

By: Crownover

H.B. No. 2356

Substitute the following for H.B. No. 2356:

By: Crabb

C.S.H.B. No. 2356

A BILL TO BE ENTITLED

AN ACT

relating to the filing with the state of well logs by operators of oil-related or gas-related wells; providing a penalty.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. The heading to Subchapter M, Chapter 91, Natural Resources Code, is amended to read as follows:

SUBCHAPTER M. WELL [~~ELECTRIC~~] LOGS

SECTION 2. Sections 91.551(a)(1) and (2), Natural Resources Code, are amended to read as follows:

(1) "Well" means a well drilled for any purpose related to exploration for or production or storage of oil or gas or both oil and gas, including a well drilled for injection of fluids to enhance hydrocarbon recovery, disposal of produced fluids, disposal of waste from exploration or production activity, or brine mining. The term includes a well that is completed as a dry hole.

(2) "Well [~~Electric~~] log" means a wireline-conveyed or drill pipe-conveyed survey recorded in an open borehole using electric or radioactive technologies for the purpose of obtaining geological or geophysical information or other information regarding the properties of a reservoir or of the rocks penetrated by the well. The term includes and is limited to a:

(A) spontaneous potential log;

(B) induction log;

(C) borehole compensated sonic log;

1 (D) dual lateral log;

2 (E) density log;

3 (F) gamma ray log; or

4 (G) compensated neutron log [~~wireline survey,~~
5 ~~except dipmeter surveys and seismic wireline surveys, run in an~~
6 ~~open hole or a cased hole of a well for purposes of obtaining~~
7 ~~geological information~~].

8 SECTION 3. Section 91.552, Natural Resources Code, is
9 amended to read as follows:

10 Sec. 91.552. WELL [~~ELECTRIC~~] LOGS REQUIRED TO BE FILED;
11 CRITERIA. (a) Except as otherwise provided by this subchapter, not
12 later than the 90th day after the date a drilling operation is
13 completed, the operator shall file with the commission a copy of
14 each well log, including each borehole section of the log at all
15 depths, [a basic electric log] run after September 1, 2009
16 [~~September 1, 1985~~], in conjunction with the drilling or deepening
17 of the well that meets basic criteria established by the
18 commission.

19 (b) The commission by rule shall establish criteria for well
20 [~~basic electric~~] logs to be filed with the commission.

21 (c) Not later than the deadline prescribed by Subsection (a)
22 for the filing of each well log, an operator shall file with the
23 commission a copy of a cased hole log run after September 1, 2009,
24 in conjunction with the drilling or deepening of a well in lieu of a
25 well log run after that date if:

26 (1) a cased hole log was run; and

27 (2) a well log was not run.

1 (d) Nothing in this subchapter requires an operator to run a
2 well log in conjunction with the drilling or deepening of a well.

3 SECTION 4. Section 91.553, Natural Resources Code, is
4 amended to read as follows:

5 Sec. 91.553. AVAILABILITY OF WELL [~~ELECTRIC~~] LOGS. (a)
6 Except as specifically provided by this section, each well
7 [~~electric~~] log filed with the commission under this subchapter is
8 not confidential and is public information under Chapter 552,
9 Government Code.

10 (b) Not later than the date by which a well [~~an electric~~] log
11 is required to be filed with the commission under Section 91.552,
12 the operator may file a written request with the commission asking
13 that the well [~~electric~~] log remain confidential and not be made
14 available as public information. On filing this request, the well
15 [~~electric~~] log or copy of the well [~~electric~~] log required to be
16 filed with the commission may be retained by the operator, and the
17 well [~~electric~~] log may remain in the possession of the operator for
18 the period of confidentiality and any extensions of that period. On
19 filing of the request for confidentiality, the well [~~electric~~] log
20 becomes confidential and remains confidential for a period of one
21 year after the date that the drilling operation was completed.

22 (c) If a well [~~an electric~~] log is made confidential under
23 Subsection (b), the operator is entitled to have the period of
24 confidentiality extended once for an additional period of two
25 years. The commission shall grant the two-year extension on
26 written request of the operator. The written request must be made
27 to the commission before the one-year period of confidentiality

1 under Subsection (b) expires.

2 (d) If a well [~~an electric~~] log is made confidential under
3 Subsection (b) and the log was run in a well drilled on land
4 submerged in state water, the operator is entitled to have the
5 period of confidentiality extended for not more than two additional
6 periods of two years each. The commission shall grant the
7 extension or extensions on written request of the operator. The
8 written request must be made to the commission before the
9 expiration of the one-year period of confidentiality under
10 Subsection (b) or the expiration of the first extension granted
11 under this subsection.

