

November 3, 2023

Rules Coordinator
Office of General Counsel
Railroad Commission of Texas

Submitted electronically to rulescoordinator@rrc.texas.com

RE: Proposed Changes to 16 TAC 3.8

I am submitting comments as a former executive in the oilfield waste treatment, recycling, and disposal industry. Over the last 15 years, I've seen firsthand dramatic changes in the national energy landscape including widespread adoption of hydraulic fracturing and directional drilling. While these practices have helped solidify Texas as an energy powerhouse, they have also significantly changed the velocity in which these wastes are generated, as well as the total volume and types of wastes generated during an oil and gas well's life cycle.

For decades, oil and gas operators have been allowed to dispose of their drilling, completion, and production wastes by utilizing unlined pits located at the well or land applying directly upon surrounding ranch land. While these disposal methods were previously necessary from an economic standpoint due to limited third-party disposal capacity and long drive times, this is simply no longer the case – particularly in Texas.

Yet, Texas has not substantially updated its Ch. 8 regulations regarding onsite disposal since the late 1980's. Under the Resource Conservation and Recovery Act (RCRA), both the EPA *and* states are required to periodically review and revise regulations and policy relating to drilling waste management. The last major modifications to state rules relating to drilling waste occurred over two decades ago.

The industry should continue to thrive in Texas with limited federal encroachment. To better ensure that this is the case, immediate attention to modernization drilling waste management practices is urgently required.

After reviewing the draft Rule, there are critical items that need to be addressed and/or improved.

Landowner consent for permanent disposal via an onsite reserve pit must be required (pertinent Section - §4.114(g)(2)):

Most people outside of the oil and gas industry are unaware of the size, volume, contents, and scale of oil and gas operator practices for utilizing pits for permanent disposal of wastes generated from drilling activities. These pictures illustrate that impact¹:

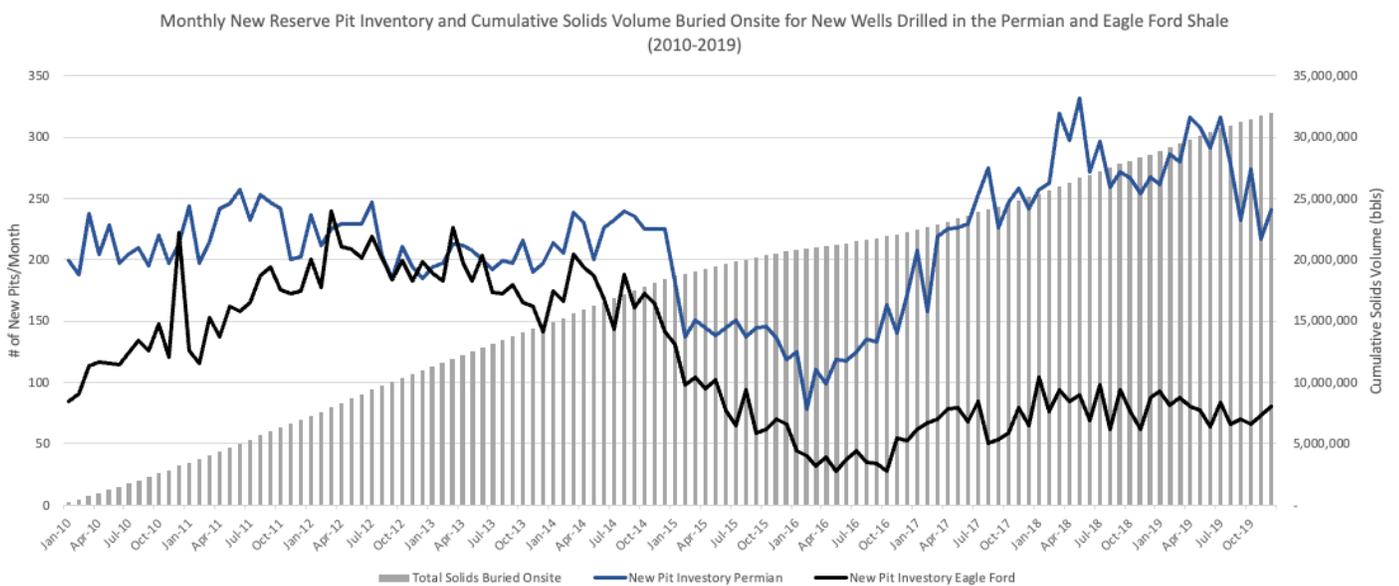
¹ The images are from pits located in the Texas Permian Basin



The vast majority of solid wastes generated in the region are managed onsite and ultimately disposed of in pits on location at the well site.



