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**HOUSE COMMITTEE ON ENERGY RESOURCES  
TEXAS HOUSE OF REPRESENTATIVES  
INTERIM REPORT 2006**

**A REPORT TO THE  
HOUSE OF REPRESENTATIVES  
80TH TEXAS LEGISLATURE**

**REPRESENTATIVE BUDDY WEST  
CHAIRMAN**

**COMMITTEE CLERK  
NICHOLAS MILLER**



Committee On  
Energy Resources

January 3, 2007

Buddy West  
Chairman


P.O. Box 2910  
Austin, Texas 78768-2910

The Honorable Tom Craddick  
Speaker, Texas House of Representatives  
Members of the Texas House of Representatives  
Texas State Capitol, Rm. 2W.13  
Austin, Texas 78701

Dear Mr. Speaker and Fellow Members:


The Committee on Energy Resources of the Seventy-Ninth Legislature hereby submits its interim report including recommendations and drafted legislation for consideration by the Eightieth Legislature.

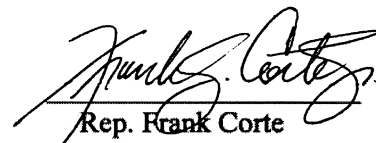
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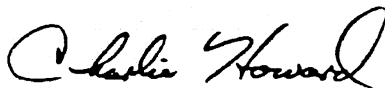
  
Rep. Buddy West, Chairman

  
Rep. David Farabee

  
Rep. Myra Crownover

  
Rep. Joe Crabb

  
Rep. Frank Corte

  
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Vice-Chairman

Members: Representative Frank Corte, Representative Joe Crabb, Representative Myra Crownover,  
Representative Charlie Howard, Representative Yvonne Gonzalez Toureilles

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## INTRODUCTION

The House Committee on Energy Resources was handed the following interim charges after the adjournment of the 79th legislature. The report on the work and research done on these charges follows this introduction to the Energy Resources Committee and the tasks set out for this interim.

1. Review the effects of universal bonding on the oil and gas industry with respect to the population of oil and gas operators, economic consequences of bonding and whether bonding has had an effect on the number of abandoned wells being placed into the Oil Field Cleanup Fund.
2. Examine the feasibility of offering economic incentives to promote the plugging of inactive wells by operators.
3. Study alternatives to increased appropriation to the Railroad Commission, including exploration of potential efficiencies, for administrative functions currently funded by the Oil Field Cleanup Fund.
4. Examine technological advancements in the energy industry. Discuss whether creating legislative incentives for use of these technologies is appropriate.
5. Study the efficacy of private litigation and government agency investigation to accomplish remediation of natural resources impacted by historical, and current oil and gas operations.
6. Examine the feasibility of additional nuclear generated power in Texas, focusing on supply and demand issues, current state nuclear projects, and possible federal government assistance. (Joint Interim Charge with Regulated Industries)
7. Monitor the agencies and programs under the committee's jurisdiction\*.

### \*Committee Jurisdiction

The committee shall have seven members, with jurisdiction over all matters pertaining to:

- (1) the conservation of the energy resources of Texas;
- (2) the production, regulation, transportation, and development of oil, gas, and other energy resources;
- (3) mining and the development of mineral deposits within the state;
- (4) the leasing and regulation of mineral rights under public lands;
- (5) pipelines, pipeline companies, and all others operating as common carriers in the state;
- (6) electric utility regulation as it relates to energy production and consumption; and
- (7) the following state agencies: the Railroad Commission of Texas, the Office of Interstate Oil Compact Commissioner for Texas, the Office of Interstate Mining Compact Commissioner for Texas, the Texas Energy Coordination Council, and the Office of Southern States Energy Board Member for Texas.

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**CHARGE #1:**

-Review the effects of universal bonding on the oil and gas industry with respect to the population of oil and gas operators, economic consequences of bonding and whether bonding has had an effect on the number of abandoned wells being placed into the Oil Field Cleanup Fund.

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**DISCOVERY AND DETERMINATION OF THE COMMITTEE:**

Universal bonding was set in place by the 78th legislature in 2003 and has been contributing to a lower amount of abandoned or orphaned wells left in the care of the state, yet there is a concern that the amount of bonding currently required is not enough to cover the potential plugging liability to the state. The purpose of this interim charge is to determine whether increased bonding measures or different bonding methods are necessary; and if so, what the increase would be or what the new methods need to be employed.

