



January 2021

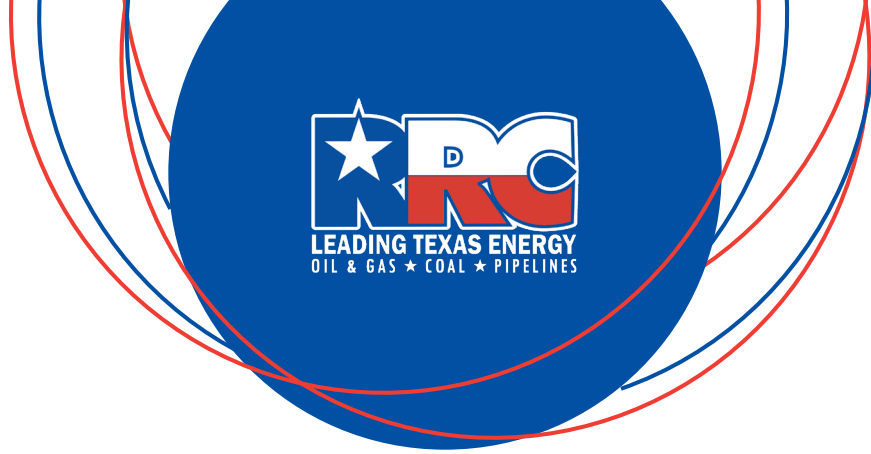
Energy News



From the Field Photo

Hutchinson County

Photo by Randy Milligan



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Upcoming Events

RRC Open Meeting February 9, 2020 Online

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[VIEW OPEN MEETING WEBCASTS ▶](#)

New Railroad Commissioner **Jim Wright** Sworn In



The 51st Railroad Commissioner of Texas, Jim Wright, was sworn in on Jan. 4. The lifelong South Texan joins a three-member Commission in leading an agency that is more than a century old.

The RRC plays a major role in oversight and regulation of the oil and gas industry – an industry that has been the backbone of the state economy and plays a vital role in keeping energy costs low for Texans while also helping pave the way for the nation’s energy independence.

“Oil and natural gas will make up the majority of our nation’s energy for decades to come and it is best for our state, our nation and the world if that energy is produced right here in Texas,” said Wright. “As commissioner, I will work to streamline enforcement and increase transparency at the Commission, with the ultimate goal of creating a sustainable and dependable lifestyle for all Texans supported by our state’s abundant natural resources.”

The RRC has a staff of about 850 employees in Austin and district offices across Texas.



RRC Beats Annual Performance Measure for Oil and Gas Well Inspections in First Quarter of Fiscal Year

In just the first quarter of Fiscal Year 2021, the Railroad Commission has already exceeded a key measure for oil and gas well inspections for the year.

In 2018, RRC started working toward the ambitious goal of inspecting every one of the nearly 440,000 oil and gas wells in the state at least once every five years.

One of the Texas Legislature's performance measures for the RRC tracks the percentage of wells that are uninspected in a five-year cycle. For the 2020-21 biennium the goal is to have that percentage be 5% or less in each fiscal year. The Commission also employs a risk-based approach in determining inspection sites, through which high priority wells and facilities are inspected more frequently than the five-year interval in accordance with the agency's Oil and Gas Monitoring and Enforcement Plan.

“ Our inspectors deserve all the credit for this accomplishment, which is even more impressive considering the pandemic we have been dealing with.” - Clay Woodul

At the end of fiscal year 2020 only 1% of wells had not been inspected in a five-year cycle. RRC inspectors are well ahead of pace in fiscal year 2021. As shown in the table below in just the first quarter of the fiscal year the Commission already achieved its goal of having less than 5% of wells uninspected, a number that will keep improving as inspections continue for the rest of the year.

In the year before instituting the goal to inspect every well at least once in a five-year cycle, 58% of oil and gas wells had not been inspected at that interval. Since the goal was instituted in fiscal year

2018, the agency has exceeded the annual goal each fiscal year.

Form R-32 will be part of the Commission's development of a Rule 32 computer program, which will facilitate the online submission of flaring requests and provide the agency with a better mechanism for compliance audits and data analytics.

