



February 2021

Energy News

From the Field Photo
Gray County
Photo by Randy Milligan



Contents

- p. **3** Disposal/Injection Well Pressure Test Reports Must Be Filed Online After May 1
- p. **4** Railroad Commission's Quick Response to Severe Winter Storm
- p. **6** RRC Unveils New Website
- p. **8** RRC Collaborates with TCEQ
- p. **10** RRC Moves to Better Track Flaring, Improve Enforcement
- p. **11** Flaring Intensity in Texas Continues Downward Trend
- p. **12** Commissioner's Corner

Upcoming Events

RRC Open Meeting March 23, 2021 Online

[VIEW MORE RRC EVENTS ▶](#)

[VIEW OPEN MEETING WEBCASTS ▶](#)

Disposal/Injection Well Pressure Test Reports Must Be Filed Online After May 1

As of May 1, the RRC will no longer accept hard copy filings of the Form H-5, Disposal/Injection Well Pressure Test Report. After that date, the RRC Online System must be used for filings.

Form H-5 must be filed 30 days after the date of any disposal/injection pressure test. When filing the Form H-5 online, operators can submit any attachments, including scanned images of the pressure test charts.

When using the online system, operators are not required to file duplicates of the report and attachments with the district office. The online system generates a print-friendly PDF. All reports will be available to view in the RRC Online System after being reviewed and approved by the RRC.

To access Form H-5 in the RRC Online System, your organization's designated security administrator must add the Disposal/Injection Well Pressure Test (H-5) filing right to each user's RRC Online System account.

[RRC ONLINE FREQUENTLY ASKED QUESTIONS](#)

[H-5 INSTRUCTIONAL VIDEO](#)

[FORM H-5 FREQUENTLY ASKED QUESTIONS](#)

[INJECTION/DISPOSAL MONITORING MANUAL](#)

If you have questions, you can contact the Injection-Storage Permits (UIC) section of the RRC's Oil and Gas Division at H5info@rrc.texas.gov or 512-463-6792.



Railroad Commission's Quick Response to Severe Winter Storm

Just like most Texans during the recent historic arctic blast that wreaked havoc around the state, employees of the Railroad Commission had to deal with issues affecting their personal safety and comfort.

Despite the challenges, RRC staff worked long hours because of the critical role the agency has in regulating energy production companies and overseeing gas utilities that supply gas in people's homes and business.

The severe cold brought ice, thick blankets of snow, and single-digit temperatures to much of the state.

"Out of 4.3 million residential customers, 99.95% of them had continuous gas services throughout the storm," said Wei Wang, RRC Executive Director. "The tireless work of our employees helped make this happen."

The agency's commissioners took swift action to ensure the maximum amount of natural gas was prioritized for human needs during emergency meetings on Feb. 12 and Feb. 17.

Mark Evarts, RRC Director of Gas Services Market Oversight, told commissioners during the Feb. 12 meeting that "Commission staff has been made aware that certain electric generation facilities which serve human needs customers may be subject to curtailment as a result of the extremely cold weather."

During the Feb. 17 meeting to extend the emergency order, which was broadcast

on the Internet as is normal for conferences, commissioners had to connect with each other via cell phone due to outages.


The regulatory efforts clearly had a positive impact. According to the

United States Energy Information Administration, electricity produced from natural gas doubled from pre-storm levels.

Throughout the weeklong storm, RRC staff worked around the clock coordinating with other state agencies, pipeline operators, local gas distribution companies, upstream oil and gas producers, trade associations,

"Out of 4.3 million residential customers, 99.95% of them had continuous gas services throughout the storm."

-Wei Wang, RRC Executive Director



and electric companies to address issues to ensure power issues could be quickly resolved and more Texans could stay warm.

RRC received requested help from the Texas Department of Transportation to clear roads so energy workers could access their sites and the Texas Department of Emergency Management to help with generators, which provided much-needed power to facilitate the extraction of energy resources.

