



PERMIAN BASIN
PETROLEUM ASSOCIATION

The Standard

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Members,

May has been a very busy month for the PBPA, with speaking opportunities, proposed regulations at the state and national levels, runoff elections in Texas, seminars and more. In this version of the Standard, we try to recap the month that was and keep you updated on continuous advocacy efforts on your behalf.

PBPA Events & Actions

- Annual Clay Shoot & Pit King Challenge
- Committee Meetings
- Texas Weatherization Rule Update
- EPA Methane Proposal Update
- Texas Runoff Election Coverage
- PBERS 2022
- Environmental Excellence Award
- MCRW Luncheon Energy Panel
- Lea County EDC
- Texas Sunset Reports: TCEQ

Railroad Commission Proposed Revisions

- RRC Revisions to Form P-16
- RRC Revisions to Form T-1

Community Events

- Midland College PPDC Training Courses

Regards,

Ben Shepperd



The PBPA Clay Shoot and Pit King Challenge is two weeks away! We are thrilled to once again bring our members a one of a kind day out at the range.

Join us at Jake's Clays on June 10th for the 2022 PBPA Sporting Clay Shoot & Oil Patch Pit King Challenge. Come find out how you and the BBQ stacks up against the competition.

Sponsorships and Registration are going fast!

Shoot Sponsorship & Registration

Pit Challenge Registration

Upcoming PBPA Committee Meetings

- Regulatory Practices Committee Meeting, June 21, 2022
- Health, Safety and Environmental Committee Meeting, July 12, 2022

For more information on these or any of our other committees, please contact Stephen Robertson at stephen@pbpa.info or (432) 684-6345.

Texas Weatherization Rule Update

PBPA continues to engage with Railroad Commission of Texas (RRC) staff concerning the proposed rule for weatherization standards which will be titled 3.66. After the RRC adopts this rule, which is projected to occur in August, operators will be subject to its provisions beginning this fall.

As a primer, facilities subject to the weatherization rule are those that are BOTH submitted as critical infrastructure requirements as required under Rule 3.65 AND mapped by the supply chain mapping committee. At this time upstream operators have not been notified if their facilities are tied to the 83 processing facilities that serve generating entities in ERCOT, which were previously identified as being critical. There are several areas of focus for PBPA in the proposed rule, including the definitions for multiple terms, the Emergency Preparedness Standard, the Weather Emergency Preparedness Report, and Penalties. However, PBPA continues to work with the RRC on these issues in search of resolutions.

The proposed rule is scheduled to be published on June 7, 2022 and a 30 day public comment period will follow. The RRC anticipates adopting the rule on August 16, 2022. PBPA is developing official comments on the proposed rule through a joint effort of our Texas Legislative Committee, Regulatory Practices Committee and Electrical Coalition.

This joint efforts has made clear that among any other concerns, it is very important for the Commission to note:

- the obligations of worker health and safety during these weather events;

- recognizing the situations that are not in operators control, including but not limited to, actions by third parties;
- the important role that enforcement discretion will play in considering the actions of operators before, during, and after a weather emergency; and,
- the current and ongoing supply chain constraints that may hinder an operators ability to comply with best practices despite their best efforts.

For more information on these efforts, please reach out to Michael(Michael@pbpa.info).

Meeting with EPA on Methane Rules

In November of 2021, the U.S. Environmental Protection Agency (EPA) published a "Standards of Performance for New, Reconstructed, and Modified Sources and Emissions Guidelines for Existing Sources: Oil and Natural Gas Sector Climate Review", or new methane capture proposals. PBPA, with support from our Health, Safety and Environmental (HSE) Committee and our Regulatory Practices Committee (RPC), engaged with the EPA on this proposal and ultimately submitted official comment in January 2022.

Since the submission of PBPA's comments, we have continued to engage with the EPA and other stakeholders on EPA's methane rules proposal. Recently, PBPA staff and members from our HSE Committee and RPC met with U.S. Environmental protection Agency (EPA) staff to discuss the EPA's proposal and PBPA's continuing concerns. Both sides came away with action items and some clarifications.

We greatly appreciate the support of our members in this process and will continue to engage on your behalf for proper and better regulation, when needed.

