

NATURAL RESOURCES CODE

TITLE 3. OIL AND GAS

SUBTITLE C. POOLING AND COOPERATIVE AGREEMENTS

CHAPTER 103. COOPERATIVE FACILITIES FOR CONSERVATION AND
UTILIZATION OF GAS

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 103.001. DEFINITION. In this chapter, "commission" means the Railroad Commission of Texas.

Acts 1977, 65th Leg., p. 2575, ch. 871, art. I, Sec. 1, eff. Sept. 1, 1977.

Sec. 103.002. RIGHTS EXISTING ON MAY 12, 1953. None of the provisions in this chapter restrict any of the rights that persons had on May 12, 1953, to make and enter into contracts for the construction and operation of cooperative facilities as provided in this chapter.

Acts 1977, 65th Leg., p. 2575, ch. 871, art. I, Sec. 1, eff. Sept. 1, 1977.

Sec. 103.003. CONFLICT WITH ANTITRUST LAWS. (a) Agreements and operations under agreements that are in accordance with the provisions in this chapter, being necessary to prevent waste and conserve the natural resources of this state, shall not be construed to be in violation of the provisions of Chapter 15, Business & Commerce Code, as amended.

(b) If a court finds a conflict between the provisions in this chapter and Chapter 15, Business & Commerce Code, as amended, the provisions in this chapter are intended as a reasonable exception necessary for the public interest stated in Subsection (a) of this section.

(c) If a court finds that a conflict exists between the provisions in this chapter and the laws cited in Subsections (a) and (b) of this section and finds that the provisions in this chapter are not a reasonable exception, it is the intent of the legislature that the provisions in this chapter, or any conflicting portion of

them, shall be declared invalid rather than declaring the cited laws, or any portion of them, invalid.

Acts 1977, 65th Leg., p. 2575, ch. 871, art. I, Sec. 1, eff. Sept. 1, 1977.

SUBCHAPTER B. FACILITIES FOR CONSERVATION AND UTILIZATION OF GAS

Sec. 103.041. AUTHORIZED COOPERATIVE FACILITIES FOR SEPARATELY OWNED PROPERTY. The commission may approve agreements by persons owning or controlling leases or other interests in separate property in oil fields, gas fields, or oil and gas fields for the construction and operation of cooperative facilities necessary for the conservation and utilization of gas, including facilities for extracting and separating hydrocarbons from gas or casinghead gas.

Acts 1977, 65th Leg., p. 2575, ch. 871, art. I, Sec. 1, eff. Sept. 1, 1977.

Sec. 103.042. COMMISSION APPROVAL. Agreements for the construction and operation of cooperative facilities shall be approved by the commission only after application, notice, and hearing, and a finding by the commission that the cooperative facilities are in the interest of conservation and that secondary recovery operations are not feasible or necessary.

Acts 1977, 65th Leg., p. 2575, ch. 871, art. I, Sec. 1, eff. Sept. 1, 1977.

Sec. 103.043. COOPERATIVE REFINING. (a) No agreement for the construction or operation of cooperative facilities may provide directly or indirectly for the cooperative refining of oil, distillate, condensate, or gas, or any by-product of oil, distillate, condensate, or gas.

(b) The extraction of liquid hydrocarbons from gas and the separation of liquid hydrocarbons into butanes, propanes, ethanes, distillate, condensate, and natural gasoline without any additional processing of any of them is not considered to be refining.

Acts 1977, 65th Leg., p. 2575, ch. 871, art. I, Sec. 1, eff. Sept. 1, 1977.

Sec. 103.044. COOPERATIVE MARKETING. No agreement for the construction or operation of cooperative facilities may provide for the cooperative marketing of oil, condensate, distillate, or gas, or any by-product of oil, condensate, distillate, or gas.

Acts 1977, 65th Leg., p. 2576, ch. 871, art. I, Sec. 1, eff. Sept. 1, 1977.

Sec. 103.045. EFFECT OF APPROVAL ON OPERATIONS IN OTHER FIELDS. The approval of an agreement authorized by this chapter is not of itself a finding that similar operations in other fields are wasteful or not in the interest of conservation.

Acts 1977, 65th Leg., p. 2576, ch. 871, art. I, Sec. 1, eff. Sept. 1, 1977.

Sec. 103.046. JOINTLY OWNED PROPERTY. None of the provisions in this chapter require the approval of the commission of voluntary agreements for the joint development and operation of jointly owned property.

Acts 1977, 65th Leg., p. 2576, ch. 871, art. I, Sec. 1, eff. Sept. 1, 1977.