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RRC Open Meeting

May 11, 2021

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Governor Declares April Safe Digging Month

Texas Gov. Greg Abbott recently declared April as Safe Digging Month for the state to help bring awareness of the potential for injuries, property damage and outages if underground utilities are damaged.

Homeowners, excavators and contractors must call 811 before digging any time of the year. An 811 call will prompt utility operators to come and mark where underground cables and utilities, such as pipelines, are located. This takes the guesswork out of digging and helps protect against bad accidents.

Texas has more miles of pipeline than any other state. In reports submitted to the RRC in 2020, 27 percent of pipeline damage was caused by people digging with hand tools, such as shovels.

If a pipeline is damaged during excavation, state law requires the responsible party to call 811 to report the damage and 911 if there is a release of product.

The call to 811 is free and must be made at least two business days before digging. Homeowners, excavators and contractors who call 811 are connected to the state One-Call Center, which then notifies underground facility operators, including pipelines. Locator personnel are dispatched to the digging site to mark the locations of underground pipelines and utilities with flags, spray paint or both.



FILE LOCATION REQUESTS ONLINE

Oldest State Regulatory Agency Continues Technological Transformation

As the RRC celebrates the 130th anniversary of its creation this month, it is forging ahead into the 21st century by embracing the latest technologies.

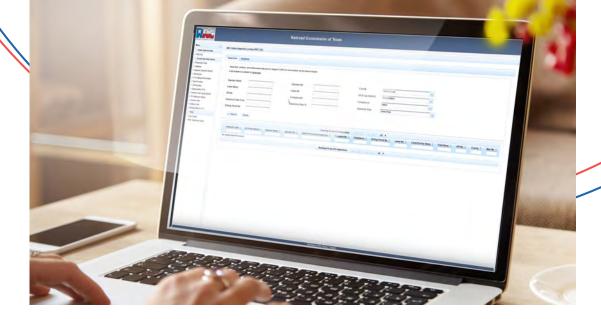
The Commission, which is the oldest state regulatory agency, was founded in 1891 to create order and predictability to the railroad industry. It later grew to include regulation of energy production and delivery, including protection of public safety and the environment. While the last of its railway duties was transferred away in 2005, the RRC has responsibility over the state's oil and gas industry, the safety of pipelines, natural gas utilities, liquified petroleum gas (LP-gas), and coal and uranium surface mining operations.

In recent years, the RRC has leveraged technology to increase efficiency for operators and staff, and expanded transparency by providing the public even more access to agency information. Examples of recent technology enhancements to RRC operations include:

- RRC Online Inspection Lookup (RRC OIL), an award-winning, firstin-the-nation web application which is updated nightly and allows anybody to view inspection and violation data 24/7.
- RRC CASES, an online portal that allows operators to file Hearings case files electronically and makes them available for public view.
 Operators can also pay fines online through the system.
- RRC Drone Program, which helps inspectors quickly respond and inspect sites that are unsafe or inaccessible during emergencies.

The Commission is currently undertaking a six- to eight-year transformation of information technology systems to reduce dependence on aging mainframe systems and move to a cloud-based business application which implements modern technology tools, while enacting a data warehouse and business intelligence solution to make more of the agency's data transparent and user-friendly.

The need for RRC's regulation of the state's energy resources has been evident with recent periods of massive growth and contraction because of market volatility. Over the last decade, the state experienced a boom in horizontal drilling; discoveries of huge untapped



resources, including the 2018 announcement by the U.S. Geological Survey that the Delaware Basin portion of the greater Permian Basin contains an estimated 46.3 billion barrels of oil and 281 trillion cubic feet of natural gas; and market down turns in 2015 and 2020.

RRC's three commissioners and 840-strong staff are dedicated to supporting Texas' economic vitality as the nation's leader in oil and gas while protecting the state's natural resources, environment, and public safety.

"Over the past 130 years, the Railroad Commission of Texas has set itself apart as a global leader in regulatory excellence," said Chairman Christi Craddick. "The oil and gas industry is a critical component of our states' overall success and requires regulatory certainty and adaptation to keep up with an ever-evolving, technologically advanced private sector. I look forward to continuing to prioritize health, safety, and innovation alongside my fellow Commissioners and agency staff as we maintain our status as the best agency in Texas."

"It has been an honor of a lifetime to serve the people of Texas at the Railroad Commission," said Commissioner Wayne Christian. "I wake up everyday excited to make the Commission better and hopefully lay a foundation to make the next 130 years as great as the last 130."