Percent of Oil and Gas Wells Not Inspected Within Five Years

	2018	2019	2020	2021
Goal	35%	20%	5%	5%
Achieved	32%	13%	1%	4.28% (to date)

Until the Rule 32 program is online, which is targeted for the spring, operators will be able to use either the current application for exceptions to flaring or the new Form R-32.

The benefit of the increased frequency of inspections, which determine compliance with Commission rules, has been a broad reduction in the number of violations for oil and gas wells.

“We have worked diligently toward achieving this goal,” said RRC Director of Field Operations Clay Woodul. “Our inspectors deserve all the credit for this accomplishment, which is even more impressive considering the pandemic we have been dealing with.”

Technology improvements have allowed the Railroad Commission to become more efficient in utilizing its limited resources. In 2015, the implementation of the ICE reporting system, which is a web-based application and stands for Inspection, Compliance, and Enforcement, gave the

agency the ability to track inspections at the well level, rather than by lease. This helped the agency map wells and identify those wells that had not been inspected in the previous five years.

Field inspectors, who often work in remote parts of the state, were given the ability to file their reports remotely using ICE without the need for an internet connection. Reports are uploaded when a connection is available. Among other features, ICE also provides inspectors with access to comprehensive, real-time data to help them determine compliance while on site, rather than waiting until they return to a district office.

The Railroad Commission continues to set the bar higher for itself. For fiscal years 2022 and 2023, the agency’s goal is to reduce still further the percentage of wells uninspected in a five-year cycle to below 0.25%.



RRC Alternative Fuels Forms Updated to Allow for Electronic Signatures

In order to allow operators to use electronic signatures, the Railroad Commission recently finalized more than 40 alternative fuels forms.

The revised forms are part of an agencywide effort to modernize its operations in a digital work climate.

Electronic signatures now have the same force as and are considered equal to an original signature.

“ It’s about customer service,” said April Richardson, Director of Alternative Fuels Safety. “Being able to function digitally allows us to better serve our regulated community. It allows operators to conduct business quickly no matter where they are located. ”

That is also advantageous during unique situations, such as the current pandemic, when workplace access may be restricted.

The new signatures simplify how companies do business with the Railroad Commission. The agency had previously allowed forms to be submitted electronically, but the forms had to be first printed, signed with a pen, and then scanned in before being sent via email.

The change allows operators to electronically sign forms with whatever computer program that they are using to fill out the forms, such as DocuSign, Adobe Reader, Adobe Professional, or Preview on Macs.

To view and download alternative fuel safety forms, visit the RRC website at <https://rrc.texas.gov/alternative-fuels/alternative-fuels-forms>.

VISIT ALTERNATIVE FUELS FORMS

Reminder to Pipeline Operators: 2021 Pipeline Mileage Fees Due April 1

Pipeline operators are reminded their 2021 pipeline mileage fees are due April 1, 2021. Operators will use the number of miles they have permitted as of Dec. 31, 2020, to calculate their 2021 pipeline mileage fee.

The deadline for payment without incurring late penalties is April 1. This year's mileage charts recorded by the Commission and other information on the fees can be found at: <https://rrc.texas.gov/pipeline-safety/pipeline-fees/>

The rule amendments are in accordance with House Bill 1818, which passed in 2017 and mandated the creation of provisions to fund the RRC's Pipeline Safety Program.

All mileage fees are required to be paid through the Pipeline Online Permitting system (POPS) in the RRC Online System.

For additional information, contact the RRC Pipeline Safety at: POPS@rrc.texas.gov or 512-463-6802.

[VIEW POPS INSTRUCTIONS](#)

Railroad Commission, TCEQ work together to better protect environment



Photo courtesy TCEQ

While only one state agency in Texas has environment as part of its name, no single agency has sole responsibility in protecting it.

The Railroad Commission – the primary regulator for the oil and gas industry, coal and uranium surface mining, mine reclamation, pipeline safety, natural gas utilities, and the LP-gas industry – plays a critical role in protecting the environment in the state. In fact, the Railroad Commission adopted its first water protection rule, entitled Fresh Water to be Protected, in 1919.

That mission frequently is shared with the more obviously titled Texas Commission on Environmental Quality. In order to do the very best job for Texans, RRC cooperates and collaborates with the TCEQ whenever it can.

“We are actively engaged with the TCEQ and our sister agencies to protect the environment and to fulfill our respective legislative missions,” said David Cooney, RRC Special Counsel.

