

## **BILL ANALYSIS**

Senate Research Center  
86R22947 JXC-F

H.B. 3246  
By: Darby et al. (Hancock)  
Natural Resources & Economic Development  
4/22/2019  
Engrossed

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

Although the state promotes the recycling of fluid oil and gas waste and the legislature has sought in the past to clarify ambiguities regarding the ownership of such waste, concerns have been raised regarding an ambiguity relating to ownership between water haulers and oil and gas operators. H.B. 3246 seeks to address this oversight by addressing a situation in which fluid oil and gas waste is produced and used by a person who takes possession of that waste for the purpose of treating the waste for a subsequent beneficial use.

H.B. 3246 amends current law relating to the treatment and recycling for beneficial use of certain waste arising out of or incidental to the drilling for or production of oil or gas.

### **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 122.002, Natural Resources Code, as follows:

Sec. 122.002. OWNERSHIP OF FLUID OIL AND GAS WASTE TRANSFERRED FOR TREATMENT AND SUBSEQUENT BENEFICIAL USE. Provides that, unless otherwise expressly provided by an oil or gas lease, a surface use agreement, a contract, a bill of sale, or another legally binding document, rather than otherwise expressly provided by a contract, bill of sale, or other legally binding document:

(1) when fluid oil and gas waste is produced and used by or transferred to, rather than transferred to, a person who takes possession of that waste for the purpose of treating the waste for a subsequent beneficial use, the waste, rather than the transferred material, is considered to be the property of the person who takes possession of it for the purpose of treating the waste for subsequent beneficial use until the person transfers the waste or treated waste to another person for disposal or use; and

(2) makes no changes to this subdivision.

SECTION 2. Effective date: September 1, 2019.