

BILL ANALYSIS

Senate Research Center
81R5440 SMH-D

S.B. 752
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Natural Resources
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Since July 2007, the City of Fort Worth has had a moratorium on construction of salt water disposal wells in Fort Worth. Construction was allowed for a brief time, and a single well was permitted. This same well is currently in operation and is participating in a pilot program with the City of Fort Worth to allow salt water piping and salt water recycling.

The City of Fort Worth would like to end the construction moratorium to allow wells in certain industrial areas, on the condition that the city is able to control the depth of the facilities. At present, the best known area to dispose of the water is into the Ellenberger Formation, which is more than 8,000 feet below the surface.

Currently, under Chapter 27 (Injection Wells), Water Code, the Texas Railroad Commission (commission) issues permits for the non-commercial disposal of salt water waste from the production of natural gas. The commission also controls construction and depths of the disposal facilities, thus preempting local control. Therefore, this legislation seeks to prevent the commission from issuing a permit if a city, county river authority or water district, as defined by Section 26.001 (Definitions), Water Code, has deemed the location to be unsuitable, due to its proximity to a water table. An operator seeking a permit from the commission must provide a letter from the Texas Commission on Environmental Quality (TCEQ) stating that there are no risks to freshwater strata before the commission may issue the permit.

As proposed, S.B. 752 prohibits TCEQ or the commission from issuing a permit for a disposal well if a local government determines that the formation or stratum is unsuited for that use because of its proximity to a water table and notifies TCEQ or the commission, as applicable, of its determination.

[**Note:** While the statutory reference in this bill is to the Texas Natural Resource Conservation Commission (TNRCC), the following amendments affect the Texas Commission on Environmental Quality, as the successor agency to TNRCC.]

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 Section 27.033, Water Code, as follows:

Sec. 27.033. LETTER FROM EXECUTIVE DIRECTOR. Requires a person making application to the Texas Railroad Commission (commission) for a permit under this chapter to submit with the application a letter from the executive director of the Texas Natural Resource Conservation Commission (TNRCC) stating that TNRCC has not been notified by a local government as defined by Section 26.001 (Definitions) the territory of which overlies the formation or stratum to be used for the disposal that the local government has determined that the formation or stratum is unsuited for that use because of its proximity to a water table. Makes nonsubstantive changes.

SECTION 2. Amends Section 27.051, Water Code, by adding Subsection (i), to prohibit TNRCC or the commission from issuing a permit for a disposal well if a local government as

defined by Section 26.001 the territory of which overlies the formation or stratum to be used for the disposal determines that the formation or stratum is unsuited for that use because of its proximity to a water table and notifies TNRCC or the commission, as applicable, of its determination.

SECTION 3. Provides that the changes in law made by this Act apply to permit applications pending before the commission or the Texas Commission on Environmental Quality on or after the effective date of this Act. Makes application of this Act prospective.

SECTION 4. Effective date: upon passage or September 1, 2009.