RRC issued a notice to oil and gas operators on Feb. 13 instructing them to monitor and maintain operations for potential impacts as safety permitted. Also on Feb. 13, the Commission issued a notice to local distribution companies authorizing each distribution gas utility to record in a regulatory asset account the extraordinary expenses associated with the winter storm, including gas costs.

As the need for energy production increased and weather conditions adversely affected disposal wells essential to the safe operation of oil and gas wells, the agency issued temporary modifications to waste hauler and disposal well permits to facilitate continued production from oil and gas wells.

On Feb. 16, RRC proactively requested that Governor Greg Abbott waive specific statutes and rules to allow transportation companies not currently licensed with the agency to be allowed to transport alternative fuels, including propane and compressed natural gas, for the duration of the disaster declaration. The waiver, which was granted, ensured the ongoing supply of alternative fuels in the event of lack of truck transportation.

As the storm began to ease on Feb. 19, commissioners and agency staff started working with utility companies, consumer groups, and other groups to help prevent potential spikes in gas bills. On Feb. 24, the Commission sent out a notice to gas utilities recommending that they suspend disconnections because of nonpayment.

The Commission will conduct an analysis of the winter storm with legislators and industry and make any changes, as necessary.



RRC Unveils New Website with Major Improvements, Easier Navigation



OIL & GAS



PIPELINE SAFETY



ALTERNATIVE FUELS



SURFACE MINING



GAS SERVICES



HEARINGS



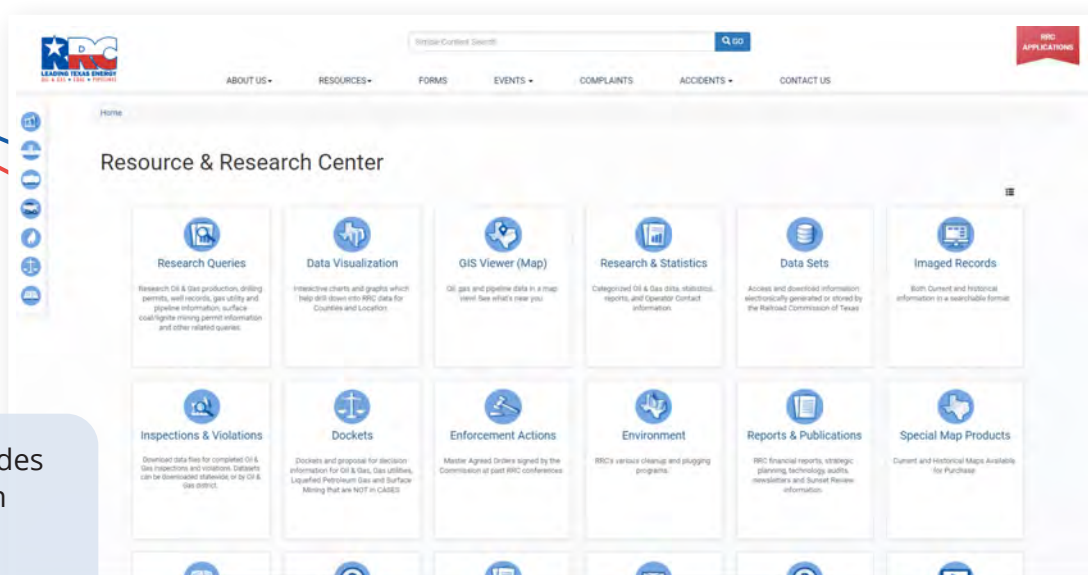
LEGAL

In a massive agency-wide effort to better serve the public, the Railroad Commission on Jan. 28 launched a new website that is much easier to navigate with a more contemporary design. The new website is more task-oriented than the previous version.

The new site is another of the agency's initiatives to help operators efficiently get what they need and to also help the public easily access the RRC's trove of information.

The landing pages for RRC divisions and departments are marked by icons on the home page (as shown above), and those icons also appear on the left of the screen as you visit different pages.

A key change on the new website are menu options at the top of the site that provide a one-stop shop for operators and the public.

