texas Commission on Environmental Quality's (TCEQ) jurisdiction to cover wells used in the development of information that TCEQ requires for area permit applications. This expansion is logical since these wells are built to TCEQ's Class III standards and eventually become part of the operation that is authorized by the area permit issued by TCEQ. In recognition of the development and work of local groundwater conservation districts, this bill also provides for the sharing of geological, hydrologic, and water quality information. Finally, the bill clarifies that the scope of Chapter 27, Water Code, is not limited to waste disposal issues.

### **RULEMAKING AUTHORITY**

Rulemaking authority is expressly granted to the Railroad Commission of Texas in SECTION 6 (Section 27.071) of this bill.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 27.002, Water Code, by amending Subdivisions (1) and (2) and adding Subdivisions (16), (17), and (18), to redefine "commission," "executive director," and to define "production well," "monitoring well," and "area permit."

SECTION 2. Amends Subchapter B, Chapter 27, Water Code, by adding Sections 27.023 and 27.024, as follows:

Sec. 27.023. JURISDICTION OVER IN SITU URANIUM APPLICATION DEVELOPMENT AND OPERATIONS. (A) Provides that the Texas Commission on Environmental Quality (TCEQ) has exclusive jurisdiction over and is required to regulate wells used during the development of permit applications to obtain required premining geologic, hydrologic, and water quality information.

(b) Requires TCEQ to require a well described by Subsection (a) to be registered with TCEQ. Provides that a well described by Subsection (a) is not subject to TCEQ's permitting, notice, and hearing requirements.

(c) Provides that if a well described by Subsection (a) is included in an area permit issued by TCEQ the registration status of the well ceases and the well is subject to all rules applicable to the area permit, including notice and hearing requirements.

Sec. 27.024. SHARING OF GEOLOGIC, HYDROLOGIC, AND WATER QUALITY DATA. (a) Requires a person that has identified a permit boundary after developing an application for an area permit for an area located in a groundwater conservation district to provide to a district certain information regarding the wells, water quality, and strata.

(b) Prohibits a person from taking more than 90 days after the person receives the final information described by Subsection (a) to perform standard quality control and quality assurance procedures before the person submits the information to the groundwater conservation district.

SECTION 3. Amends Sections 27.051(a) and (b), Water Code, as follows:

(a) Authorizes TCEQ to grant an application in whole or part and issue the permit if it finds that certain conditions are met.

(b) Authorizes the Railroad Commission of Texas (railroad commission) to grant an application in whole or part and issue the permit if it finds that certain conditions are met.

SECTION 4. Amends Section 27.053, Water Code, to authorize TCEQ or railroad commission to require a person receiving a permit or authorization by rule under this chapter to keep and furnish a complete and accurate record of the depth, thickness, and character of the different strata penetrated in drilling an injection well, monitoring well, or production well. Makes conforming changes.

SECTION 5. Amends Section 27.054, Water Code, to authorize TCEQ or railroad commission to require the applicant to furnish an electric log or a drilling log of the existing well if an existing well is to be converted to an injection well, monitoring well, or production well.

SECTION 6. Amends Section 27.071, Water Code, as follows:

Sec. 27.071. POWER TO ENTER PROPERTY. (a) Authorizes members and employees of TCEQ and the railroad commission to enter public or private property to inspect and investigate conditions relating to injection well, monitoring well, disposal well, or production well activities within their respective jurisdictions or to monitor compliance with a rule, permit, or other order of TCEQ or railroad commission.

(b) Requires the railroad commission by rule to provide that before a member or employee of the railroad commission enters public or private property under the authority of Subsection (a) that is located in a groundwater conservation district a representative from the district must be invited to accompany the member or employee.

(c) Requires members, employees, or representatives under the authority of this section who enter an establishment on public or private property to observe the establishment's safety, internal security, and fire protection rules. Makes conforming changes.

SECTION 7. Amends Section 27.072, Water Code, as follows:

Sec. 27.072. POWER TO EXAMINE RECORDS. Authorizes members and employees of TCEQ and the railroad commission to examine and copy those records or memoranda of a business they are investigating as provided by Section 27.071 (Power to Enter Property), Water Code, that relate to the operation of an injection well, monitoring well, disposal well, or production well, or any other records required to be maintained by law. Makes conforming changes.

SECTION 8. Amends Section 27.073(a), Water Code, to require, rather than authorize, a person to whom an injection well, monitoring well, or production well permit is issued to be required by TCEQ or railroad commission to maintain a performance bond or other form of financial security to ensure that an abandoned well is properly plugged.

SECTION 9. Effective date: September 1, 2007.