From: aggieoliver12@everyactioncustom.com on behalf of Rex Holmes <aggieoliver12@everyactioncustom.com>
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To: Rules Coordinator
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Dear Rules Coordinator,

Please consider incorporating the following recommendations into the SB1150 rulemaking to strengthen the rule and address the inactive well problem. Considering stakeholder feedback is essential to Railroad Commission of Texas' mission, which includes stewarding natural resources and the environment, and protecting personal and community safety.

Limit Extensions and Shut Down Loopholes -Time Limits: After a well has been inactive for 15 years, limit operators to only two extra years of extensions unless they submit a full, RRC-approved compliance plan. Limit companies to a maximum of three financial hardship extensions and require them to demonstrate they can viably meet their asset retirement obligations.
-Define "Hardship": Do not grant extensions to companies just for claiming "financial hardship." This term needs strict, measurable criteria for what qualifies (like market prices dropping drastically for months). The cost of plugging a well should not be considered a hardship, and companies should demonstrate, through a review of their books, that they are preparing for and contributing towards decommissioning costs for their wells.
-Require Viable Plans: Companies must provide clear, viable plans and update them annually for plugging or returning wells to operation, exiting financial hardship, and demonstrating preparedness for future well-retirement obligations.
-Real Production for "Return to Operation" Wells: If a company gets an extension by promising to bring an old well back online, the well must actually return to operation and produce in paying quantities. Briefly restarting a marginal well should not qualify.

Make Sure Wells Are Safe
-No Extensions in High-Risk Zones: Identify the most dangerous areas (such as those with corrosive chemicals or high-pressure formations) and consider banning plugging extensions for all ages of inactive wells in those zones, as the risk of well failure is too high.
-Stronger Testing Requirements: Modernize how the RRC assesses the physical condition of wells (mechanical integrity testing) by requiring new, high-accuracy equipment; more rigorous hydraulic pressure tests (especially in high-risk zones); increased notification and witnessing requirements; and secure, accurate reporting of results.
-Risk-Based Prioritization: Apply the RRC's "orphaned well prioritization system" to an operator's inactive fleet to address the most hazardous wells first.
-Water Protection: If a well fails an integrity test, place additional safeguards to ensure that nearby water is not contaminated and that any leaks are cleaned up.

Strengthen Rules to Stop Bad Transfers
-Good Faith Deals Only: Require a certified analysis demonstrating that the well still has economic value greater than the estimated cost to plug it, and that the new operator has a track record of compliance and appears financially able to plug their wells.
-Full-Cost Bond: Encourage and require full-cost bonding whenever possible to ensure that the full cost of plugging remains with the well, regardless of ownership.
-Notify Landowners: All surface and mineral owners must be notified of who is buying and selling the wells on their property, and given standing in any proceedings regarding transfers or extensions.

Accountability and Transparency
-Tougher Penalties: Set administrative penalties high enough to discourage bad behavior. If an operator is caught submitting fraudulent information, they should face maximum penalties, including for repeat offenses.

-Compliance Scores: Create a compliance history scoring system (like a risk rating) for every operator. A low score and repeated violations should make an operator ineligible for extensions or for receiving transferred wells.
-Public Data: Make information about well extensions and operator compliance accessible to the public via monthly reports or online data queries.

Thank you for your attention. I hope to see these suggestions meaningfully incorporated into the rulemaking.

Thank you,
Rex Holmes
10503 FM 753 Athens, TX 75751-8599
aggieoliver12@gmail.com