



PERMIAN BASIN
PETROLEUM ASSOCIATION

The Standard

Vol. 4, Issue No. 13



Members,

Thank you to all those who sponsored or attended this year's PBPA Clay Shoot and BBQ Cookoff. The shooting was competitive, the food was great and everyone had a blast! It is great to be able to offer our members in-person events again and we look forward to seeing you all again sometime soon.

Inside this edition of The Standard, you'll find updates on Texas legislative and regulatory issues, notices from the Railroad Commission and OCD as well as the following:

- **Texas Update**
- **Annual Meeting Announced**
- **Clay Shoot, Thanks for all the Shells!**
- **PBPA Workgroups**
- **RRC: Accepting Comments on Revisions to Form P-4**
- **RRC: Applications for Critical Load**
- **RRC: Notice re: RRC PIPES System**
- **OCD FAQ Sheets on Waste Rule and Other Notices**

Regards,

Ben Shepperd



PBPA in Action

Texas Update

While the Regular Session of the 87th Texas Legislature adjourned as scheduled at the end of May, we knew it was only a matter of time before an additional Session would be called by Texas Governor Greg Abbott. Well, it's now official.

The First Called Session of the 87th Texas Legislature will begin on July 8, 2021 as announced this week by Governor Abbott. The Legislature is limited in what it may consider as part of the Governor's call and at this time, these items "will be announced prior to the convening of the special session."

The Railroad Commission of Texas (RRC) continues to work as well and at this week's RRC Conference several things of note were mentioned. Commissioner Wright thanked the Commission staff for their explanation and justification for the approximately 100 Rule 32 (Flaring exception) applications on the Oil and Gas Consent Agenda. He thanked operators for their efforts to reduce flaring and encouraged the industry to continue to seek markets for their gas.

In addition to the orders granted by the Commission on the agenda, the Commission noted that there were 13 bills passed that directly impacted the RRC this session. This includes two bills related to Winter Storm Uri, SB 3, the broad winter storm bill, and HB 1520, related to bond authority for certain gas utilities.

Additionally the RRC noted bills providing authority to the RRC for class VI wells (HB 1284) and a bill (HB 2201) requiring the agency to consider a flood plan in considering the location of commercial oil and gas facilities. The agency also approved Item 213 which would modify the "Telework" plans in the agency handbook for RRC Staff.

Turning to new and ongoing federal issues, the agency noted that the current administration in Washington D.C. has launched ambitious energy and environmental rules and that they will continue to update the agency and prepare comments or other actions related to federal agencies. An example of this includes the Biden Administrations plans to repeal the Trump's navigable waters rule and return to the 2015 Waters of the U.S. Rule as adopted by the Obama Administration.

Additionally, the Commission heard from staff about the proposed listing of the Lesser Prairie Chicken (LPC) which has been proposed to be listed as endangered in the Permian Basin. The proposal was filed on June 1, 2021, and staff sought approval for the Executive Director and Staff to prepare comments for the rule that are due August 2, 2021. PBPA succeeded in a lawsuit against USFWS previously and efforts to maintain and implement conservation agreements continue in the private sector. RRC Staff seeks permission to prepare comments to the agency because the Commission will not meet in July before the August 2nd deadline. Commissioner Christian complimented the staff for their engagement, and Commissioner Wright noted the effort of the private sector to engage in conservation and improve the habitat for the LPC. Chairman Craddick noted the challenge in the issue, supported the effort by the staff, and moved that the agency approve the request by staff to prepare comments.

[A full list of agenda items may be viewed here](#) and a [link to the video of the hearing is here](#).

Thanks for all that you do to keep the future of the Permian Basin bright!



PERMIAN BASIN PETROLEUM ASSOCIATION

SAVE THE DATE

59th ANNUAL MEETING

September 29th 2021- Opening Welcome Reception

Petroleum Museum
1500 W. Interstate 20, Midland, Texas

September 30th 2021- Kick-Off Breakfast & Keynote Luncheon

Petroleum Club of Midland
501 W. Wall St., Midland, Texas



2021 CLAY SHOOT SPONSORS

ConocoPhillips



Thank you to all those who sponsored, cooked for and came out to shoot in the 2021 PBPA Clay Shoot and Pit King Challenge on June 11th. This year's event was synonymous with heat. The competition was hot, the food was hot, and the weather was definitely hot!



We're honored by the support we received from our members and had a blast bringing you this year's event. Congratulations to those we topped their shooting and cooking competitors. We look forward to another great event next year!

