



PERMIAN BASIN  
PETROLEUM ASSOCIATION

# The Standard

Vol. 5, Issue No. 13



Members,

On Friday, September 2, Texas Comptroller Glen Hegar reported that oil and natural gas productions taxes collected by the state during its fiscal year 2022, which ran September 2021 through August 2022, surpassed \$10 billion for the first time in history. This is an incredible reminder that the success you are accomplishing in the field doesn't only benefit you, your company and your family, but it supports public and higher education opportunities, road construction, law enforcement and an extraordinary number of other essential services for Texans across the state.

Thank you for the time and talent you commit to making the Permian Basin the premier oil and natural gas producing region in the world. In this issue of The Standard, you will find updates on the actions PBPA is taking to protect your right to continue operating and other important information on the following regulatory actions or events in our region:

## **PBPA In Action**

- PBPA Annual Meeting
- Annual Compensation Survey
- Committee Meetings
- PBPA Working Groups

## **RRC Updates/Reminders**

- Revisions to 3.65 - Critical Infrastructure
- Amendments to Chapter 5 Rules on CO<sub>2</sub>
- Revision to Commingled Permit Number, Monthly Prod. Report
- Recycling Treated Domestic Wastewater
- Invitation by NM OCD Re: Plugging Abandoned Wells

## News and Events to Know

- MC PPDC Programs
- Career Fair

Regards,

Ben Shepperd



## **Agenda**

**Permian Basin Petroleum Museum**  
**September 28th**  
6:00 PM - 8:00 PM

**Opening Welcome Reception**

**Petroleum Club of Midland**  
**September 29th**  
7:30 AM - 2:30 PM

**TX & NM Kickoff Breakfast**

**Texas Legislative Discussion**

**New Mexico Legislative Discussion**

**Luncheon Keynote Address**

# Sponsorships & Registration

Sign up for a sponsorship or register now for the 60th PBPA Annual Meeting. Sponsorships and registrations are filling up fast.

PBPA's Annual Meeting gives all those in attendance the chance to listen to and ask questions of a variety of experts who will present on the top issues confronting our industry. Attendees will also benefit from projections on our industry moving forward from those in the know.



Rep. Jim Townsend



Rep. Rebecca Dow



Rep. Greg Nibert



Rep. Larry Scott

Thursday's programming will include a New Mexico Legislative Panel which will discuss the important topics facing the state as it enters a new legislative session in 2023 and, before that, elections for the House or Representatives to be held in November 2022. Participating in this panel discussion will be:

- Minority Leader in the House, Representative Jim Townsend (District 54), who serves on House Energy, Environment & Natural Resources, House Judiciary, House Printing & Supplies, and House Rules & Order of Business, representing the people of Chaves, Eddy and Otero Counties.
- Representative Rebecca Dow (District 38), who serves on House Commerce & Economic Development and House Education, representing the people of Grant, Hidalgo and Sierra Counties.
- Representative Greg Nibert (District 59), who serves on House Government, Elections & Indian Affairs, House Judiciary, and House Rules & Order of Business, representing the people of Chaves and Lincoln Counties.
- Representative Larry Scott (District 62), who serves on House Energy, Environment

Keep an eye out for additional program details as the 60th Annual Meeting nears.

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# Permian Basin Oil & Gas Compensation Survey



PBPA is partnering with WhitneySmith Company to conduct the 6th annual Permian Basin Oil and Gas Compensation Survey. The survey brings an industry compensation survey to PBPA members who have E & P operations in the Permian Basin.

**Participating in the 2022 PBPA Survey is especially important for organizations in analyzing pay levels against current market practices. The survey provides comprehensive data for budgeting, setting, and administering competitive pay levels and updating compensation structures.**

The 2022 survey reports annual base salary/hourly rates, annual bonus data, and total annual compensation for over 90 benchmark positions including technician, professional, engineering, land, field, administrative, management, and executive positions. Each surveyed position stratifies salary data by high, low, mean, median, 25th and 75th percentiles. Results are reported in aggregate, as well as, by company size groups when sufficient data is available. All data is held in the strictest of confidence.