The RRC and TCEQ have regular meetings to share information and consider cross jurisdictional matters, legislation, and other issues that need to be clarified.

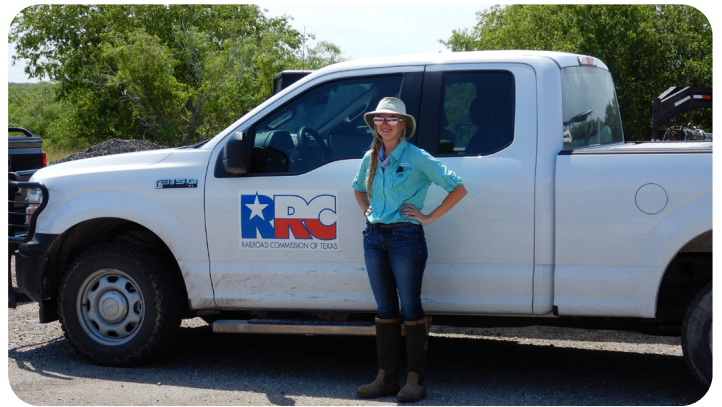


Photo courtesy TCEQ

When both agencies enforce the same statutes – depending whether it pertains to an industry or activity that falls under the RRC’s jurisdiction – such as those dealing with surface water pollution, the agencies regularly discuss enforcement.

“We do this partly to encourage consistency,” said Leslie Savage, RRC Chief Geologist.

When a complaint is received by one of the agencies, it may not be clear which agency needs to respond. To make sure that the environmental issue is appropriately responded to, the agencies share complaints between RRC district offices and TCEQ regional offices.

“ We communicate back and forth,” said Jeffery Morgan, RRC District 8 Director. “I think it is vital we do. I think it is important.”

The agencies will back each other up, as well.

“If we see anything that looks suspicious, we will let them know, and they will let us know,” Morgan said. “We will send them our inspection report. They will send us a report, too.”