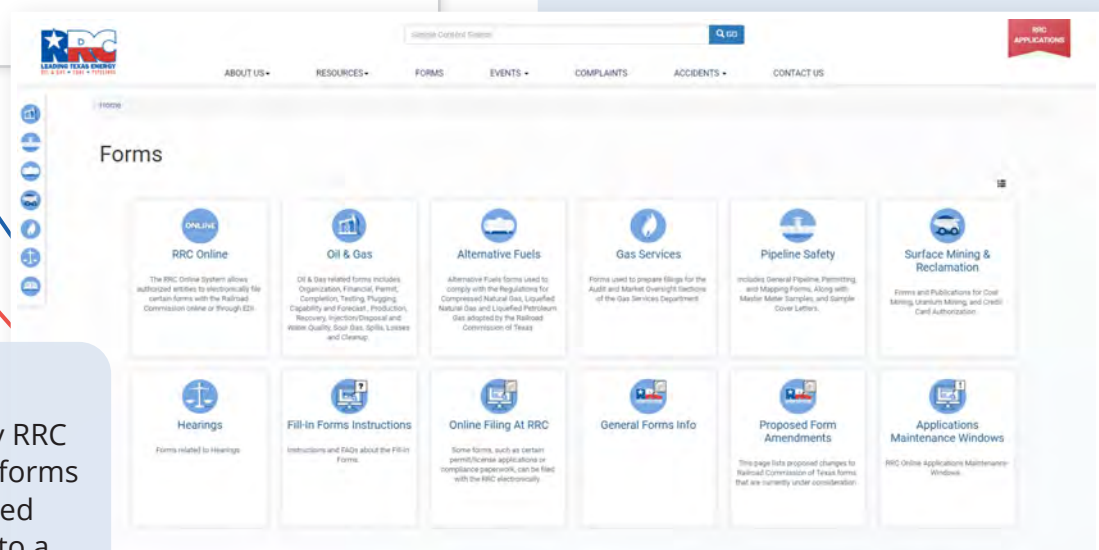


The Resources page includes popular links for Research Queries, the GIS Viewer, Statistics and more;

“We patiently built the new website to optimize the user experience for operators and the public, Analytics helped us see the most visited pages and we organized that information in the top menu and on the landing pages of our divisions and departments. All the information that was on our old website is on the enhanced site but presented in a more professional and navigable layout.”

- Wei Wang, the RRC's Executive Director

The red RRC Applications button at the top right of the website houses applications such as CASES and RRC OIL (for inspection lookups). More innovative applications will be added there as they are released.



The Forms page is where operators can access every RRC division and department's forms for permits or other required filing without having to go to a particular division's page.

A new Events panel on the homepage provides an across-the-board list of events at the agency including trainings, exams, and open meetings. Events for a particular division could also be found on each division's landing page. Mobile device users will notice another major benefit of the new website, as tables and associated links fit within mobile screens.

The RRC will continue to fine-tune the new website based on input. If you use the site often, please familiarize yourself with the new layout at www.rrc.texas.gov.

There is a contact form in the Contact Us menu for users to leave comments or input about the new website.

Make sure to also check your bookmarks because URLs to some pages have changed on the new website.

We have also created a helpful video highlighting the enhancements to the website.

WATCH THE WEB TOUR VIDEO


RRC Collaborates with TCEQ to Streamline Discharge Permits

As the oil and gas industry has changed because of an increase in unconventional drilling, the need to discharge produced water and other sources of wastewater has also gone up.

In order to obtain a permit for surface water discharges, operators may have needed to apply to both the Railroad Commission and the Environmental Protection Agency. For related environmental activities, such as surface water rights, they might need to contact the Texas Commission on Environmental Quality. Potentially dealing with three agencies may have been time-consuming and detracting from core business activities.

But at the direction of the 86th Texas Legislature via House Bill 2771, the RRC began working with the TCEQ in 2019 to help that agency gain primacy from the EPA for all surface water discharge issues in the state.

