

CHAPTER 882

H.B. No. 2484

AN ACT

relating to enforcing the duty to plug wells that have been abandoned or that have ceased operation.

Be it enacted by the Legislature of the State of Texas:

SECTION 1. Section 89.002(a), Natural Resources Code, is amended to read as follows:

(a) In this chapter:

(1) "Well" means a hole drilled for the purpose of:

(A) producing oil or gas;

(B) injecting fluid or gas in the ground in connection with the exploration or production of oil and gas; ~~or~~

(C) obtaining geological information by taking cores or through seismic operations; or

(D) producing geothermal energy and associated resources that are subject to the jurisdiction of the Railroad Commission of Texas.

(2) "Operator" means a person who is responsible for the physical operation and control of a well at the time the well is about to be abandoned or ceases operation. *However, in the event of a sale or conveyance of an unplugged well or the right to operate an unplugged well that has ceased operation, but that was in compliance with commission rules applicable to such wells that have ceased operation at the time of sale or conveyance, the term "operator" for the purpose of determining plugging responsibility shall not mean the person who sells or conveys the well or right to operate the well, once the person who acquires the well or right to operate the well:*

(A) specifically identifies the well as a well for which it assumes plugging responsibility on such forms as may be required by the commission and such filings are approved by the commission;

(B) has a commission-approved organization report as required by Section 91.142 of this code;

(C) has a commission-approved bond covering the well or is eligible for a nonrefundable annual fee of \$100 as provided by Sections 91.104(b)(1)–(3) and Section 91.107 of this code; and

(D) places the well in compliance with commission rules.

(3) "Nonoperator" means a person who owns a working interest in a well at the time the well is required to be plugged pursuant to commission rules ~~[about to be abandoned or ceases operation]~~ and is not an operator as defined in Subdivision (2) of this subsection.

(4) "Commission" means the Railroad Commission of Texas.

SECTION 2. Section 89.011, Natural Resources Code, is amended to read as follows:

Sec. 89.011. DUTY OF OPERATOR. (a) The operator of a well shall properly plug the well when required and in accordance with the commission's rules that are in effect at the time of the plugging.

(b) *The duty of a person to plug an unplugged well that has ceased operation ends if the person's interest in the well is sold or conveyed while the well is in compliance with rules of the commission applicable to wells that have ceased operation and the provisions of Sections 89.002(a)(2)(A)–(D) of this code have been met. The person acquiring the seller's interest through such a sale or conveyance succeeds the seller as the operator of the well for the purpose of plugging responsibility once the provisions of Sections 89.002(a)(2)(A)–(D) of this code have been met.*

SECTION 3. This Act applies to an operator and nonoperator who do not have a duty to plug a well as a result of a conveyance and the satisfaction of the requirements of Sections 89.002(a)(2)(A)–(D), Natural Resources Code, as added by this Act, without regard to whether the conveyance of the well took place before, on, or after the effective date of this Act.

SECTION 4. This Act takes effect September 1, 1993.

SECTION 5. The importance of this legislation and the crowded condition of the calendars in both houses create an emergency and an imperative public necessity that the constitutional rule requiring bills to be read on three several days in each house be suspended, and this rule is hereby suspended.

Passed by the House on May 8, 1993, by a non-record vote; passed by the Senate on May 30, 1993, by a viva-voce vote.

Approved June 18, 1993.

Effective Sept. 1, 1993.