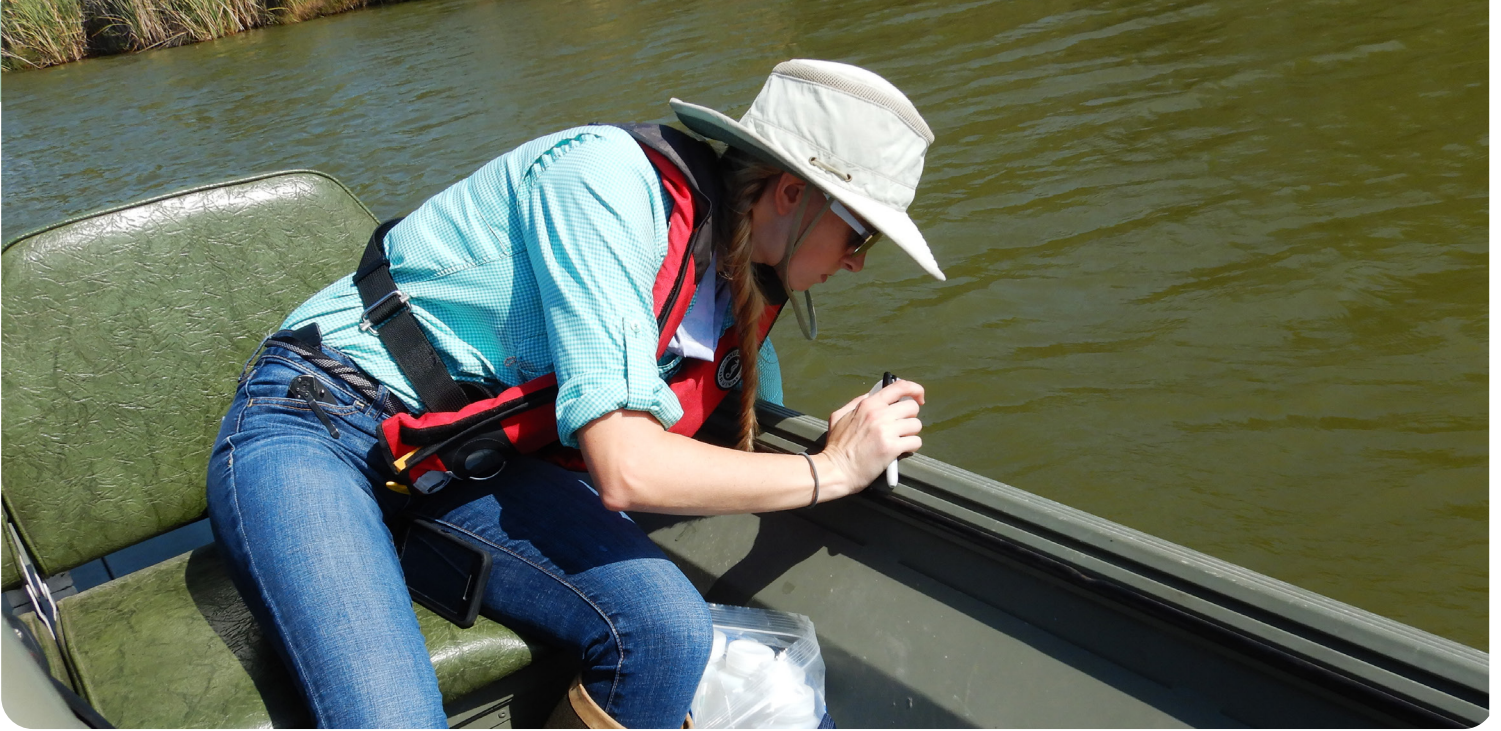


Photo courtesy TCEQ

This type of cooperation is especially evident during an emergency response or complaint investigation.

For example, Morgan said, there was a potential contaminant in a water body in his district affecting wildlife in a recent year. RRC inspectors worked alongside staff from the TCEQ and Texas Parks and Wildlife until the source was identified. Only then could jurisdiction be determined, he said.

Another issue affecting Texans is flaring at oil and gas facilities. While TCEQ has jurisdiction over emissions, companies apply to the RRC for exception to flare. RRC concerns itself with the responsible use of state resources and safety at oil and gas sites.

There is plenty of room for cooperation.

While recent actions at the RRC are intended to reduce the amount of flaring at oil and gas sites, Paul Dubois, Assistant Director of Technical Permitting, said the changes also make the information collected more useful to the TCEQ to help with its enforcement of air quality.

For years, RRC has provided various other types data to help TCEQ, but that has required a lot of labor hours by RRC workers to accommodate TCEQ.

“In 2019, we worked with TCEQ to help them access our data directly,” Dubois said. “Now that all of our

information is downloadable in bulk files, they have started downloading it and using it without us having to query and send it to them. They can update their data whenever they want without us having to do an annual data dump.”

RRC and TCEQ share technical information to help facilitate various types of permits, such as injection wells, which both agencies handle.

It is not just about cooperation with TCEQ. RRC works with local, state, and federal partners whenever the need arises.

For instance, the protection of groundwater requires the cooperation of RRC, TCEQ and many others.

Savage says RRC initially started meeting regularly with the Texas Water Development Board to coordinate the sharing of information concerning groundwater quality.