On Jan. 15, that work culminated in RRC transferring certain discharge permitting to surface waters of the state for produced water, hydrostatic testing, and gas plant effluent to the TCEQ and EPA granting TCEQ authority to administer the National Pollutant Discharge Elimination System program in Texas. Operators should now submit applications for these permits to TCEQ.



“This greatly benefits the energy industry in our state by making the regulation easier to understand for our operators, Through our planning with the TCEQ, we were successful in that EPA agreed to delegate this NPDES program and transfer its authority to Texas.”

-Wei Wang, RRC Executive Director

Obtaining a permit for certain discharges to surface water has become much simpler for the oil and gas industry. For instance, before the current permitting process took effect, to conduct hydrostatic testing on a pipeline to ensure its integrity, an operator needed to get a permit from RRC and EPA to release any discharge to a surface water body and call a TCEQ regional office to obtain permission to use surface water for the testing. Now, operators will only need to contact TCEQ. For information about surface water discharge for the oil and gas industry, [visit the TCEQ's webpage](#).

RRC does retain certain regulatory authority in water discharge, such as surface application of wastewater that does not impact the waters of the state and the recycling of domestic wastewater. More information can be found on RRC's website.

VISIT RRC'S WEBPAGE

VISIT TCEQ'S WEBPAGE



RRC Moves to Better Track Flaring, Improve Enforcement

In an effort to further address flaring from oil and gas sites, RRC's commissioners on Feb. 23 approved changes to Form PR, Monthly Production Report. The modifications allow for more accurate tracking of the volumes of gas flared and vented in Texas.

Before the revised form, operators recorded the amount of vented and flared gas as one combined value per lease on the production report. The revised form requires operators to report the amount of gas flared and the amount of gas vented as separate values on the monthly lease production report.

The proposal is part of a broad effort by the Railroad Commission to reduce flaring in the state. On Nov. 4, commissioners approved a revamped Form R-32, Application for Exception to Statewide Rule 32, that provides specific guidance on when an exception to flare would be permissible, under which circumstances, and for how long.

“These changes will require operators to distinguish gas that is flared from gas that is vented,” said Paul Dubois, RRC Assistant Director of Technical Permitting. “Rule 32 allows for gas to be vented in limited circumstances and only if it is safe to do so. This change will allow Commission staff to better assess compliance between requirements to vent gas and requirements to flare gas.”

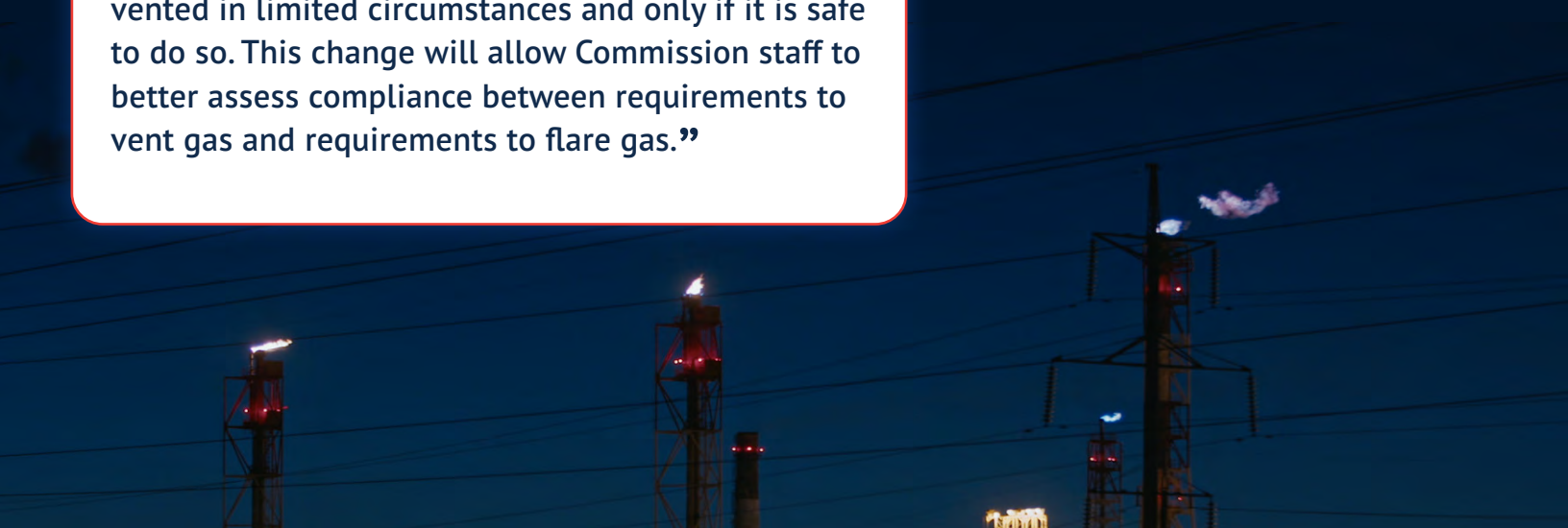
With more specific information, the Railroad Commission will be in better position to track compliance and correct potential violations.

