

1-1 By: King of Parker, Villalba H.B. No. 1331
 1-2 (Senate Sponsor - Fraser)
 1-3 (In the Senate - Received from the House April 27, 2015;
 1-4 May 4, 2015, read first time and referred to Committee on Natural
 1-5 Resources and Economic Development; May 13, 2015, reported
 1-6 favorably by the following vote: Yeas 10, Nays 0; May 13, 2015,
 1-7 sent to printer.)

1-8 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-9				
1-10	X			
1-11	X			
1-12			X	
1-13	X			
1-14	X			
1-15	X			
1-16	X			
1-17	X			
1-18	X			
1-19	X			
1-20	X			

1-21 A BILL TO BE ENTITLED
 1-22 AN ACT

1-23 relating to the treatment and recycling for beneficial use of
 1-24 certain waste arising out of or incidental to the drilling for or
 1-25 production of oil or gas.

1-26 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-27 SECTION 1. The heading to Chapter 122, Natural Resources
 1-28 Code, is amended to read as follows:

1-29 CHAPTER 122. TREATMENT AND RECYCLING FOR BENEFICIAL USE OF FLUID
 1-30 ~~CERTAIN~~ OIL AND GAS WASTE

1-31 SECTION 2. The heading to Section 122.002, Natural
 1-32 Resources Code, is amended to read as follows:

1-33 Sec. 122.002. OWNERSHIP OF FLUID ~~CERTAIN~~ OIL AND GAS
 1-34 WASTE TRANSFERRED FOR TREATMENT AND SUBSEQUENT BENEFICIAL USE.

1-35 SECTION 3. Subtitle D, Title 3, Natural Resources Code, is
 1-36 amended by adding Chapter 123 to read as follows:

1-37 CHAPTER 123. TREATMENT AND RECYCLING FOR BENEFICIAL USE OF DRILL
 1-38 CUTTINGS

1-39 Sec. 123.001. DEFINITIONS. In this chapter:

1-40 (1) "Commission" means the Railroad Commission of
 1-41 Texas.

1-42 (2) "Drill cuttings" means bits of rock or soil cut
 1-43 from a subsurface formation by a drill bit during the process of
 1-44 drilling an oil or gas well and lifted to the surface by means of the
 1-45 circulation of drilling mud.

1-46 (3) "Permit holder" means a person who holds a permit
 1-47 from the commission to operate a stationary commercial solid oil
 1-48 and gas waste recycling facility.

1-49 Sec. 123.002. OWNERSHIP OF DRILL CUTTINGS TRANSFERRED FOR
 1-50 TREATMENT AND SUBSEQUENT BENEFICIAL USE. Unless otherwise
 1-51 expressly provided by a contract, bill of sale, or other legally
 1-52 binding document:

1-53 (1) when drill cuttings are transferred to a permit
 1-54 holder who takes possession of the cuttings for the purpose of
 1-55 treating the cuttings for a subsequent beneficial use, the
 1-56 transferred material is considered to be the property of the permit
 1-57 holder until the permit holder transfers the cuttings or treated
 1-58 cuttings to another person for disposal or use; and

1-59 (2) when a permit holder who takes possession of drill
 1-60 cuttings for the purpose of treating the cuttings for a subsequent
 1-61 beneficial use transfers possession of the treated product or any

2-1 treatment byproduct to another person for the purpose of subsequent
2-2 disposal or beneficial use, the transferred product or byproduct is
2-3 considered to be the property of the person to whom the material is
2-4 transferred.

2-5 Sec. 123.003. RESPONSIBILITY IN TORT. A person who
2-6 generates drill cuttings and transfers the drill cuttings to a
2-7 permit holder with the contractual understanding that the drill
2-8 cuttings will be used in connection with road building or another
2-9 beneficial use is not liable in tort for a consequence of the
2-10 subsequent use of the drill cuttings by the permit holder or by
2-11 another person.

2-12 Sec. 123.004. PERMIT COPY REQUIRED. A permit holder who
2-13 takes possession of drill cuttings from the person who generated
2-14 the drill cuttings shall provide to the generator a copy of the
2-15 holder's permit.

2-16 Sec. 123.005. COMMISSION RULES FOR TREATMENT AND BENEFICIAL
2-17 USE. The commission shall adopt rules to govern the treatment and
2-18 beneficial use of drill cuttings.

2-19 SECTION 4. This Act takes effect September 1, 2015.

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