It is important to note that the state has been plugging more wells and remediating more cleanup sites every year. For fiscal year 2006, the Railroad Commission plugged 1,824 wells out of funds set aside in the Oil Field Cleanup Fund, topping a record of 1,710 wells plugged in the previous fiscal year. This figure, however, is not indicative of an increased number of wells being placed on the orphaned or abandoned well list. It represents a more efficient plugging system along with a healthy oil and gas or mineral economy in the industry from which these funds are procured.

Instead, the important number to observe is the overall potential plugging liability of the state. At the implementation of universal bonding, the orphaned well count was approximately 17,000 wells. Since then, through plugging efforts by both industry and the Railroad Commission, this number has been reduced by approximately 5,000 wells. This number indicates one of two factors, or more likely, a combination of both. And both have their own explanations as well as problems.

**Explanation #1.**

Universal bonding is working. There are fewer wells being left in the liability of the state, and of the wells that are being added to the orphaned well list, the plugging liability is covered due to universal bonding.

**Problems with explanation #1:**

While this may be partly true, the state is still receiving older wells whose plugging costs often far exceed the price of any bond. Currently about 20% of the potential liability of the state is covered through bonding. This number has been sufficient for the last couple of years with the wells that have been abandoned. However, looking to the future, we may begin to see many more abandoned wells and this threshold might be threatened. With the high prices of oil and gas that the industry has enjoyed over the last few years, it is still profitable to run a marginal well even if

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it is producing a tiny amount of usable product. In the future, with oil and gas prices more than likely settling down, many of these wells have the potential to end up in the care of the state. If there is a time that more bonding could be implemented, the time is right now when the industry can afford to pay the additional entry cost to production. In the future, there may not be enough profit available for a firm to expand their interest and take into consideration the plugging costs.

**Explanation #2:**

The price of oil and gas has been unusually high for the past few years. Industry has simply been able to run marginal wells and lower producing fields at a profit with the current energy prices. This ties in with what was just mentioned above. These wells are not being abandoned; they are either being plugged or remain producing marginally because of the high commodity prices in the market.

**Problem with explanation #2:**

Commodity prices will most likely stabilize. The current bonding system, which appears to be working on the surface, may not be enough to cover future liability in the coming years if prices fall a significant amount. It is within this context that more bonding is needed.

Universal bonding has proven to be beneficial; however, it can be enhanced in order to meet future challenges. Universal bonding was not necessarily set up as a stagnant cure all program, but one that was meant to be studied and revisited, hence this committee's interim charge. Universal bonding is taking the state in a favorable direction, but needs to be adjusted as our energy market fluctuates in order to operate the way that was originally intended. It is from these discoveries that this committee makes the recommendations located in the following section.

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## **RECOMMENDATIONS:**

1. The committee believes the following program deserves deliberation in the legislature. Change the universal bonding program in the following manner, as originally presented to this committee by Kirk Edwards of Permian Basin Petroleum Association of Midland, Texas.

Operators could bond their wells in one of the following three ways

- 1.) A private escrow account funded by a certain amount of money per year multiplied by the depth of the well;
- 2.) A flat rate bond paid to the state as to completely cover possible future plugging costs, originally suggested at three dollars per foot of well depth; or
- 3.) The operator can satisfy his bonding requirements by actively plugging 10% of his inactive well stock in a given year.

Through these options, it is the belief of this committee that the universal bonding program will become more successful in its original purpose of protecting the State of Texas against potential plugging liability and environmental hazards without punishing the "good guy" operator who plugs his inactive wells and does not abandon his liability to the state. It is the main concern of this committee to enhance the universal bonding program so that it does not punish the industry as a whole, but is able to alleviate the potential burden on the state and the risk to such important and irreplaceable resources such as groundwater.

2. Implement administrative late fees for operators filing a delinquent P-5.

Currently, there is no punitive fine to an operator who neglects his obligation to file a P-5 in the allocated amount of time or on the appropriate due date. This causes a host of problems and inefficiencies within the Railroad Commission. The main issue that arises from delinquent filings is the inaccurate inactive well count. On any given month, the Railroad Commission and this committee needs to know the amount of potential liability to the state from abandoned wells, which typically come from the inactive well list currently over 110,000 wells long. If this count or list is not accurate, it greatly impedes the efficiency of the Railroad Commission in plugging wells and organizing their internal database. An inaccurate picture of what is actually going on in the field is then used here in Austin to make policy and it is absolutely paramount for this committee and the Railroad Commission to have access to the correct information in order to maintain our responsibility to the state.

