

**RAILROAD COMMISSION OF TEXAS
OIL AND GAS DIVISION**

**Injection / Disposal Well H2S Rule Amendments
SWR 9 / 46 / 36**

DATE: September 4th 2013 – Midland Texas

EVALUATION

Please rate the following:	Excellent	Good	Average	Fair	Poor
1. Program content:	<u> x </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
2. The schedule and pace:	<u> </u>	<u> x </u>	<u> </u>	<u> </u>	<u> </u>
3. Workshop handouts:	<u> x </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
4. The opportunity to interact:	<u> x </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
5. Compared to other workshops you have attended, this workshop was:	<u> x </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

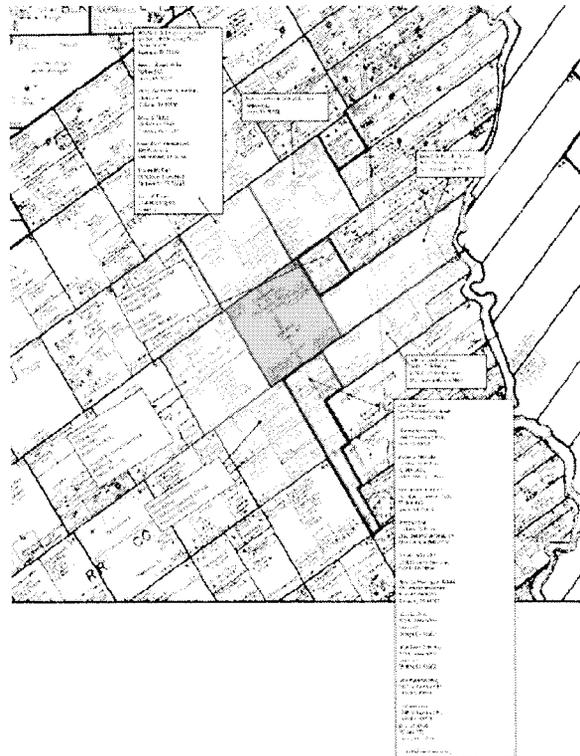
Very knowledgeable speaker from Austin, but really enjoyed having the technical personnel present in Midland to interact with in this venue. Just allows local operators to understand the wonderful resource we have at the district level here in Midland.

SPECIFIC FEEDBACK

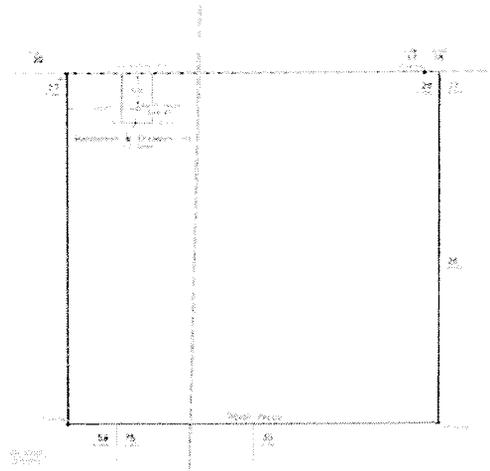
1. Regarding implementation of SWR 9, 46, 36, what areas of the Commission’s technical or administrative approach do you feel need more clarification?

I would respectfully suggest that “tract and surface tract” include additional clarification. I have been told on several occasions that a surface tract of land is a surveyed or legal parcel of land that one entity pays taxes on – this information can be found at the local tax accessor’s office.

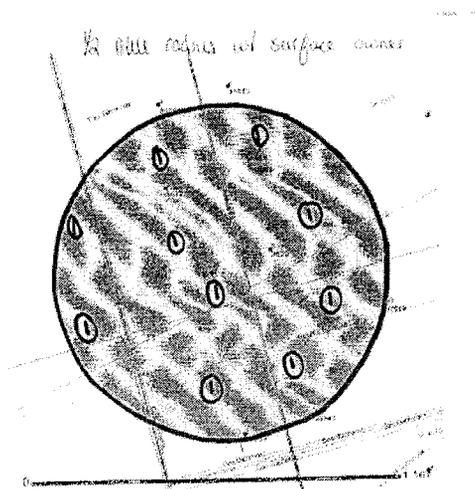
To the Right is a our typical submission to RRC



Although we have a surface use agreement that details 7 acres in the NW of red section we treat the entire section (a single tract of land- per the tax rules) as the boundary of the offset surface tracts. If I was a sneaky operator I would only notify the surface owners in Section 17 and of course the owner which we have surface use agreement on.



I believe this is a great disservice to the resident in the area. Is a tract of land controlled by surface use agreement?? If so I could move the 7 acres off the section line and only notify the land owner in which I have a surface use agreement with. This is a typical submission in which an operator subscribes that a surface use agreement is the tract of land.



① P Brand LLC

P Brand LLC is the owner of the tract the well is on and all adjacent tracts within 1/2 mile radius of the well. He was notified 6/14/13

Then when a tract of land is applied to H1/H1a submission does the tract of land become the oil and gas lease?? All of these are reasonable and accepted definitions of tract of land. I would hope that the next revision addresses this issue and makes all operators play by the same rules.

2. What other workshop topics would be helpful to you?

Yes.

OTHER ISSUES

The Oil and Gas Division is requesting comment on the following three issues:

1) The Division frequently receives protests from individuals living near the lease boundary of a proposed disposal well. Should the Commission establish a minimum tract size for Commercial Disposal Well facilities and require that the disposal well and the associated receiving area and storage tanks be centered on the tract? One suggested minimum size is 40 to 50 acres. Should the minimum tract size be bigger or smaller and why?

I think 20 Acres is reasonable

2) With respect to the proposed requirement to place all storage tanks at a Commercial Disposal Well facility on a liner,

A) Should existing facilities be grandfathered?

No, I believe a phase-in period is reasonable, think of the amount of brine water they are handling on daily basis.

B) Should there be a phase-in period for compliance for existing Commercial Disposal Well facilities? If so, what should the phase-in period be (one year, three years, five years, 10 years)?

Yes, I believe a phase-in period should be more than year but less than 5 years

C) Are there alternatives that would provide equivalent protection?

3) Should a disposal well that is owned and operated by an oil or gas producer on that producer's lease be required to be permitted as a Commercial Disposal Well if the operator allows adjacent operators to dispose of their water in the well, regardless of whether a fee is charged?

Yes, I would suggest that if an operator receives money from an entity other than the operator of the disposal SWD then it should be classed as commercial (whether is communal or not). If you don't adopt this stance then really only SWD's with truck stations could be classed as commercial. I believe this would allow for unlawful movement of oil since no P18 are issued and therefore this oil can't be allocated back to rightful leases.

OTHER COMMENTS OR SUGGESTIONS

OPTIONAL:

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