Texas Runoff Election Coverage

There were a number of local and state-wide races in Texas that concluded with election day voting on Tuesday, May 24, 2022. Among those were state-wide races for Lt. Governor (D), Comptroller of Public Accounts (D), Commissioner of the Railroad Commission of Texas (R), Commissioner of the General Land Office (D & R), and Attorney General (R). The results of those runoff elections are as follows (projected winners are in **bold**):

Republican Primary Results

Attorney General
Ken Paxton 67%
 George P. Bush 32%

Commissioner of the General Land Office
Dawn Buckingham 68%
 Tim Westley 31%

Railroad Commissioner
Wayne Christian 65%
 Sarah Stogner 34%

Democratic Primary Results

Lt. Governor
 Michelle Beckley 44%
Mike Collier 55%

Attorney General
Rochelle Mercedes Garza 62%
 Joe Jaworski 37%

Comptroller of Public Accounts
Janet T. Dudding 61%
 Angel Luis Vega 38%

Commissioner of the General Land Office
Jay Kleberg 53%
 Sandra Grace Martinez 46%

There were a number of other U.S. Congressional, State House, State Senate and local

elections that also were decided by the May 24th runoff. For more information on these races, please reach out to us or go to the Texas Elections Division results page [here](#).



2022 PB Environmental Regulatory Seminar

On May 19, 2022, the Midland College Petroleum Professional Development Center (PPDC) and the PBPA presented the annual Permian Basin Environmental Regulatory Seminar. The seminar is a proactive approach for oil and gas industry professionals to keep current on the most recent environmental regulations and policy changes. Several PBPA members and PBPA staff member, Stephen Robertson, serve on the advisory committee for the seminar, providing support and direction for the events speakers and content.

This year's seminar included presentations from the Railroad Commission of Texas, the U.S. Bureau of Land Management, Texas Commission on Environmental Quality, New Mexico Oil Conservation Division, and from members of the private sector, including PBPA board member Larry Richards, who spoke about Methane Mitigation Strategies, and PBPA staff member Stephen Robertson, who spoke about the Federal Government's Use of the Cost of Carbon.

PBPA is always honored to be part of this annual seminar and we thank the incredible staff at the PPDC for putting on such a high quality event. Thank you also to those PBPA members who sponsored or attended this year's seminar, including eTech Environmental & Safety Solutions, Inc., Permian Regulatory Solutions, Sport Environmental Services, Milestone Environmental Services and Standard Safety & Supply. If you have any recommendations on possible speakers or topics for next year's seminar, please reach out and let us know!

Environmental Excellence Award

At the Permian Basin Environmental Regulatory Seminar on May 19, 2022, the Railroad Commission of Texas (RRC) and the Bureau of Economic Geology (BEG) were honored for their work on seismicity with the Bruno Hanson - Midland College Environmental Excellence Award. The Environmental Excellence Award is presented annually to recognize an organization or individual's exceptional achievements in environmental stewardship. Any local business, professional organization, government, state or city agency, educational institution, or individual that has an environmental project, procedure, or program that exceeds industry standards can be recognized for their commitment to environmental excellence with this award. However, the program needs to have application in the Permian Basin.

For their work addressing seismicity, which includes the development of the TexNet monitoring system and regulatory response to changing seismic conditions, the BEG and RRC were this year's Environmental Excellence Award honorees. [Here](#) you can read a story that

ran in the Midland Reporter Telegram on the award.

PBPA congratulates both the RRC and BEG for their industry leading, collaborative efforts in seismic monitoring and response, and for their engagement with members of the oil and gas industry on these matters throughout the Permian Basin.



Energy Panel at MCRW Luncheon

On May 11, 2022, PBPA's Stephen Robertson moderated a discussion with the Honorable Jason Isaac, Texas Public Policy Foundation, and Kevin Sparks, Republican nominee for Texas Senate District 31, on current issues facing the energy industry at the Midland County Republican Women's May Luncheon. It is always an honor and a pleasure to get to share the incredible story of the Permian Basin with different groups. If you are part of a group that would be interested in hearing from the staff at PBPA on current events or issues facing the industry in the Permian Basin, please reach out and let us know.

Lea County EDC Presentation

PBPA was honored to be invited to serve as the lunch keynote for the Economic Development Corporation of Lea County earlier this month. Michael Lozano presented to the members in attendance about the obstacles and opportunities that face the Permian Basin oil and gas industry in New Mexico. Speaking on state and federal issues, PBPA noted the value of great communities like those in Lea County who help promote the industry and are vital to its continued success. While there are ongoing state and federal legislative and regulatory issues that will be a challenge moving forward, opportunities are abundant in the Land of Enchantment because of the vibrant people and geology that make it like no other place in the world.