If these fees are implemented, it would first and foremost provide an incentive to file P-5 filings on time. This will provide the Railroad Commission with an accurate snapshot of the industry activity in the state making its governing both more efficient and less costly.

Secondarily, this fee will provide a small amount of income to the Oil Field Cleanup Fund to be used for future well plugging and surface remediations. This is not the main goal of the fee, but a side impact not to be overlooked. It is the expectation of this committee that this small amount will decrease over time as operators adjust accordingly to the fee and file their P-5's in a timely fashion.

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**These recommendations would bring the industry closer to being 100% bonded without punishing the "good guy" operator. It is the recommendation of the committee that these ideas and plans be considered in the 80th legislative session.**

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**CHARGE #2:**

-Examine the feasibility of offering economic incentives to promote the plugging of inactive wells by operators.

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**DISCOVERY AND DETERMINATION OF THE COMMITTEE:**

This interim charge was discussed and studied in conjunction with interim charge #1 discussing universal bonding. Please refer to the appropriate section of the interim report. The discovery and determination of the committee is covered under interim charge #1.

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**RECOMMENDATIONS:**

This interim charge was discussed and studied in conjunction with interim charge #1 discussing universal bonding. Please refer to the appropriate section of the interim report. The recommendations of the committee are covered under interim charge #1.

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**CHARGE #3:**

-Study alternatives to increased appropriation to the Railroad Commission, including exploration of potential efficiencies, for administrative functions currently funded by the Oil Field Cleanup Fund.

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**DISCOVERY AND DETERMINATION OF THE COMMITTEE:**

The Railroad Commission of Texas has been asked to submit a Legislative Appropriation Report with 10% reduction of the '06-'07 base. It is thereby important to consider ways of both alternatively funding the Railroad Commission and streamlining their internal processes and revenue streams for more efficient use of current appropriations.

Through the years, the Railroad Commission appropriated general revenue and the Oil Field Cleanup Fund have become increasingly intertwined and convoluted. This entanglement has caused inefficiencies within the Railroad Commission and some confusion as to which fund is responsible for what actions and/or spending. This also creates a problem on the revenue side of the balance sheet, not just the expenditure. Which fees go to which fund and for what purpose can be interpreted or mis-interpreted in many different ways.

The Railroad Commission of Texas has done a fantastic job in its duties protecting the state from potential groundwater hazards from abandoned wells and sites in desperate need of remediation. It is the belief of this committee, however, that with some internal streamlining and better defining of allocated funds, we can improve this process. **See Recommendation #1.**

The Texas energy sector pays a significant amount in oil and gas severance taxes which has contributed to a favorable budget situation for the state. Some of this revenue aids and regulates the industry via appropriations to the Railroad Commission. It is the belief of this committee that the legislature should explore using an additional portion of the industry's contribution for environmental purposes.

Last fiscal year, the severance tax paid to the state from the production of oil was 681 million dollars. The severance tax from gas was 1.654 billion dollars. It is completely rational for the majority of this money to go toward funding state programs such as education and safety of our citizens. However, 905 million dollars was transferred directly into the "Rainy Day Fund." The Oil Field Cleanup Fund is currently facing a possible reduction in resources. It is the opinion of this committee that the Oil Field Cleanup Fund could be funded using percentage of the revenue that currently flows to the Rainy Day Fund. The state cannot afford to leave the burden of unplugged wells and potentially contaminated groundwater to future generations. Particularly when we can afford to remedy the problem before it becomes too serious. The state can address this issue by dedicating a very small percentage of these funds already coming from the oil and gas sector of our economy. **See Recommendation #2.**

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Another problem that the Railroad Commission faces is the computer database system. This is the process of collecting data from every producing and non-producing well across the entire state. With decreased or stagnant revenue over the past few biennia, less attention has been focused on these programs by fewer full time employees and fewer dollars. It is becoming increasingly evident that in order to keep up with these vital statistics, the system at the Railroad Commission must be enhanced.

These under funded computer database programs are becoming more and more of a problem as the industry is continuously getting more and more sophisticated, and will require more data in the future with new technology and higher demand for streamlined processes. It is therefore the opinion of this committee that the Railroad Commission, until internal funding can be provided, considers seeking outside sources for its data management. **See Recommendation #3.**

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## RECOMMENDATIONS:

1. In order to streamline the effectiveness of the Railroad Commission, a different strategy needs to be utilized when approaching where specific fees are directed and a more detailed structure needs to be implemented.

In a plan first brought in front of our committee by Ben Sebree and Gene Montgomery from Texas Oil and Gas Association on August 23, 2006, one example of streamlining is explored.

