

1-1 By: Hughes S.B. No. 502  
 1-2 (In the Senate - Filed January 19, 2023; February 17, 2023,  
 1-3 read first time and referred to Committee on Natural Resources &  
 1-4 Economic Development; April 4, 2023, reported favorably by the  
 1-5 following vote: Yeas 8, Nays 0; April 4, 2023, sent to printer.)

1-6 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-7				
1-8	X			
1-9	X			
1-10	X			
1-11	X			
1-12	X			
1-13	X			
1-14			X	
1-15	X			
1-16	X			

1-17 A BILL TO BE ENTITLED  
 1-18 AN ACT

1-19 relating to the treatment, recycling for beneficial use, or  
 1-20 disposal of drill cuttings.

1-21 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-22 SECTION 1. Sections 123.001(2) and (3), Natural Resources  
 1-23 Code, are amended to read as follows:

1-24 (2) "Drill cuttings" means bits of rock or soil cut  
 1-25 from a subsurface formation by a drill bit during the process of  
 1-26 drilling an oil or gas well and lifted to the surface by means of the  
 1-27 circulation of drilling mud. The term includes any associated  
 1-28 sand, silt, drilling fluid, spent completion fluid, workover fluid,  
 1-29 debris, water, brine, oil scum, paraffin, or other material cleaned  
 1-30 out of the wellbore.

1-31 (3) "Permit holder" means a person who holds a permit  
 1-32 from the commission to operate a stationary commercial solid oil  
 1-33 and gas waste recycling facility or a commercial oil and gas waste  
 1-34 disposal facility.

1-35 SECTION 2. Section 123.003, Natural Resources Code, is  
 1-36 amended to read as follows:

1-37 Sec. 123.003. RESPONSIBILITY IN TORT. Unless otherwise  
 1-38 provided by a contract or other written agreement, a [A] person who  
 1-39 generates drill cuttings and transfers the drill cuttings in an  
 1-40 arm's length transaction to an unaffiliated third-party [a] permit  
 1-41 holder under a contract that requires [with the contractual  
 1-42 understanding] that the drill cuttings [will] be used in connection  
 1-43 with road building or another beneficial use or disposed of is not  
 1-44 liable in tort for a consequence of the subsequent use or disposal  
 1-45 of the drill cuttings by the permit holder or by another person if:

1-46 (1) the person who generates the drill cuttings has  
 1-47 the legal and contractual right to transfer the drill cuttings to  
 1-48 the permit holder;

1-49 (2) the method and location of the use or disposal are  
 1-50 not prohibited by law, contract, or other written agreement; and

1-51 (3) the consequence was caused solely by the permit  
 1-52 holder.

1-53 SECTION 3. The change in law made by this Act applies only  
 1-54 to a cause of action that accrues on or after the effective date of  
 1-55 this Act. A cause of action that accrues before the effective date  
 1-56 of this Act is governed by the law in effect immediately before that  
 1-57 date, and that law is continued in effect for that purpose.

1-58 SECTION 4. This Act takes effect immediately if it receives  
 1-59 a vote of two-thirds of all the members elected to each house, as  
 1-60 provided by Section 39, Article III, Texas Constitution. If this  
 1-61 Act does not receive the vote necessary for immediate effect, this

2-1 Act takes effect September 1, 2023.

2-2 \* \* \* \* \*