Active PBPA Workgroups

Currently, PBPA staff and members are working on comments regarding two administrative actions; one proposed by the New Mexico Environment Department and one proposed by the U.S. Fish and Wildlife Service. These groups are meeting on a weekly basis to develop comments. If there are any PBPA members not involved with these efforts that would like to be, please email stephen@pbpa.info for more information.

[RPC Sub-Committee on NMED's Proposed Ozone Precursor Rules](#)

[SHOC Sub-Committee on USFWS Proposal to list the Lesser Prairie Chicken under the Endangered Species Act as Endangered in the Permian Basin](#)

For more information on PBPA committees, subcommittees or workgroups, please reach out to Stephen at (432) 685-6345 or stephen@pbpa.info.



Regulatory Updates



RRC Accepting Comments on Revisions to Form P-4, Producer's Transportation Authority and Certificate of Compliance

As the Railroad Commission of Texas (RRC) continues to implement legislation passed during the 87th Regular the RRC is accepting public comment on proposed revisions to the form and associated instructions for the Form P-4, *Producer's Transportation Authority and Certificate of Compliance*.

The proposed revisions include three changes to the Form P-4 and two changes to the instructions.

- First, in number 12. – *Purpose of Filing*, the addition of a field for an RRC issued Docket number. This change will allow the RRC to refer to any cases currently pending or issued concerning the transfer.
- Second, in number 12. – *Purpose of Filing*, the addition of separate check boxes for Field Transfer, Unitization, and Subdivision. The Field Transfer check box is new, while the Unitization and Subdivision were originally placed together. The new check boxes will be implemented to allow operators to select the appropriate reason for transfer.
- Third, in number 12. – *Purpose of Filing*, the removal of the OR option. The operator will be required to enter information for both items (a. *Change of:* and b. *New RRC Number:*). Previously, operators had the option to choose either (a. **or** b.) which led to form submission errors.

The current Form P-4 Instructions do not list instructions for Purpose of Filing. The proposed revisions make the necessary changes to align with the form.

Public comments will be accepted through July 24, 2021. To view the proposed revisions and submit a comment, visit the RRC website at <https://www.rrc.texas.gov/forms/proposed-form-amendments/>.

Notice to Operators: Applications for Critical Load Serving Electric Generation and Cogeneration Being Accepted

Again, as the RRC continues to implement legislation passed during the 87th Regular Session of the Texas Legislature, the agency anticipates issuing additional guidance regarding critical designations for oil and gas operators later this year.

The RRC has been informed that *Applications for Critical Load Serving Electric Generation and Cogeneration* are currently being accepted. The RRC requests that oil and gas operators under the RRC's jurisdiction review the form and apply for critical load designation as appropriate. The RRC does not have jurisdiction over electricity generation. Questions related to this application form or critical load designation should be directed to your electric utility provider.

The *Application for Critical Load Serving Electric Generation and Cogeneration* form is available on the Electric Reliability Council of Texas (ERCOT) website at http://www.ercot.com/content/wcm/key_documents_lists/174326/Final_-_pdf_-_App_for_gas_pipeline_load_vo20320.pdf.

To view the full notice, visit the RRC website at https://rrc.texas.gov/media/5mghouup/2021-notice-to-operators_ercot-application-for-critical-load_6-15-2021.pdf.

Required SYS_ID Attribute Character Limit Increasing from Six to Eight

Effective July 19, 2021, in response to a planned June launch of the RRC Pipeline Inspection Permitting & Evaluation System (PIPES), all former Pipeline Evaluation System (PES) System ID Numbers will be replaced with the new RRC PIPES Regulated Entity Number.

The RRC PIPES system will allow for the research and upload of records associated with the RRC's Pipeline Safety Program, including inspections, fees, incident reports and complaints. Pipeline operators may also log in to submit and upload applications and other documents for review and approval by the RRC. The RRC will provide additional information once the system launches.

To allow for future growth, the character limit will increase from six to eight characters. However, if an operator already has a six-digit SYS_ID Number they will continue to use it. Only newly assigned SYS_IDs will be eight characters.

To view the full notice, visit the RRC website at https://rrc.texas.gov/media/ni2cdxqx/2021-pipeline-nto_sys_idattribute_6-01-2021.pdf.



This week, the New Mexico Oil Conservation Division (OCD) released their second set of Frequently Asked Questions (FAQ) regarding the new Waste Rule. You can find this [second FAQ sheet here](#), and you can find the [first FAQ sheet released by OCD here](#)

Also this week, OCD provided a notice for how Midstream Operators are to notify Upstream Operators effected by midstream disruptions. That notice can be found [here](#).



