



Texas Independent Producers & Royalty Owners Association

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RAILROAD COMMISSION
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RE: Proposed Amendments to 16 TAC §3.15

The Texas Independent Producers and Royalty Owners Association (TIPRO) is a statewide oil and natural gas trade association representing over 3,000 members. TIPRO's membership includes small family-owned companies, the largest publicly traded independents, and large and small royalty owners, mineral estates, and trusts. Thank you for the opportunity to comment on proposed amendments to Statewide Rule 3.15 pertaining to inactive wells and their return to production.

TIPRO is very supportive of the proposed amendments, in particular the reduction of production thresholds for oil and gas wells to become classified as an active well. The amendments will provide much needed relief to operators across the state as Texas producers continue to confront depressed commodity prices.

Texas is home to more than 130,000 marginal wells. Many small independent operators depend on the production of these marginal wells to survive. TIPRO believes the amendments to §3.15 will encourage operators of these marginal wells to continue to produce and maintain those wells.

There are many factors that determine whether an operator decides to produce, shut in or plug a well. Economics is the number one factor and while these amendments don't address that issue, the amendments proposing to lower the threshold for classifying a well as active will be very helpful to operators as they weigh their options and encourage them to keep marginal wells producing.

TIPRO would like to thank the Railroad Commission for their efforts to review rules to improve agency efficiencies and reduce administrative burden on the industry.

On behalf of TIPRO's membership, thank you again for the opportunity to comment. We appreciate your consideration of our viewpoints and suggestions. Should you have questions, please contact TIPRO at (512) 477-4452.

Ed Longanecker
President