

NARO-Texas Report



By the time you read this, we will have had another great convention. Thank you to those of you who showed your support. Crude-oil and natural gas prices are growing and optimism is mounting with hopes of a continual rise as we progress into the summer season. In the middle of May, oil prices jumped to a six-month high -- hopefully this is a sign that the economic slump is going to be making a turnaround.

With the Texas legislative session officially ending June 1, the outcome of any bills being passed, or failing to be passed, is affecting us now. The five bills below are ones that have been, and continue to be, followed:

HB4246: This bill addresses the reporting of lost and unaccounted-for gas, and the tax which is due by first purchaser. The Ways and Means Committee heard the bill on April 15th. Albert Ward provided testimony, with Cynthia Ward and also Ed Sealy on hand to show support. As of May 15th, we have a new amendment that takes out the tax provisions and requires a report of lost and unaccounted for gas.

HB1231: Presently, the Texas Railroad Commission is governed by 3 elected commissioners who serve staggered six year terms. This bill would make the Railroad Commission be governed by only one elected commissioner serving a four year term. It was brought up on the House floor and failed to pass.

HB2259/SB1378: This bill is the result of the inactive well study group which met during the interim. The bill es-

entially requires new accountability and financial assurance measures for inactive wells to further decrease the odds that wells enter the fund; addresses other surface issues such as abandoned power lines, tanks, etc; and effectively assigns costs to producers responsible for their wells. As of May 15, both bills have passed their originating chamber and are still moving forward.

HB 4: This is the Eminent Domain bill that is supposedly agreed upon and the Governor's office has expressed support for. It does not include the language which caused similar legislation to be vetoed last session. The Bill expressly extends eminent domain authority to common carrier pipelines; requires that governmental entities must hold public meeting and record vote before initiating condemnation proceedings; requires an attempt to purchase or lease property at fair market value before proceeding to condemnation; requires the entity to pay for, and provide, appraisal reports to landowners impacted; requires the entity to prove it negotiated in good faith before moving to condemnation; lastly, it changes definition of "governmental entity with condemnation authority" to "entity with eminent domain authority" throughout.

SB540: This bill requires applicants filing for non-hazardous disposal well permits and injection well permits to notify a Groundwater Control District (GCD) when an application for an injection site in their district has been submitted to the commission. It also extends the time frame that a GCD can protest a permit from 15 days of filing to 30 days of filing. As of May 15th, the bill has passed the Senate and has been heard in House Energy Committee.

-- by Candice Upton Brewer, President