

COMMITTEE REPORT

REGULATORY PRACTICES COMMITTEE

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The Permian Basin Petroleum Association's Regulatory Practices Committee meets on the third Tuesday of each month. Meetings have been held monthly this quarter. Meetings are held in person with a Zoom participation option available.

TEXAS

Texas Railroad Commission:

Form PR: Revisions to form PR to report all flared and vented gas went into effect. The reporting is required starting January, 2022.

SWR 32 Online System: Flaring permitting applications moved online. The system is working, although cumbersome at times.

Statewide Rule 40: Operators are continuing to have issues resolving permitting and completion issues on horizontal wells despite the recent Rule 40 revisions. The RPC formed an ad-hoc committee to discuss these issues with the RRC, but some of the issues have been resolved by members of the RPC individually on behalf of their company. This information was relayed to the membership.

UIC Issues: The Commission has started new processes concerning approving MIT tests, UIC applications, and associated filings. These new processes cause significant issues for the members due to quick deadlines, extreme actions threatening severances for minor discrepancies, voluminous requests for additional data, and more. PBPA stood up an ad-hoc group and joined forces with the other Trades to approach RRC staff to resolve these issues. This is in progress now.

Proposed SWR 65 and changes to SWR 107: Please be aware of the proposal to add new SWR 65 relating to Critical Designation of Natural Gas Infrastructure and corresponding changes to SWR 107 regarding penalties associated with new SWR 65 is posted. PBPA will comment on this proposal. Comments will be accepted until November 1, 2021.

Texas Commission on Environmental Quality

H2S Issue: In September, RPC members were warned of a potential H2S issue in Goldsmith and West Odessa as determined by TCEQ fixed monitoring. An urgent message was sent to operators regarding this news.

NEW MEXICO

Oil Conservation Division

OCD Waste Rules: The OCC approved the NMOCD Waste Rules at hearing on March 25th. The rule is in full force and effect. On May 21st OCD issued their final C-129 and Natural Gas Management Plan forms to industry. On June 23, EMNRD issued two Notices to upstream operators regarding additional FAQs and a notification form to upstream operators affected by Midstream Disruption.

New Web Site: The OCD announced a new website on July 22nd. General feeling is that the new website is not an improvement.

OCD Order No. 21674-C – On July 29th the OCC approved the WildEarth Guardians request to codify that fluid spills are prohibited under OCD rules and establishes that the OCD has jurisdiction over such. This amended rule became effective on August 24th.

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REGULATORY PRACTICES COMMITTEE CONTINUED

Environment Department

Ozone Precursor Pollutants Rules: PBPA RPC drafted comments which were submitted to the Environmental Improvement Board, which is conducting a two week long hearing on the NMED proposed Ozone Precursor Pollutants rule in September. PBPA is working with NMOGA in coordinating comments in response to this rule. It is anticipated this rule will go into effect in early 2022.

Federal

EPA/Army Corp of Engineers

Waters of the United States/SPCC – On June 9, EPA and the Army Corp of Engineers announced their intention to initiate a new rulemaking process that restores protections in place prior to the Trump Administration and develop a new rule to establish a durable definition of WOTUS.