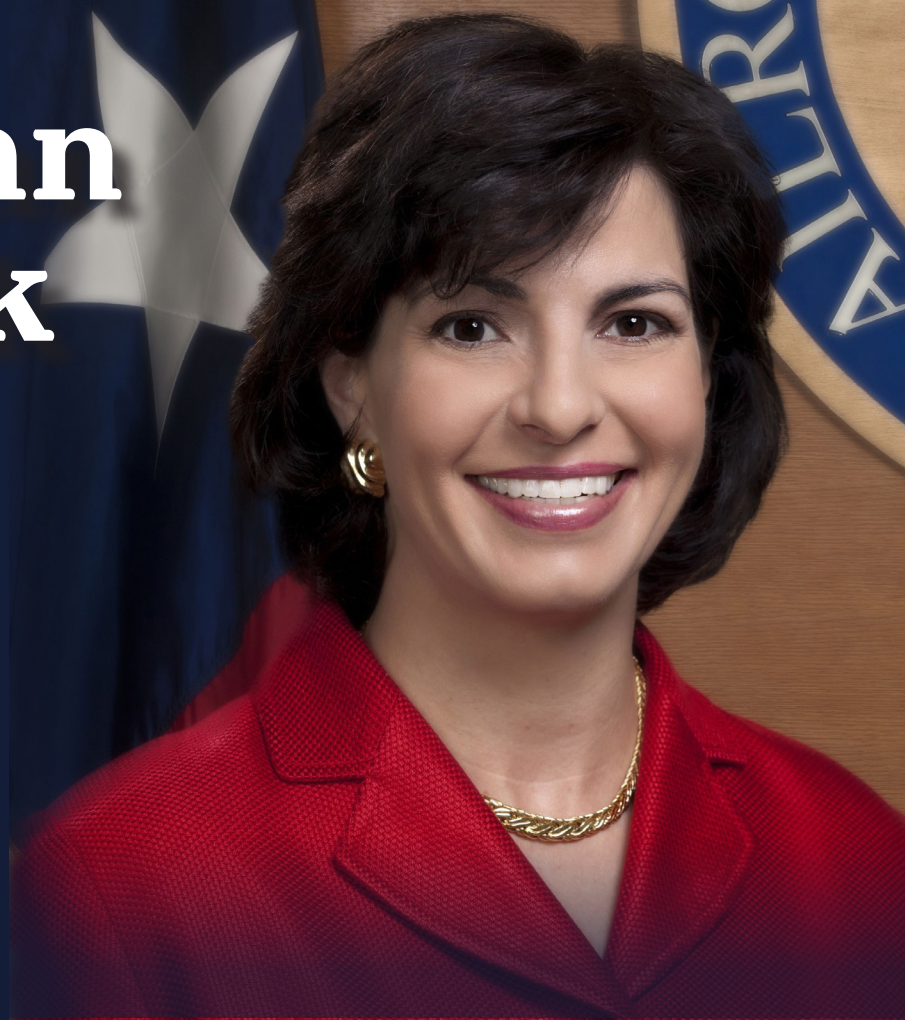
*“ It made sense for us to have the two agencies talk together to make sure that we were consistent, ”
Savage said.*

The now monthly meeting about groundwater has since grown to include the TCEQ, the United States Geological Survey, and the Bureau of Economic Geology.

With these examples and others, Savage said, cooperation clearly helps every agency better fulfill its mission. For Texans and Texas, that’s only a good thing.

Chairman Craddick

COMMISSIONERS' CORNER



January was an exciting month for the Railroad Commission of Texas. We were pleased to welcome a new Commissioner, Jim Wright, to the agency. I look forward to working with him to tackle the challenges that lie ahead and fulfill the mission of the agency.

Additionally, we welcomed the start of Texas' 87th legislative session. Our team has spent countless hours preparing, and I am committed to ensuring that this agency receives sufficient funding to provide the critical resources and data that we produce. I will continue visiting with Senators and Representatives to express the importance of this industry and the vital regulatory role that the Railroad Commission plays.

Finally, I was thankful for the opportunity to continue providing agency and industry updates to critically industry sectors, including engineers, service companies and producers, and other regulatory officials. After countless calls and virtual meetings, I am proud of the work this agency has completed to help keep Texas' energy industry vibrant. Though there is still work to be done, I am confident that the Railroad Commission of Texas is ready for the job.

Commissioner Christian

COMMISSIONERS' CORNER



This week, the *Midland Reporter-Telegram* published an op-ed by Commissioner Christian discussing a recent flaring report by Rystad Energy.

In the op-ed, Christian discusses the danger of relying solely on studies commissioned by interest groups and steps the RRC is taking to address the issue of routine flaring.

[READ MORE HERE](#)



Commissioner Wright

COMMISSIONERS' CORNER

Railroad Commissioner Jim Wright hit the ground running in his first month in office. He's logged over 20 meetings on a wide range of topics, including water recycling, flaring, waste management, transportation and export infrastructure, and new markets for our state's oil and natural gas. With the change in the administration at the White House, Wright has been working to develop ideas on how Texas can continue to benefit from our plethora of natural resources while complying with the influx of federal regulations headed our way.

"Texas has products that the rest of the nation and world want – affordable and reliable energy," said Commissioner Wright. "I am working to set up task forces that will tackle some of the biggest issues hampering the oil and natural gas industry from thriving no matter what is going on in Washington. Identifying how we can safely and routinely export our products, namely natural gas, to those who need it most is an important step in reducing flaring."

Commissioner Wright is working with leaders from around the state to help identify and implement these solutions and more. If you have an idea you'd like to share with Commissioner Wright, please reach out to his office at 737-900-3367.

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 ▶](#)