"While Texas has changed quite a bit since the creation of the commission," said Commissioner Jim Wright, "our agency's mission to ensure the production of our state's natural resources is done safely and efficiently is more important than ever. I am honored to serve as a Commissioner and look forward to advancing the legacy of the Railroad Commission of Texas."

RRC continues in its role as the global leader in energy regulation. As the top producer of oil and natural gas in the United States, Texas' resources are vital to ensure energy independence and security for our nation.

As the agency moves forward, more major technology upgrades are also in the works that will improve the agency's operations, the experience of operators who interact with the agency, and online transparency.

WATCH AN ARRAY OF AGENCY FUNCTIONS IN OUR VIDEO

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Well Plugging Program on Path to Top Legislative Goal Yet Again

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The RRC's strong track record continues for a major program in the agency's critical mission to protect public safety and the environment across Texas.

The State Managed Plugging Program addresses wells that are no longer productive and are considered orphaned in accordance with state laws and regulations. The Legislature set a target to plug 1,400 wells for the current fiscal year. The RRC is ahead of pace to reach that target: 1,083 wells have already been plugged with four months remaining in the fiscal year.

"We are on track to exceed our legislative goal for the fifth year in a row," said RRC Director of Field Operations Clay Woodul. "We've picked up our pace plugging wells in recent months. During the last fiscal year, the pandemic posed special challenges to ensure the safety of contractors plugging wells and RRC field staff overseeing those operations, but we have clear protocols in place to ensure the work can proceed in a timely manner."

The RRC's strong experience in well plugging projects is a great resource for other agencies as well. The National Park Service recently collaborated with the RRC to help plug 11 wells at the Padre Island National Seashore near Corpus Christi. The work, which occurred from January to March of this year, helps preserve natural resources for generations of visitors to the park.

"This is a win for our state and all Texans," said Wei Wang, RRC Executive Director. "These wells on federal land were not part of the state's well plugging program, but Padre Island National Seashore sought out the RRC because of our



RRC Expertise Also Utilized to Assist at Padre Island National Seashore

expertise in overseeing plugging projects. Our collaborative work with the park not only helps protect a natural treasure for future generations to enjoy, but it also helped provide jobs for some of our state's oil and gas workers."





Funding for the Padre Island National Seashore project came from the Gulf Coast Ecosystem Restoration Council.

The State Managed Plugging Program is funded through oil and gas industry revenue, including, but not limited to, well plugging reimbursements, fees and financial securities paid by the industry. No general taxpayer money is used.

Dos Republicas Recognized with RRC's Coal Mining Reclamation Award for Eagle Pass Effort

The Railroad Commission recently recognized environmental restoration efforts at former coal mining operation near the Texas-Mexico border.

On April 13, RRC's commissioners awarded Dos Republicas Resource Co. with the agency's 2021 Texas Coal Mining Reclamation Award.

Dos Republicas' 6,348-acre Eagle Pass Mine, which has held a Railroad Commission permit since 2000, ceased mining operations last year and is now working toward full reclamation. The Eagle Pass Mine is about five miles northeast of Eagle Pass in Maverick County near the border with Mexico. Sub-bituminous coal from the Olmos Formation had been harvested from the surface mine, supplying 2-3 million metric tons of coal per year to a Mexican federal electricity commission power plant.

RRC's award recognizes Dos Republicas' reclamation of the Dahlstrom pit, which was graded and merged with the surrounding area in 2018 and 2019. Layers of subsoil and topsoil were placed on top and planted with a mix of native grasses, which provide cover and forage for livestock and wildlife and will hold the newly placed topsoil in place while brush species take time to establish.

"Dos Republicas' efforts at the Dahlstrom pit exemplifies environmental stewardship," said RRC Director of Surface Mining and Reclamation Division Brent Elliott, Ph.D. "It exceeds RRC standards, which are to return lands to a condition as good or better than before mining started." The area has been mined for coal since around 1850 and once provided coal to power steamboats that moved up and down the Rio Grande and trains that helped to grow Texas and facilitate trade with Mexico.













Big Brown MineNearing Full Restoration

The Big Brown Mine in East Texas, which was awarded RRC's 2014 Texas Coal Mining Reclamation Award, is nearly fully restored.

Luminant Energy has released most areas of the former surface lignite coal mine, which had covered 12,910 acres, but one pit, which is about 2,000 acres in size. Mining at the Freestone County property began in 1970s, supplying coal to power the nearby Big Brown Steam Electric Station.

The mine entered full reclamation in 2012. Reclamation efforts include a 112-acre lake, forest, natural meadows, farmland, and more.