Texas Sunset Reports

In 1977, the Texas Legislature passed the Texas Sunset Act. The purpose of this act is to "shine a light" on state agencies and programs in review of their relevancy in a changing world. Upon review, the Sunset Advisory Commission then makes recommendations on the continual operation of the reviewed agency or program, or for its termination. This week, the Sunset Advisory Commission released Sunset Staff Reports for a state agency of interest to the oil and gas industry of the Permian Basin, being the Texas Commission on Environmental Quality (TCEQ). Included in these reports is also a review of the Texas Low-Level Radioactive Waste Disposal Compact Commission.

The Staff Report recommends that the TCEQ continue to operate, concluding that "TCEQ performs admirably administering its complex programs..." This does not mean there were not further recommendations from the Sunset Advisory Staff, however, and no specific recommended date for extension of sunset review was offered for the TCEQ. The Texas Low-Level Radioactive Waste Disposal Compact Commission, while subject to review, cannot be abolished under the Sunset Act. However, the Staff Report recommends extending the compact commission's Sunset date for 12 years.

The Staff identified five Issues/Recommendations regarding the TCEQ and one for the Texas Low-Level Radioactive Waste Disposal Compact Commission:

- TCEQ's Policies and Processes Lack Full Transparency and Opportunities for Meaningful Public Input, Generating Distrust and Confusion Among Members of the Public.
 - TCEQ's Compliance Monitoring and Enforcement Processes Need Improvements to Consistently and Equitably Hold Regulated Entities Accountable
 - TCEQ's Oversight of Water Could Better Protect the State's Scarce Resource
 - TCEQ and the Office of Public Interest Counsel (OPIC) Lack Certain Transparent and Efficient Processes for OPIC to More Effectively Represent the Public's Interest
 - The State Has a Continuing Need for the TCEQ
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- The State Benefits From Continued Legislative Oversight of the Texas-Low Level Radioactive Waste Disposal Compact Commission

To read the full reports published by the Advisory Commission on the TCEQ and Texas Low-Level Radioactive Waste Disposal Compact Commission, please use the following links:

[Executive Summary](#)

[Staff Report](#)

[Self-Evaluation Report](#)



RRC Accepting Comments on Revisions to Form P-16, Acreage Designation

The RRC is accepting public comment on proposed revisions to the Form P-16, *Acreage Designation*, and its instructions. PBPA is working on comments through our Regulatory Practices Committee. If you are interested in assisting with these comments, please let Stephen (stephen@pbpa.info) know.

The proposed revisions include three changes to the Form P-16 and two changes to the instructions.

1. Opportunity for operators to provide information concerning depth severances in Section II.
2. Removal of acreage assignments in Section V.
3. Tabulation of acreage assignments in Section VI.

The RRC provides that the proposed revisions to the Form P-16 instructions should provide clarity related to the inclusion of depth severances when needed for reporting purposes.

Public comments will be accepted through June 3, 2022. To view the proposed revisions and submit a comment, visit the RRC website at <https://www.rrc.texas.gov/forms/proposed-form-amendments/>.

RRC Accepting Comments on Revisions to Form T-1, Monthly Transportation and Storage Report

The RRC is also accepting public comment on proposed revisions to the Form T-1, *Monthly Transportation and Storage Report*, and its instructions.

According to the RRC, the proposed revisions are purely cosmetic. They report that there are no new data items nor have any existing date requirements been removed. The updated Form T-1 is now in a fillable PDF format along with reported totals auto-calculated within the form.

The instructions have been expanded to clarify filing procedures along with examples of how to properly assign receipts and deliveries. The proposed revisions make the necessary changes to align with the form.

Public comments will be accepted through June 3, 2022. To view the proposed revisions and submit a comment, visit the RRC website at <https://www.rrc.texas.gov/forms/proposed-form-amendments/>.

PBPA is also looking into submitting comments on these revisions with member support and input. If you have any recommendations for these comments, please email Stephen (stephen@pbpa.info).



MC PPDC Programs

MC PPDC provides quality training programs designed to keep oil and gas industry professionals current in their areas of expertise by offering the latest industry updates, as well as providing timely and pertinent educational opportunities. Click the below links for upcoming classes being offered by the MC PPDC in the coming months.

All classes are held in-person at the PPDC unless designated “online” in the course description.

[Training Guide](#)

[Risk Management](#)

[ESG Fundamentals](#)

[OSHA General Industry Training](#)