They suggest that the Oil Field Cleanup Fund has been set up to include diverse functions. Furthermore, a clear separation between the Oil Field Cleanup Fund and General Revenue is not currently in place. In order for the maximum amount of cleanup (both wells and sites) to be completed while not sacrificing other functions of the Railroad Commission, a new method is necessary in order to more clearly define and assign functions.

As mentioned before, this can be broken down into two sides of the balance sheet, expenditures and revenues. First of all, the Oil Field Cleanup Fund can be broken up into two different entities. The testimony suggests moving certain funds to a private Orphan Well/ Site Trust Fund, while continuing other functions under the current Oil Field Cleanup Fund.

According to received testimony, the revenue breakdown for the now separate funds is as follows.

Orphan Well/Site Trust Fund

- P-5 Fees
- Gas Regulatory Fee
- Oil Regulatory Fee
- Salvage Equipment Sales
- Financial Assurance Collections
- Interest

Oil Field Clean Up Fund

- Drilling, injection and discharge permit fees
- Oil and Gas violations
- Rule exception fees

This new revenue structure would create a fund completely dedicated to the purpose of site remediation and well plugging. And would be completely funded by industry through fees already paid into the current Oil Field Cleanup Fund. Other fees would be used for Railroad Commission administrative functions.

The expenditure side of the balance sheet would change Chapter 91 to include a provision for the new Orphan Well/Site Trust Fund being completely responsible for all well plugging and site cleanup activities. The Oil Field Cleanup Fund would retain the remainder of its original responsibility.

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2. As mentioned previously, the Rainy Day Fund receives a significant amount of funding directly attributable to the oil and gas industry through severance taxes. It is the recommendation of this committee that the legislature consider taking a percentage of the money paid into the Rainy Day Fund by the oil and gas industry through severance taxes be redirected into the Oil Field Cleanup Fund, or into a new fund specifically used for protection against contaminated groundwater from abandoned or orphaned wells. This environmental trust fund of some type is necessary for us protect the state's natural resources for future generations.

A small amount taken from severance taxes headed to the Rainy Day Fund would completely fund the clean up tasks currently facing the Railroad Commission and leave more funds open to their use from industry fees necessary in regulating one of Texas' largest and most important revenue producing industries.

3. It is becoming more and more evident that the outsourcing of data collection to private sources would streamline efficiency within the commission while redirecting many currently allocated full time employees to work in more needed areas of the Commission.

There are many companies in the state of Texas currently that collect more accurate and up-to-date information on all producing and non-producing wells. This is data that private companies already subscribe too in order to help them plan their own production and own well locations within the state. The Railroad Commission is falling further and further behind, due to the budget cuts, in the resources and manpower that they can allocate toward database services. This is a function that is crucial to the Commission and the state of Texas. Therefore, it is the opinion of the committee, utilizing basic economic principles and business sense, that the Railroad Commission seek to outsource this data collection to a private company already collecting and producing data within the state and thereby allow their focus and funds be put to more efficient use.

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**CHARGE #4:**

-Examine technological advancements in the energy industry. Discuss whether creating legislative incentives for use of these technologies are appropriate.

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**DISCOVERY AND DETERMINATION OF THE COMMITTEE:**

As a quickly growing industry in both importance and revenues, it is very important for the energy sector to maintain research and development capability in order to explore new methods and energy sources. There are many companies in the state of Texas today that share a common goal in providing alternative fuel sources for many endeavors including production of chemicals and electricity production. Technological advancements are also occurring in enhanced oil recovery in current marginal or low producing wells.

Currently, there is a significant project being developed by the National Department of Energy called FutureGen. This project is a coal gasification plant for the primary production of electricity. FutureGen uses an old technology (gasification) with an old fuel (coal) to provide what it now known as clean coal electricity. The primary byproduct of this process, CO<sub>2</sub>, can then be recaptured and used in gas production for enhanced oil recovery purposes. This is a very short synopsis of a very large project.

Right now, the location for this billion dollar plant has been narrowed down to four different locations. Two of these are in Illinois and two are in Texas, near Jewett and near Odessa. Each location put forward by the state of Texas have different advantages to offer a plant of this size and purpose. The Jewett location is at the mouth of a lignite mine. The source of coal is readily available for immediate use in the gasification process. However, the Odessa plant has access to already existing CO<sub>2</sub> pipeline infrastructure in West Texas. The coal for the Odessa plant would have to be shipped from mines in other areas such as Wyoming where railways already exist and could transport the materials.

