

RAILROAD COMMISSION OF TEXAS

Critical Infrastructure Division



NOTICE TO OIL & GAS AND PIPELINE OPERATORS

Amendments Adopted to Rule on Critical Designation of Natural Gas Infrastructure

The Railroad Commission of Texas (RRC) has amended its rule that implements a process for designating certain natural gas entities as critical during an energy emergency as specified in Senate Bill 3 and House Bill 3648 passed by the 87th Legislature (Regular Session). The amended rule is effective on November 21, 2022.

On November 1, 2022, the RRC Commissioners adopted amendments to 16 Texas Administrative Code (TAC) §3.65, *relating to Critical Designation of Natural Gas Infrastructure*. The amendments modify the list of natural gas facilities that are critical gas suppliers and critical customers. Gas wells producing an average of 250 Mcf/day or less and oil leases producing an average of 500 Mcf/day or less are excluded from the list of critical facilities. Certain enhanced oil recovery (EOR) projects are also excluded. Facilities that are not designated critical in 16 TAC §3.65 are not subject to requirements in 16 TAC §3.66, the RRC's weatherization rule.

Additionally, the amendments clarify which facilities may request an exception to critical designation and what constitutes a reasonable basis and justification for the request such that the request may be granted.

The following facilities are subject to 16 TAC §3.65 unless the facility has received an approved exception from critical designation:

1. gas wells producing gas in excess of 250 Mcf/day;
2. oil leases producing casinghead gas in excess of 500 Mcf/day, except for EOR projects provided the EOR project consumes more energy than it produces calculated by comparing the amount of electricity used to the amount of gas produced both in Million British Thermal Units (MMBTU);
3. gas processing plants;
4. natural gas pipelines and pipeline facilities including associated compressor stations and control centers;
5. local distribution company pipelines and pipeline facilities including associated compressor stations and control centers;
6. underground natural gas storage facilities;

7. natural gas liquids transportation and storage facilities; and
8. saltwater disposal facilities including saltwater disposal pipelines.

Operators are encouraged to read the amended rule. To view the adopted rule, visit the RRC website at <https://www.rrc.texas.gov/general-counsel/rules/proposed-rules/> under “Chapter 3: Oil and Gas.”

If you have questions regarding this notice, contact the RRC’s Critical Infrastructure Division at CID@rrc.texas.gov or 512-463-6737.

Please Forward to the Appropriate Section of Your Company