

September 13, 2024

Chairwoman Christi Craddick
Railroad Commission of Texas
PO Box 12967
Austin, Texas 78701

RECEIVED

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Chairman's Office
Railroad Commission of Texas

RE: Statewide Rule 8 Regulation Modifications

Chairwoman Craddick:

My understanding is that changes to the regulations of Statewide Rule 8 for oilfield waste are being considered.

Z&T Cattle Company owns and operates over 430,000 acres of surface with approximately 88,000 of those being in Texas. Approximately 36,000 acres of Z&T's Texas land is located with oil fields. Over 30,000 acres are located in the heart of the Delaware Basin in Loving County, Texas and an additional 6,000 acres lie SE of Monahans, Texas in Ward and Crane Counties. I believe that the regulations need revised to protect Z&T's and other landowner's surface and underground water as follows:

1. Standards and monitoring should be established for the construction, lining and closing of pits.
2. Landowners should be notified and permission should be required from landowners prior to burying drilling pits and other pits.
3. The above two modifications should be applied across the board to all operators and pits, including reserve pits, regardless of the size of the operator, the size the pit or the usage since all pits contain or have the potential to contain waste materials harmful to the soil and underground water.

I realize that some oil and gas operators may falsely claim revising the regulations would cause an economic hardship and decrease drilling activity. However, New Mexico has been under more stringent requirements for a decade or more and there has been no noticeable decline in the drilling of oil and gas wells in SE, New Mexico which abuts my Loving County acreage. The above amendments will actually benefit oil and gas companies by lessening the number of future environmental damage claims from landowners. Stronger regulations may cause some oil and gas operators to dispose of pit liners and contents in waste disposal landfills which will shift liability to the disposal companies.

I appreciate your taking the time to read my letter. If you would like to discuss this in person please feel free to contact me at (432) 448-3355.

Regards,

A handwritten signature in cursive script that reads "Zane Kiehne". The signature is written in black ink and is positioned above a horizontal line.

Z&T Cattle Company
Zane Kiehne, Manager