That being said, it is the opinion of this committee that at this point it is immaterial which location gets chosen, as long as the location chosen is in the state of Texas. The amount of capital, both human and monetary, that potentially could be brought to our state would be widely beneficial to our economy. Not to mention it would keep Texas at the vanguard of the energy sector in the United States.

There are many other benefits to the Futuregen project other than economic. It is a very clean burning and efficient process which could be utilized immediately in adding to our electricity production in the state. Currently, with our population growth and healthy economy, we are running into potential problems with shortage of electricity. Reserves are already down and in the next couple of years the limit for amount of reserves required could easily be breached. If left unchecked, this could cause rolling blackouts and massive loss of production statewide.

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It is extremely important for Texas to fully support and strive to house such a momentous project with an eye to the future, not only for electricity production, but also for air emissions as well as injecting money into the local and state economy through either coal usage or enhanced oil recovery. These considerations make the FutureGen project a very important goal for the state and this committee stresses that we must take whatever steps necessary to obtain FutureGen for Texas. **See Recommendation #1.**

While studying the FutureGen project, this committee was also made aware of other fantastic new uses for gasification in other parts of the economy. The gasification of almost anything is possible. A very wide range of possible fuel sources is possible. Any of these products can be turned into a syngas used to produce chemicals common in everyday materials like plastics. This process can be thought of as an ultimate way of recycling. Very clean and efficient, materials are broken down into their base components and then reused in the production process of hundreds of different materials.

The current interest in gasification is growing across the United States, and in the world as a whole. Currently, companies such as Eastman Gasification Services are operating out of Tennessee and Kentucky with provisions and tax incentives granted from the appropriate legislatures. While in countries such as Japan, gasification of trash is making landfills a thing of the past and providing all sorts of energy benefits. One very large component of refining oil is the byproduct of petroleum coke. This could and would serve as an excellent fuel source for the gasification plants. Using what was before considered as a pollutant and undesirable waste product as a fuel source for gasification purposes would help the citizens of Texas in numerous ways.

It is the opinion of this committee that we cannot afford to be left out of such advanced technological revolutions, and in order to remain the leader of the United States in energy production we need to work toward these sorts of programs and need companies willing to invest in the technology in Texas. Not only do they provide countless jobs, but will also use up waste products from other industries and turn it into new revenue for the state and new money injected into our economy. **See Recommendation #2.**

Relating to technological advancements of the oil and gas industry, the committee heard from Mr. Allen Gilmer from Drillinginfo. He presented to the committee a range of interesting materials detailing the new types of technologies that are causing more production and therefore more economic growth in the industry currently.

From Mr. Gilmer's presentation it is evident that the potential for production of minerals in the state of Texas remains huge, particularly when we take into account the enormity of recent discoveries such as the Barnett Shale, which was made possible by new fracturing technologies in the industry. The fracturing or "frac'ing" of a well consists of pumping materials into a dry or low producing well which causes the surrounding structures (such as shale in the Barnett regions) to crack and break thereby releasing trapped gas from small fissures within and behind the rock. This new process is continuously evolving and becoming more viable to everyday producers. This new technology put the Barnett Shale on the map as by far the hottest gas plays in Texas.



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These kinds of advancements benefit everyone connected with the oil and gas industry, and most notably, benefit the state through job creation, additional severance taxes, and injections into the local economies and infrastructures. **See Recommendation #3.**

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## RECOMMENDATIONS:

1. In the last special session, Representative Chisum authored a bill that was passed and signed by Governor Perry granting ownership of the CO<sub>2</sub> sequestered by the possible Futuregen plant to the state. This was a very important development and has distanced Texas from the competition for the project coming from other states. This piece of legislation is crucial because it will both put the burden on the state to take care of the CO<sub>2</sub>, but will also allow for the state to resell the CO<sub>2</sub> for enhanced oil recovery all over the state. This will, in turn, provide profits from the sale of the CO<sub>2</sub> and from the additional severance taxes from the increased production.

This committee helped get that measure passed last Spring, but more is needed to induce this beneficial project to locate here in Texas. One of the goals for this upcoming session should be to work with the University of Texas Bureau of Economic Geology as well as the Railroad Commission in bringing tax incentives for Futuregen electricity production, as well as for clean coal as a whole. As mentioned before, this will provide an economic swing for the state through job production, increased electricity generation, decreased emissions, use of byproducts, for increased oil and gas production.

This is a project that Texas needs to work toward achieving from the Department of Energy at all costs. The benefits to Texas are immeasurable.