"All areas of the mine have been reclaimed, except for the ash storage facility, which is underway," said Jason Corley, Manager of Surface Mining Inspection and Enforcement.

The final pit has a post-mine land use of fish and wildlife habitat, developed water resources, and pastureland with a restored creek channel meandering through the nearly five miles of the reclaimed final pit.

Photos courtesy of Cade Harris, Surface Mining inspector





RRC Updates Notice to Operators to Help Protect Dark Sky for McDonald Observatory

RRC recently updated its notice to oil and gas operators to reduce stray light in support of the University of Texas McDonald Observatory's Dark Skies Initiative.

McDonald Observatory's Dark Skies Initiative seeks to protect the wide-open night skies of West Texas for ongoing astronomical research and education.

The updated recommended lighting practices were a result of a collaborative effort by the McDonald Observatory, Permian Basin Petroleum Association, Texas Oil and Gas Association and the American Petroleum Institute.

In 2011, the Texas Legislature required counties located within 57 miles of the McDonald Observatory to adopt orders regulating the installation and use of outdoor lighting in any unincorporated territory of the county.

The recommendations were designed especially for oil and gas operations in the following Texas counties with lighting ordinances: Brewster, Culberson, Hudspeth, Jeff Davis, Pecos, Presidio, and Reeves.

RECOMMENDED LIGHTING PRACTICES



In April, Chairman Craddick was proud to speak with several groups about the Railroad Commission's role in Texas. From the Society of Petroleum Engineers to the Texas A&M Health, Safety, and Environmental Summit, Craddick was proud to discuss the balance this agency has struck to ensure the responsible stewardship of our state's natural resources while ensuring that oil and gas operators can continue to fuel this state's economy. Global and domestic factors play a role in the operations of this industry, and the Railroad Commission of Texas is proud to provide the regulatory certainty necessary to keep up with an ever-evolving landscape.

Additionally, as the legislative session continues, Chairman Craddick spent time advocating for a fully-funded Railroad Commission. Speaking with industry, stakeholders, and legislative leaders, Craddick focused on the important work that our agency carries out each day, and the critical need to appropriate the necessary funding to uphold our mission. With only a few short weeks left, Craddick will continue to work with the Legislature to ensure that the Railroad Commission has the tools it needs.



Seemingly every day we are overwhelmed with so much negative news about our environment we begin to assume that the world is in the worst shape it has ever been. This Earth Day, I wanted to highlight a few statistics that show America's a bright environmental outlook.

Between 1970-2019, the six major air pollutants monitored by the Environmental Protection Agency (EPA) have fallen 77%, while our energy consumption grew 48%, economy grew 285%, and our population grew by 60%. According to preliminary estimations by the Rhodium Group, CO2 emissions in 2020 were down 21% compared to 2005 levels. This continued the trend highlighted by the U.S. Energy Information Administration's report in 2019 that showed energy-related CO2 emissions declined eight out of the last 12 years.

READ MORE HERE



Before Commissioner Wright was elected, he convened a task force with the goal of creating guidance documents to assist RRC staff and companies as they interpret commission rules. His efforts on this task force set the foundation for his work as Commissioner. In his first four months in office, he has helped establish three task forces that are researching solutions to several of the commission's greatest challenges: Education, Environmental Regulation and Market Sustainability. Each task force is made up of industry experts, land owners, and interested citizens.

The Education task force is working to identify material that provide factual information about oil, natural gas, and other forms of energy. Specifically, this group aims to review, consolidate and create new communication materials that speak to Texans about our state's natural resources and what they provide to us locally and across the country and world.

The Environmental Regulation task force is a continuation of the original task force Commissioner Wright started. This group is reviewing several of the RRC rules and researching how they could be updated to better fit with the new technologies utilized regularly by the industry.

The Market Sustainability task force is challenged to identify new or existing markets for our state's natural gas. The industry is rapidly changing and with our state's ample supply of natural gas, this group research how other sectors are utilizing natural gas in an effort to make new markets accessible to our producers. One example of the industry working to utilize our state's natural gas is Nacero's partnership with the Odessa Development Corporation to build a lower carbon gasoline manufacturing facility outside of Odessa. The plant will produce thousands of barrels a day of a gas component that will be used to make gasoline. It's innovative ideas like this that will help bring stability to the industry that funds our state's budget.

If you would like more information about the task forces, contact Megan Moore (megan.moore@rrc.texas.gov) in Commissioner Wright's office.

Oil & 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 >