The new form will be phased in. After Sept. 1, Gas Disposition Code 4, which is currently used to report the volume of gas that was vented or flared, will be discontinued. After that date, that code will be replaced with Disposition Code 10 for the amount of gas flared and Disposition Code 11 for the amount of gas vented.

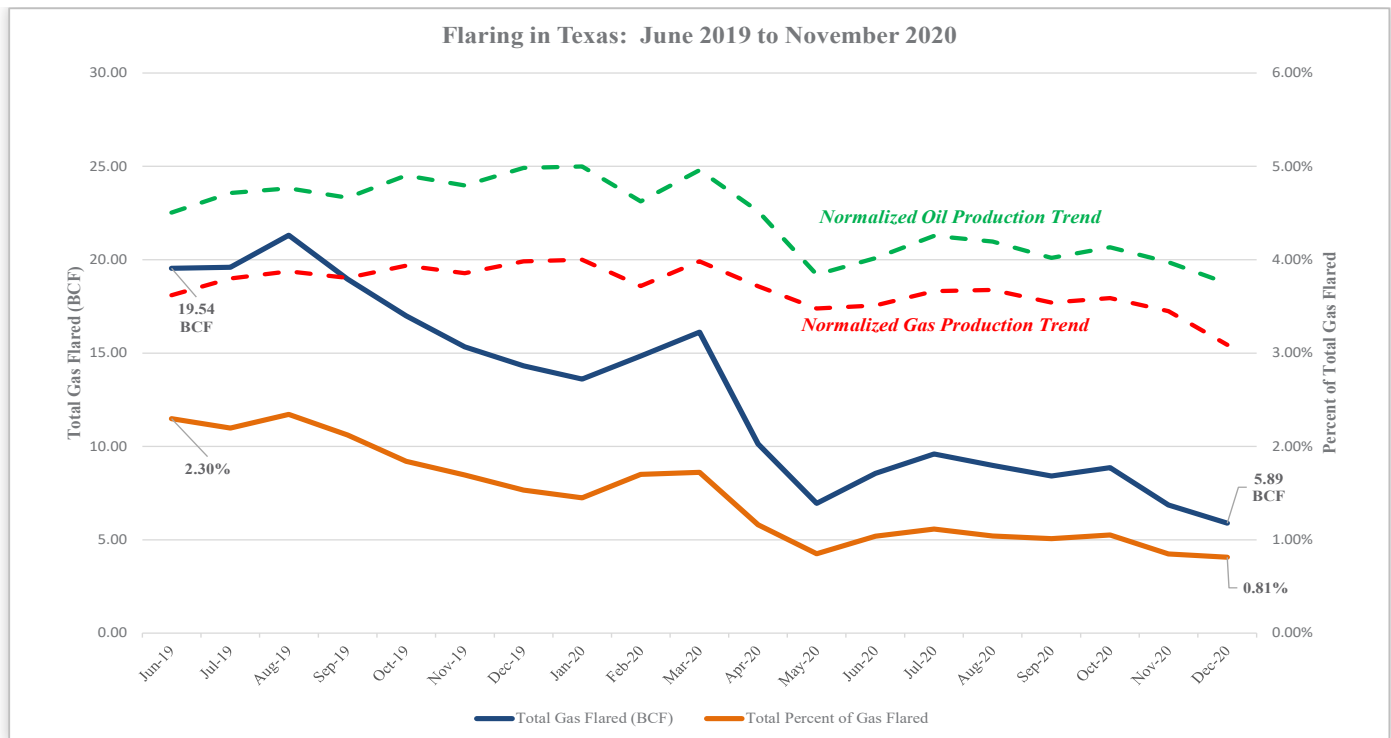
The form will be in full effect on Jan. 1, 2022, in order to allow time for upgrades to RRC's electronic reporting system and also those of operators.