In fact, over a 10-year period between 2010-2019, it's estimated that thirty million barrels of waste were permanently buried onsite in over forty thousand pits...just in the Permian and Eagle Ford alone (see chart).²

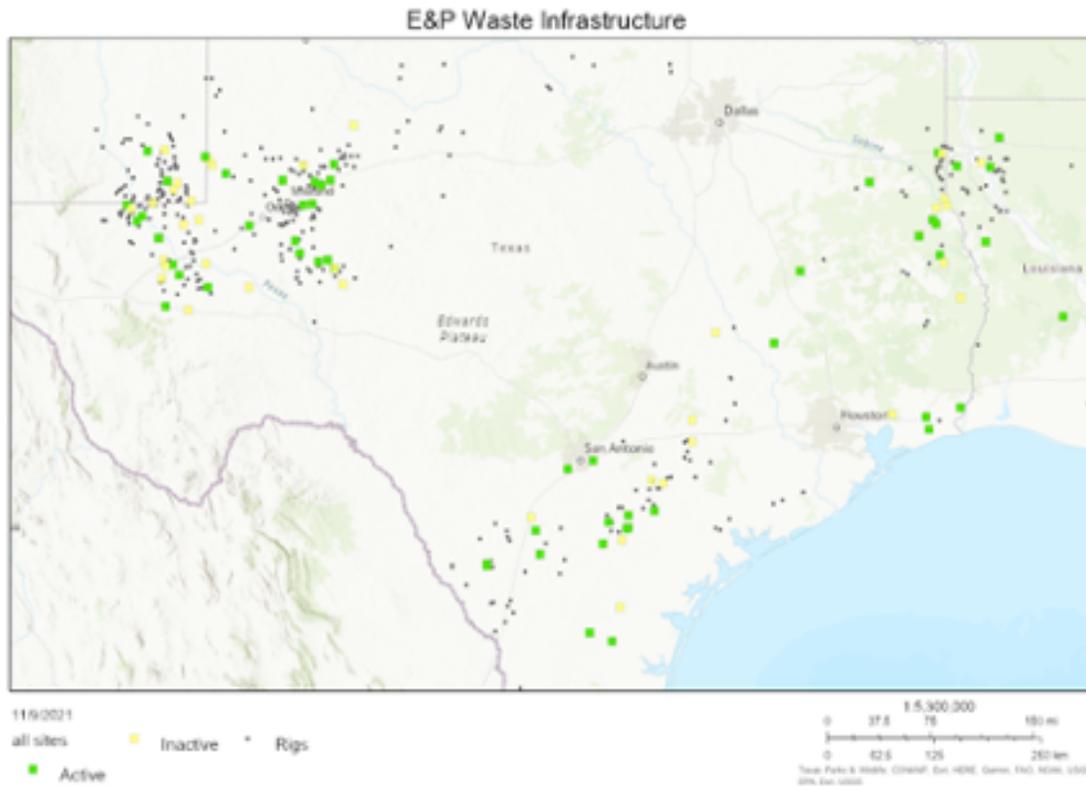


² Assumes roughly 75% of wells drilled utilize onsite disposal via burial and 500-700 barrels of waste per pit.

Per §4.111(d)(2) of the draft Rule, surface owner permission *is* required for disposal via landfarming at the wellsite. To be consistent, prior to closing a pit whereby waste is to be permanently disposed of via onsite burial, surface owner written permission must be required, especially due to the scale, impact to land use, and risk of groundwater contamination.

Commercial Facility Market Assessment Should be Required for New Applicants (pertinent Section §4.140 “Additional Requirements for Commercial Facilities”):

Oil and gas waste management companies have invested hundreds of millions of dollars in infrastructure to handle the increasing volume generated via drilling activity, including multi-lined landfills and injection wells for slurry disposal that can accommodate waste material to ensure the safety of the environment and the public. Nearly every drilling rig in the primary Texas shale Basin’s are located within an approximately 30-minute drive time of an RRC permitted, professionally managed disposal facility.



Since 2010, there have been dozens of commercial disposal permits awarded throughout Texas, even and especially during prolonged downturns in drilling activity. While the added disposal capacity was necessary to meet unprecedented demand for proper and safe management of oil and gas wastes generated by increased drilling activity, too much capacity impacts commercial viability and increases long-term liability from bad actors. A market assessment should become part of the permit considerations for new commercial applicants.

I personally would like to thank the Railroad Commission staff for their diligent, hard work to on this rule making process and for the opportunity to provide comments. While I am no longer working within the industry affected by these rules, I am passionate about ensuring they are implemented. No doubt there are many interested parties here. However, the changes recommended herein are with the intent of establishing a more proactive and thoughtful approach on a couple of key issues in order to modernize drilling waste management best practices, enhance transparency, reduce long-term liability risks while asserting Texas's right to govern energy waste practices occurring within the state.

Respectfully submitted,

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