

RRC Energy Minute

For the 87th Legislature & the Texas Congressional Delegation

August 2022

Our mission is to serve Texas by our stewardship of natural resources and the environment, our concern for personal and community safety, and our support of enhanced development and economic vitality for the benefit of Texans.

Drilling Permits Continue to Increase

Drilling permits granted by the Railroad Commission have been up significantly so far this year.

Compared to the same months in 2021, new original drilling permits have been up between 29% and 60% so far this year. In June of this year, the RRC granted 1,146 new original drilling permits, up from 739 in June 2021 or 55%. Compared to June 2020, which only had 262 new original drilling permits, this month is up by 337%.

Much of that can be attributed to demand. When the COVID-19 pandemic struck beginning in March 2020, demand for oil, especially, went down because a significant number of people were working from home and not travelling. This year, people are returning to normal activities. Since February, pressure on oil and gas prices has also increased following global boycotts in response to Russia's invasion of Ukraine. In May and June 2022, original recompletion permits were at 93 and 117 respectively, which were up from 75 in May 2021 and 84 in June 2021.

While new original drilling permits are up significantly this year over the last couple of years, they are still below earlier booms, such as 2,741 new original drilling permits in October 2014, which is more than double of what was granted by the RRC this month. **Records dating back to 2009 can be found on this page**.

Original New Drilling Permits (Last Two Years)

	2022	2021	Percent Increase
January	820	512	60%
February	836	606	38%
March	1,176	798	47%
April	946	732	29%
May	963	631	53%
June	1,146	739	55%

Effect of Pandemic (Started in March 2020) on Original New Drilling Permits

	2020	2019	Percent Decrease
March	671	1,005	-33%
April	416	802	-48%
May	208	931	-78%
June	262	905	-71%
July	286	836	-66%
August	377	865	-56%
September	371	733	-49%
October	329	895	-63%
November	321	882	-64%
December	434	743	-42%

RRC Hosts In Person Regulatory Conference

After temporarily being online for the past two years, the Railroad Commission of Texas (RRC) hosted its annual Regulatory Conference in person again. The RRC hosted over 680 attendees over two days.

The purpose of the conference to inform and train industry representatives on the applicable laws, rules, and procedures. The conference offered numerous sessions covering a variety of topics within the three main tracks of Critical Infrastructure, Oil and Gas, and Pipeline Safety.

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