2. Along with gasification for energy, gasification for chemicals and eventual products is the next generation or wave of technology. This technology is advancing across the nation, and Texas cannot afford to be left out. There are many companies who want to house here in Texas, and it is the opinion of this committee that we give them incentives to make Texas appealing and competitive.

In order for us to remain the leader of the energy sector, not only in the country, but also as a leader for the world, then constant evolution in technology is extremely necessary. Gasification, not only of coal, but also of other byproducts such as petroleum coke, is the future of energy production. Therefore, this committee endorses legislation crafted toward tax incentives to help these kinds of companies make Texas a new home and move us into the future remaining the energy leader of the world.

3. Gasification is not the only advancement in the energy industry on the production side. New technologies are constantly being made available in the private sector for oil and gas production, which can only help foster industry growth. Any sort of encouragement toward research and development accomplished in the private sector will provide a return to the state many times the amount of investment put into incentives.

Last session this committee granted severance tax credits toward new technologies including promoting the use of different kind of sucker rods in wells to enhance production efficiency. This is a great step in the right direction, but more is needed.

It is the belief of this committee that incentives are necessary to continue the advancement of

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procedures, tools, and techniques used in oil and gas recovery and production here in the state of Texas. We need to continue to encourage operators to use the very best technologies available, as well as help those private companies seeking to provide efficiencies to one of our most important and profitable industries as prices begin to settle down in the marketplace.

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**CHARGE #5:**

-Study the efficacy of private litigation and government agency investigation to accomplish remediation of natural resources impacted by historical, and current oil and gas operations.

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**DISCOVERY AND DETERMINATION OF THE COMMITTEE:**

Last session this committee considered a bill by Representative Bill Keffer which would have provided for an increased regulatory role in disputes relating to remediation of natural resources impacted by surface operations. Under current law, if relief is not achieved at the Railroad Commission, a trial court determines if there is contamination, who the responsible parties are and then provides a remediation plan for the site which would, in turn, develop a dollar amount to be paid to the plaintiff for damages. The problem under current law is there is no one to oversee the remediation or require that the remediation be completed with the judicial monetary award. This might be compared to a simple, "it is my land and what I do with the damage is my business," however, it is possible for future landowners to also file suit for the damages caused if the damage is not repaired. Not to mention that the contamination to the surface still exists as a potential hazard to groundwater.

This section is taken directly from the legislation introduced in the 79th legislature.

Sec. 91.704. JURISDICTION OF COMMISSION AND COURTS. (a) A person may not bring an original action in a court for a court order requiring remediation, payment of damages, or another remedy for an environmental injury caused by oil- and gas-related activities that are under the jurisdiction of the commission unless the person has previously filed with the commission a complaint under this subchapter and the condition for bringing the action provided by Section 91.714 is met. This subsection does not affect the jurisdiction of a court to enforce a settlement agreement entered into under Section 91.716.

(b) A person who has suffered an environmental injury may file a written complaint as provided by commission rules requesting an order for a remedy under this subchapter. A person may not file a complaint with the commission under this subchapter unless the person:

(1) owns a fee simple or leasehold interest in the real property on which the environmental injury is alleged to have occurred; and

(2) has attempted to settle the claim.

(c) A complainant may withdraw a complaint at any time. If a complainant withdraws a complaint, the commission shall enter an order stating that the complaint was withdrawn.

(d) The statute of limitations applying to a cause of action for which a complaint is filed with the commission under this subchapter is tolled while the complaint is pending with the commission.

Such laws have already been passed in the state of Louisiana, with mixed reviews from testimony received. After reviewing the bill last session, the committee elected to study the issue further and consider it again when more was understood about the potential effects of the bill.

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Landowner groups voiced concern over this bill. They are concerned about the ramifications on the individual property owners' rights to surface damage claims. There is also concern, as there was in the 79th session, among the committee as to the aims of the measure. It is the hope of the committee that we continue to look at this type of legislation in the future and that the advocates on either side bring before the committee a balanced bill upon which all can agree.

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**RECOMMENDATIONS:**

The committee thanks Representative Keffer for bringing the issue forward for our consideration. The committee will remain open to change and additional deliberation and will welcome any agreement amongst the concerned parties on the topic.

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**CHARGE #6:**

-Examine the feasibility of additional nuclear generated power in Texas, focusing on supply and demand issues, current state nuclear projects, and possible federal government assistance. (Joint Interim Charge with Regulated Industries)

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**Please See Regulated Industries' Interim Report**