

Kellie Martinec

From: Cyrus Reed <cbhreed@gmail.com>
Sent: Monday, September 26, 2016 12:21 PM
To: rulescoordinator
Subject: Comment on Rule 3.15
Attachments: SC-comments-on-3.15.docx

Dear RRC,

I just learned that the comment deadline was noon. I am submitting these brief comments at 12:18. Sorry thought the deadline was 5 PM. Hope you can take these. Thanks.

Cyrus Reed, PhD
Conservation Director, Lone Star Chapter
Sierra Club
Austin, Texas

512-740-4086 (c)
512-477-1729 (o)
cyrus.reed@sierraclub.org

@cyrustx
@TexasSierraClub

To: RRC, Rules

From: Cyrus Reed, Sierra Club, Lone Star Chapter, cyrus.reed@sierraclub.org

The Lone Star Chapter of the Sierra Club is the state chapter of the oldest and largest conservation organization in the United States, and we have more than 22,000 members in Texas.

Many of our members live near oil and gas operations, or are mineral rights owners or surface property right owners who benefit from or are impacted by oil and gas operations. Thus, we have a keen interest in the Railroad Commission of Texas and its proposed rules, including on inactive wells.

We are concerned about the proposed rule change proposed in Rule 3.15 as proposed by the Commission, which would significantly reduce the requirements for oil and gas operators to assure that inactive wells are cleaned up and plugged by allowing oil and gas operators to declare they were producing a minimum amount.

In addition, while the rule purports to improve reporting and tracking of active and inactive wells, there appears to be no actual provisions that would improve such reporting and tracking, and certainly no improvement that would allow the public to have access to such information.

Thus, we are opposed to this rule change and believe that the Commission should instead open a wider rulemaking on inactive wells, with increased scrutiny on well production reports, access to data, and actual minimum thresholds for declaring a well active or inactive.

Specific Comments

We are opposed in particular to the change in the 3.15 9(a) (1) which would allow ANY production more than zero to make that well be considered an “active” well. We are concerned that oil and gas operators would use this provision to avoid cleaning up and plugging wells that are no longer productive, and also prevent landowners from moving on from oil and gas activities - or indeed- ending their lease with a particular company to seek a more productive company. In essence, having no threshold may lead to significant delay. We are also unclear why a lower threshold such as five barrels per month for three months or 50 mcf of gas for gas wells over three months makes sense as opposed to this number, though we are less opposed to this change.

We are not opposed to the removal of the language in (i) (5) which removes requirements required of oil and gas operators that is no longer relevant given we are past September of 2015.

We believe the Commission should improve well-specific reporting of production data and make that data accessible on-line. This would allow the public -- and importantly -- mineral rights and landowners actual data on production, and assess which wells are active or inactive. By tying production to specific wells, the Commission would also increase its tools to assure that producers are not assigning production to a marginal well that really should be closed and cleaned up.

Conclusion

We are opposed to the “flexible” rule change that would allow operators to report a nominal amount of production and declare their marginal well active and thus escape the need to clean up their wells or ask for extensions to clean up wells. While the RRC might determine that the proposed rule change has no impact on state finances, we believe that there will be an impact on local governments and local landowners. Instead, the commission should concentrate on improving reporting, tracking and access to well production and well cleanup.

We appreciate the opportunity to comment on this proposed rule change,

Cyrus Reed
Conservation Director
Lone Star Chapter, Sierra Club
512-740-4086