12 (e) An operator required to file a well [~~an electric~~] log
13 under this section who has held the log during a period of
14 confidentiality or any extensions of that period shall file the log
15 with the commission within 30 days after the conclusion of the
16 period of confidentiality or the period of the last extension.

17 (f) An operator who fails to timely file with the commission
18 a written request under Subsection (b) that a well [~~an electric~~] log
19 remain confidential and not be made available as public information
20 or a written request under Subsection (c) or (d) for an extension of
21 the period of confidentiality shall file the log with the
22 commission immediately after the conclusion of the period for
23 filing the request.

24 SECTION 5. Section 91.554, Natural Resources Code, is
25 amended to read as follows:

26 Sec. 91.554. AVAILABILITY OF CONFIDENTIAL WELL [~~ELECTRIC~~]
27 LOGS. If the commission requires a well [~~an electric~~] log to be

1 filed before the expiration of a period of confidentiality, the
2 commission shall make that well [~~electric~~] log available for
3 inspection during the period of confidentiality only to:

4 (1) a person authorized in writing by the operator;
5 and

6 (2) members of the commission and its employees in the
7 exercise of their powers and duties under this code.

8 SECTION 6. Section 91.555, Natural Resources Code, is
9 amended to read as follows:

10 Sec. 91.555. MANAGEMENT AND STORAGE OF WELL [~~ELECTRIC~~]
11 LOGS. The commission may contract with any person for the
12 management and storage of the well [~~electric~~] logs filed with the
13 commission.

14 SECTION 7. Section 91.556, Natural Resources Code, is
15 amended to read as follows:

16 Sec. 91.556. ENFORCEMENT [~~DENIAL OF ALLOWABLE~~]. If an
17 operator fails to file a well [~~an electric~~] log as required by this
18 subchapter, the commission may:

19 (1) if the well is completed as a producing well,
20 refuse to assign an allowable or a change in allowable for
21 production from the well [~~for which the electric log is required~~]
22 until the operator files the well [~~electric~~] log with the
23 commission; or

24 (2) impose an administrative penalty on the operator
25 in the manner provided by Sections 81.0531-81.0534 in an amount not
26 to exceed \$5,000 for each well for which the operator failed to file
27 a well log.

1 SECTION 8. Section 552.113(a), Government Code, is amended
2 to read as follows:

3 (a) Information is excepted from the requirements of
4 Section 552.021 if it is:

5 (1) a well [~~an electric~~] log confidential under
6 Subchapter M, Chapter 91, Natural Resources Code;

7 (2) geological or geophysical information or data,
8 including maps concerning wells, except information filed in
9 connection with an application or proceeding before an agency; or

10 (3) confidential under Subsections (c) through (f).

11 SECTION 9. Section 552.113(c)(2), Government Code, is
12 amended to read as follows:

13 (2) "Well [~~"Basic electric~~] logs" has the same meaning
14 as it has in Chapter 91, Natural Resources Code.

15 SECTION 10. Sections 552.113(d), (e), and (f), Government
16 Code, are amended to read as follows:

17 (d) Confidential material, except well [~~basic electric~~]
18 logs, filed in the General Land Office on or after September 1,
19 1985, is public information and is available to the public under
20 Section 552.021 on and after the later of:

21 (1) five years from the filing date of the
22 confidential material; or

23 (2) one year from the expiration, termination, or
24 forfeiture of the lease in connection with which the confidential
25 material was filed.

26 (e) Well [~~Basic electric~~] logs filed in the General Land
27 Office on or after September 1, 1985, are either public information

1 or confidential material to the same extent and for the same periods
2 provided for the same logs by Chapter 91, Natural Resources Code. A
3 person may request that a well [~~basic electric~~] log that has been
4 filed in the General Land Office be made confidential by filing with
5 the land office a copy of the written request for confidentiality
6 made to the Railroad Commission of Texas for the same log.

7 (f) The following are public information:

8 (1) well [~~basic electric~~] logs filed in the General
9 Land Office before September 1, 1985; and

10 (2) confidential material, except well [~~basic~~
11 ~~electric~~] logs, filed in the General Land Office before September
12 1, 1985, provided, that Subsection (d) governs the disclosure of
13 that confidential material filed in connection with a lease that is
14 a valid and subsisting lease on September 1, 1995.

15 SECTION 11. The House Committee on Energy Resources shall
16 study methods to increase compliance with Subchapter M, Chapter 91,
17 Natural Resources Code, as amended by this Act, and submit to the
18 82nd Legislature a report of its findings not later than January 1,
19 2011.

20 SECTION 12. The changes in law made by this Act apply only
21 to a drilling operation that is completed on or after the effective
22 date of this Act. A drilling operation that is completed before the
23 effective date of this Act is subject to the law in effect on the
24 date of completion, and that law is continued in effect for that
25 purpose.

26 SECTION 13. This Act takes effect September 1, 2009.