

Kellie Martinec

From: Jennifer Bremer <execdir@tlma.org>
Sent: Wednesday, January 02, 2019 4:59 PM
To: rulescoordinator
Cc: 'info tlma.org'
Subject: Comments on Proposed Rulemaking to 3.25 - 3.27
Attachments: TLMA RRC Comment Letter on Commingling Rule.pdf

CAUTION: This email has a file attachment or embedded content and was sent by someone outside of the Railroad Commission of Texas. Do NOT click links or open attachments from unknown sources without first checking with the sender to confirm its legitimacy. If you believe this to be a malicious and/or phishing email, please call the ITS Help Desk at 512-463-7229.

To whom it may concern:

Please find the attached comments from the Texas Land & Mineral Owners Association.

Thanks,
Jennifer

Jennifer Bremer
Executive Director
Texas Land & Mineral Owners Association
(512) 585-4970 – mobile

[Join](#) TLMA today!



TEXAS LAND & MINERAL OWNERS ASSOCIATION

BOARD OF DIRECTORS

Chairman
Carolyn Frost Keenan
Keenan Family Interests

Vice-Chairman
John D. Alexander, Jr.
King Ranch

James C. Broussard
*J.E. Broussard Heirs O&G, LP
& LaBelle Properties Ltd.*

Scott Petty, Jr.
Petty Ranch Company

Lica Pinkston
Santa Fe Ranch

Barry Coates Roberts
Coates Energy Trust

George E. Tanner
Cuatro Estrellas, Ltd.

James P. "Rick" Walker, Sr.
Huisache Cattle Co., Ltd.

R. Neal Wilkins
East Foundation.

DISTRICT REPRESENTATIVES

Dr. John S. Baen
University of North Texas

Tom Daniel
Six Mountain Partners, LP

Kimberley K. McTee
Catharine C. Whittenburg Trusts

Turkey Track Ranch

Trey Scott
Trinity Mineral Management

HONORARY DIRECTORS

The Honorable Dolph Briscoe*
Director 1999-2010

Jack Hunt
Director 1999-2010

Roger Welder
*Chairman 2005-2009
Director 1999-2005*

J.A. Whittenburg, III*
Director 1999-2014

The Honorable Cullen Looney
Director 2001-2010

Doug Beveridge
Director 2002-2007

Chaunce Thompson, Jr.
Director 2004-2011

Morgan Dunn O'Connor
*Vice Chairman 2010-2016
Director 2009-2010
Vice President 1999-2009*

ADVISORY DIRECTORS

Joseph B.C. Fitzsimons
John B. McFarland
Howard P. Newton
George J. Person
Kitty-Sue Quinn, PhD

EXECUTIVE DIRECTOR

Jennifer Bremer

January 2, 2019

Rules Coordinator, Office of General Counsel
Railroad Commission of Texas
P.O. Box 12967
Austin, Texas 78711-2967

Re: Proposed amendments to 16 TAC Section 3.25, 3.26, and 3.27

Dear Rules Coordinator,

The Texas Land and Mineral Owners Association ("TLMA") is a statewide advocacy organization that represents approximately 1,000 members who are mineral and royalty owners, landowners, farmers, and ranchers. As such, TLMA appreciates the opportunity to comment on the proposed amendments to Statewide Rules 25, 26 and 27 regarding surface commingling in certain situations.

Because the majority of all leases are held by production, TLMA believes that measurement should occur as close to the lease as possible before being commingled with minerals from other leases. This ensures that leases are not being held by production that is not occurring on the lease, but rather at a lease that the oil or gas is being commingled with.

For example, assume two identical leases, on tracts A and B with identical working interest and royalty interest ownership in both leases. The operator obtains a commingling permit without notice to the royalty owner. Allocation is then based on semi-annual (or annual) well tests. Production holds each lease as long as there is production in paying quantities from each lease. But, we now have no measured production from either lease. This presents opportunity for abuse. Royalty owners should receive notice and have an opportunity to protest such a permit.

Regarding the decrease of notifications that must occur in the generally circulated newspaper for unidentified royalty owners, TLMA understands the desire of the Railroad Commission to decrease that time from four weeks to two weeks.

For the foregoing reasons, the Texas Land and Mineral Owners Association urges the Commissioners to ensure that the proposed rule changes do not allow for leases to be inaccurately held by production that is not actually occurring on the lease. If this change is not made, the opportunity for the royalty owner's ability and right to lease those minerals to another operator could be eliminated.

Thank you for your consideration of these important concerns.

Sincerely,

Jennifer Bremer
Executive Director