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November 3, 2023

Railroad Commission of Texas  
P.O. Box 12967  
Austin, Texas 78711-2967

Re: Proposed Modifications Statewide Rule 8 (16 TAC, Chapters 3 & 4)

Chairman and Commissioners,

Thank you for the opportunity to express my concerns regarding the proposed modifications to Statewide Rule 8 (16 TAC, Chapters 3 and 4). As an oil and gas operator, I understand the necessity of regulations that promote responsible practices and environmental stewardship. The oil and gas sector has evolved significantly over the years, and technological advancements have enabled us to control waste and manage operations more efficiently. We appreciate your agency's efforts to update and modernize the existing rules.

The Texas Panhandle is a unique operating area and should be treated the same as operations that take place in the Permian, Eagleford, Haynesville. A one size fits all approach is not a sufficient answer to the complexity of our industry and the associated land and land uses. Frankly, the water contamination issues, which these rules aim to address, are not prevalent in the Panhandle. Our region typically experiences deep water tables, and there is limited freshwater within the first 200 feet below the surface. We can find no known database confirming a need for this type of detailed rule implementation that the proposed rule implies. The application of Rule 8 by all measures has proven successful while allowing the industry, working with the RRC, to adapt and improve environmental performance. We have a strong track record of environmental stewardship. The current application of Rule 8 by all measures has proven successful while allowing the industry, working with the RRC, to adapt and improve environmental performance.

The proposed changes as they stand now have some major flaws. My biggest issue is not properly recognizing the difference between temporary pits utilized by oil and gas operations and permanent commercial facilities. We should make clear that our position is that the temporary pits that we use in drilling but particularly workover operations do not have a negative effect on the land. As mentioned above there is significant impermeable rock between the surface water and the drinkable aquifer waters that are typically going to be used in irrigation systems in the Texas Panhandle. The addition of synthetic liners will not accomplish any more protection to groundwaters. Requirements do however, increase the cost of operations significantly to drill new vertical wells or work-over old ones.

In our experience, it is also not in line with the typical farming operation that goes on in the Panhandle; those farmers do not want a synthetic liner in the crop land. They work in



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sensitive areas already and prefer that the cuttings be buried and covered quickly so that operations can resume. Our experience is that this more minimalist approach results in quicker recovery to the land and much less scarring for the landowner down the road.

The requirement to register the pit and get approval from the district office can also be very problematic and presents an economic and safety issue. Workover rigs work very quickly and the decision to place and use a pit can change as the operation proceeds. Shutting down any of these operations to wait for district approval can increase the cost and cause safety issues for the rig crews. The wait times could lead to potential issues of downhole damage to the reservoir. We do not currently have a permit process on workover operations and the addition of a pit requirement to the workover operations procedure is not conducive to the way the rest of the business is run. In short, the operational efficiency of our operation will be greatly affected by this requirement.

The additional requirement for monitoring wells and soil sampling creates a long-term cost that is now built in for the life of the well. For operators dealing with marginal wells, these additional regulatory requirements can also result in costly delays, operational challenges, and increase the potential for litigation.

I ask the commission to modify the rules by defining and separating the temporary pits with a lifespan of less than eighteen months. Please consider removing aspects of the proposed rule that harm the viability of the industry and recognize the differences in both the regionality and the types of operations that are prevalent in our different regions of Texas.

We hope to work together to finalize these rules in a way that addresses the unique circumstances of our region and ensures that Texas remains a welcoming environment for oil and gas operations.

Sincerely,

Jason Herrick  
President