[VIEW RRC'S OIL & GAS FORMS](#)

The commission is also developing an online system through which operators will file applications for Rule 32 exceptions. This system will provide the agency with a better mechanism for compliance audits and data analytics and will provide the public with a portal for viewing flaring and venting authorizations.



Flaring Intensity in Texas Continues Downward Trend



Analysis by Railroad Commission of Texas shows the rate of flaring in the state continues to fall in a long-term trend.

As seen in the table below, the most recent RRC production data shows that in the last year and half, the percentage of natural gas flared compared to the natural gas produced from oil and gas wells in Texas dropped from a high of 2.3% in June 2019 to 0.81% in December 2020. During the same period, the volume of gas flared decreased by more than 64%.

Paul Dubois, RRC Assistant Director of Technical Permitting, notes that the decline began well before the COVID-19 pandemic caused a reduction in demand.

“It’s important to point out the percentage of gas flared compared to the gas produced has been on a downward trajectory since August 2019,” he said. “Things were moving in the right direction more than six months before the pandemic gripped the energy sector, and we hope that trend continues.”

As the oil and gas industry improves its rate of flaring, RRC’s commissioners have been working to enhance those gains. Last November, they approved a revamped Form R-32, Application for Exception to Statewide Rule 32, that provides specific guidance on when an exception to flare would be permissible, under which circumstances, and for how long.

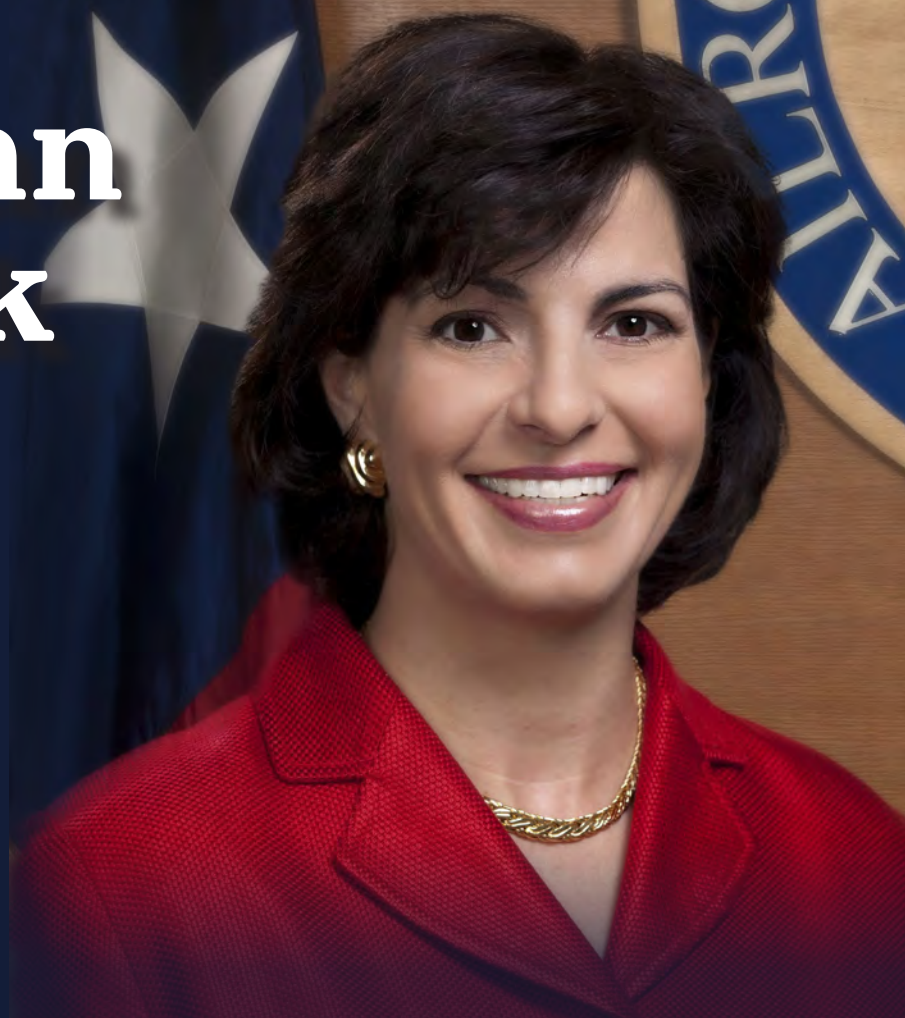
Form R-32 will, in many cases, reduce the period of time an operator may obtain an administrative exception to flare gas. For certain exceptions, the duration may be reduced by 50% to 80%. The application provides incentives for operators to use technologies to reduce the amount of gas flared.

