STATE of TEXAS HOUSE of REPRESENTATIVES

Austin Office: P.O. Box 2910 Austin, Texas 78768-2910 512-463-0546 FAX: 512-463-8067



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District Office: PO. Box 12370 Odessa, Texas 79768 915-367-2721 FAX: 915-368-5149

G.E. (BUDDY) WEST

August 6, 2004

The Honorable Greg Abbott Texas Attorney General P.O. Box 12548 Austin, TX 78711-2548 RO-0253-6A

Re: Request for Opinion on Railroad Commission Jurisdiction on Oil Field Cleanup Fund

Dear Attorney General Abbott,

As Chairman of the Oil Field Cleanup Advisory Fund and the House Committee on Energy Resources, I request your opinion on matters relating to expenditures by the Railroad Commission from this fund.

Questions have arisen from my Committee as to the Railroad Commission's authority to use funds from the Oil Field Cleanup Fund to plug oil and gas wells, to remediate surface sites associated with oil and gas operations, and to provide for managerial overhead.

Please issue your opinion on the following:

- Under what terms and conditions does the Railroad Commission have the authority to use funds from the Oil Field Cleanup Fund to plug an oil or gas well?
- Under what terms and conditions does the Railroad Commission have the authority to use funds from the Oil Field Cleanup Fund to clean up or remediate a well-site or lease-site surface location associated with oil or gas operations?
- Under what terms and conditions does the Railroad Commission have the authority to use funds from the Oil Field Cleanup fund to clean-up or remediate what has been commonly referred to as a "commercial disposal site," not associated with a particular well or lease site?

While I understand that Section 402.042 of the Government Code provides for your opinion within 180 days, I humbly request that you opine on these questions with dispatch. Large expenditures of this fund for remediation contracts are being allocated presently and could have a major impact on the fund's future ability for needed well-plugging and remediation activities. The next scheduled meeting of the Oil Field Cleanup Fund Advisory Committee is September 2, 2005.

Please contact my office if you have need of further information.

Sincerely,

Buddy West, Chair

Oil Field Cleanup Advisory Committee

cc: Chairman Victor Carrillo

Commissioner Charles Matthews

Commissioner Michael Williams

The Honorable Tom Craddick, Speaker

Members of the Oil Field Cleanup Advisory Committee

Members of the House Energy Committee