

COMMITTEE REPORTS

REGULATORY PRACTICES COMMITTEE

Mark Henkhaus, Apache Corp., and Jimmy Carlile, Fasken Oil and Ranch

The Permian Basin Petroleum Association's Regulatory Practices Committee meets on the third Tuesday of each month. The meetings are open to RPC members only, and topics will range from local issues such as city or county regulations to federal actions which impact our business. The RPC coordinates with and receives updates from the PBPA HSE Committee, SHOC Committee, the new Air Quality workgroup, and from PBPA staff. This coordination and the updates are to ensure that the vital information the other committees are working on are shared with the RPC while not duplicating the other committee efforts.

TEXAS

- Rule 40: After two and half years of work from PBA, the other trades, and Commission staff, the Commission approved publication of a revised Rule 40 to eliminate the multiple assignment of acreage issues in horizontally-developed resource plays. This is currently open for public comment until December 9. PBPA is circulating the association's comments for this change, at this time.

While the revised rule, as published, has several things that are not as PBPA prefers, overall PBPA will support the revised rule. Our comments will reflect those items, in hope that the Commission will reconsider such things as notice for non-exception drilling permits, commission access to internal land documents in certain cases, the exception process for non-UFT fields, etc.

The other trade orgs are expected to support the rule overall, with appropriate comments on the sections that are noted above.

Several RPC members had key roles in bringing this rule to this point. I'd like to especially thank representatives from Fasken, Pioneer, Parsley, Chevron, and Apache in addition Stephen Robertson for the effort to bring this to rulemaking. There were many others who participated and are sending in individual comments, which are encouraged.

NEW MEXICO

- There is a lot of activity in New Mexico now, some of it related to the new administration. RPC members are being given information on the following issues in New Mexico, including:
 - OCD's 40% vacancy rate
 - New injection rules may be coming out soon
 - Concerns about illegal dumping in SE New Mexico
 - C-104 processing fees
 - New electronic well log filing
 - OCD-NMED methane regulation development
 - The NMED-NM State-State Engineer's Office produced water consortium
 - AQB minor source inventory requirements
 - State Land Office Arch reporting
 - And SLO efforts to extract disposal fees on non-SLO wells for "use of state pore space"

FEDERAL GOVERNMENT

- The federal issues continue to affect operations. RPC members have received information on these topics and issues:
 - EPA OOOOa proposed changes
 - Withdrawal of WOTUS rule and restoration of the pre-Obama rule
 - Changes in ESA interpretation
 - Update on the Carlsbad Resource Management Plan
 - BLM's upcoming attempt to revise the NM spill rule on federal lands
 - ROW bonding issues