The form also supplies the RRC with key datapoints to facilitate audits of flaring with reported production. The application form will improve the collection of certain production data, such as flaring from comingled sites.



Chairman Craddick

COMMISSIONERS' CORNER



February was a challenging month for the entire state of Texas. After losing power myself, I would like to extend my sincerest thanks to the linemen and first responders who worked around the clock to restore electricity across the state. These individuals stepped up to the plate in our time of need, and I will be eternally grateful for the grit and resiliency they embody.

As Winter Storm Uri caused record-breaking weather across the state, the Railroad Commission took proactive steps to prioritize the health and safety of Texans by ensuring that natural gas continued to flow to homes. Working with agency staff, the natural gas industry, pipelines, and other state agencies, we prioritized natural gas utility companies so that Texans who had lost electricity still had access to gas-powered heat. I am proud to report that 99.95% of local distribution company customer never experienced a natural gas utility service interruption. As we continue to work with the Legislature and state leadership, I look forward to working with my colleagues across the state to provide meaningful solutions to this statewide disaster.

Commissioner Christian

COMMISSIONERS' CORNER



Since the winter storm, Commissioner Christian has been an outspoken advocate for ensuring reliability becomes the priority in future discussions about our state's energy mix.

Texas must learn from this storm and ensure our state has sufficient generation from reliables like coal, nuclear, and natural gas. We spent almost two decades propping up unreliables, it is time we light our pilot light on our dependables to ensure Texans never have to go through this again.

[READ MORE HERE](#)



Commissioner Wright

COMMISSIONERS' CORNER

After the ice melted from Winter Storm Uri, Commissioner Wright visited with several operators in the Eagle Ford to learn how they handled the weather and sudden loss of power. He visited several production facilities, well sites and a frac crew. During his visits, he commended those who worked throughout the winter weather to keep as much energy moving as possible. He also discussed what can be done to ensure these facilities do not experience the unexpected and prolonged loss of power in the future, along with warming techniques that can be utilized in the field.





Oil and Gas Production Statistics

View monthly production totals of crude oil, condensate and total oil; and of gas well gas, casinghead gas, and total natural gas.

[VIEW PRODUCTION STATISTICS ▶](#)

Enforcement Actions

The Commission has primary oversight and enforcement of the state's oil and gas industry and intrastate pipeline safety. View RRC's Latest Enforcement Actions here.

[VIEW ENFORCEMENT ACTIONS ▶](#)

Public GIS Viewer

The Public GIS Viewer allows users to view oil, gas and pipeline data in a map view.

[LAUNCH THE PUBLIC GIS VIEWER ▶](#)