

AN ACT

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

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

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

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

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

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

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

CHAPTER 123. TREATMENT AND RECYCLING FOR BENEFICIAL USE OF DRILL
CUTTINGS

Sec. 123.001. DEFINITIONS. In this chapter:

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

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

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

4 Sec. 123.002. OWNERSHIP OF DRILL CUTTINGS TRANSFERRED FOR
5 TREATMENT AND SUBSEQUENT BENEFICIAL USE. Unless otherwise
6 expressly provided by a contract, bill of sale, or other legally
7 binding document:

8 (1) when drill cuttings are transferred to a permit
9 holder who takes possession of the cuttings for the purpose of
10 treating the cuttings for a subsequent beneficial use, the
11 transferred material is considered to be the property of the permit
12 holder until the permit holder transfers the cuttings or treated
13 cuttings to another person for disposal or use; and

14 (2) when a permit holder who takes possession of drill
15 cuttings for the purpose of treating the cuttings for a subsequent
16 beneficial use transfers possession of the treated product or any
17 treatment byproduct to another person for the purpose of subsequent
18 disposal or beneficial use, the transferred product or byproduct is
19 considered to be the property of the person to whom the material is
20 transferred.

21 Sec. 123.003. RESPONSIBILITY IN TORT. A person who
22 generates drill cuttings and transfers the drill cuttings to a
23 permit holder with the contractual understanding that the drill
24 cuttings will be used in connection with road building or another
25 beneficial use is not liable in tort for a consequence of the
26 subsequent use of the drill cuttings by the permit holder or by
27 another person.

1 Sec. 123.004. PERMIT COPY REQUIRED. A permit holder who
2 takes possession of drill cuttings from the person who generated
3 the drill cuttings shall provide to the generator a copy of the
4 holder's permit.

5 Sec. 123.005. COMMISSION RULES FOR TREATMENT AND BENEFICIAL
6 USE. The commission shall adopt rules to govern the treatment and
7 beneficial use of drill cuttings.

8 SECTION 4. This Act takes effect September 1, 2015.

President of the Senate

Speaker of the House

I certify that H.B. No. 1331 was passed by the House on April 23, 2015, by the following vote: Yeas 139, Nays 0, 2 present, not voting.

Chief Clerk of the House

I certify that H.B. No. 1331 was passed by the Senate on May 20, 2015, by the following vote: Yeas 31, Nays 0.

Secretary of the Senate

APPROVED: _____

Date

Governor