[Register Today](#)

## Upcoming PBPA Committee Meetings

- Health, Safety and Environment Committee Meeting, September 13, 2022
- Regulatory Practices Committee Meeting, September 20, 2022

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

## PBPA Working Groups

- PBPA has assembled a working group to review and develop comments on the U.S. Environmental Protection Agency's proposed revisions to the Greenhouse Gas Reporting Rules. Comments on these proposed revisions are due on October 6, 2022.
- The Railroad Commission of Texas is holding an initial meeting with invited participants to discuss changes to Statewide Rule 32, including a special provision that would authorize certain flaring at high-volume, consolidated production facilities. At this time, it is not known if such changes will require rule modification or can be authorized by policy. We have been informed that Commission staff is aware of some efficiency and practicability concerns with the current administrative program for issuing exceptions to Statewide Rule 32, so hopefully some rational adjustments will be made. It is not known at this time if PBPA will assemble a working group on this matter, but if you are interested in joining such an effort, please let us know.
- We have been informed the idea of revising Statewide Rule 8 is being floated by the Railroad Commission. Their proposal, among other changes, is to move Statewide Rule 8 into Chapter 4 along with commercial recycling in new Subchapter A. PBPA discussed at our recent Regulatory Practices Committee assembling a working group to track this effort, review and possibly provide comment to any proposed reviews if this effort continues to gain momentum. The PBPA is also working with the Joint Trades to organize meetings (the first such meeting being held on September 9) and collect feedback inclusive of the industry and to better assist operators in providing industry wide feedback to the proposals.

For more information on these or inquiries regarding any other working group efforts, please contact Stephen Robertson at [stephen@pbpa.info](mailto:stephen@pbpa.info) or (432) 684-6345.



## **RRC Accepting Public Comment on Critical Designation of Natural Gas Infrastructure Rule**

The Railroad Commission of Texas (RRC) is accepting public comment on proposed amendments to 16 Texas Administrative Code (TAC) §3.65, relating to Critical Designation of Natural Gas Infrastructure.

The proposed rule amendments simplify the rule language and process for designating certain natural gas facilities and entities critical during energy emergencies as specified in House Bill 3648 and Senate Bill 3 (87<sup>th</sup> Legislature, Regular Session).

- 16 TAC §3.65(a) — Provide more certainty regarding the definition of “energy emergency”.
- 16 TAC §3.65(b)(1) — Amend the list of critical gas suppliers.
- 16 TAC §3.65(c), (e) and (f) — Revise requirements triggered by a critical gas supplier’s inclusion on the electricity supply chain map produced by the Texas Electricity Supply Chain Security and Mapping Committee.

To view the proposed rule amendments and submit comments online by 5 p.m. on Friday, October 7, 2022, visit the RRC website at <https://www.rrc.texas.gov/general-counsel/rules/proposed-rules/> under “Chapter 3: Oil and Gas”.

PBPA is preparing public comments in support of these amendments through our Regulatory Practices Committee, Texas Legislative Committee and Electrical Coalition.

## **RRC Adopts Amendments to Chapter 5 Rules Relating to Carbon Dioxide (CO<sub>2</sub>)**

The RRC has adopted amendments to 16 Texas Administrative Code (TAC) Chapter 5, relating to Carbon Dioxide (CO<sub>2</sub>), effective September 19, 2022.

Amendments to 16 TAC §5.101, §5.102 and §§5.201 – 5.207 implement changes made by House Bill 1284 (87<sup>th</sup> Legislative Session, Regular Session) giving RRC sole jurisdiction over carbon sequestration wells (jurisdiction previously shared with the Texas Commission on Environmental Quality) and reflect additional federal requirements to allow the RRC to apply for enforcement primacy for the federal Class VI Underground Injection Control (UIC) program. The U.S. Environmental Protection Agency protects underground sources of drinking water by regulating the injection of fluids underground for storage or disposal. The Safe Drinking Water Act and UIC program provide the primary regulatory framework.

To view the adopted rules, visit the RRC website at <https://rrc.texas.gov/general-counsel/rules/proposed-rules/> under “Carbon Dioxide – Various Rules.”

## **Notice to Oil and Gas Operators: Upcoming Revision to Commingle Permit Number Length on Form PB, Monthly Production Report**

The RRC will soon adopt a revision to the reporting of the Commingle Permit Number on Form PR, *Monthly Production Report*. The revision will expand the Commingle Permit Number from a maximum of four digits to a maximum of five digits. This change is necessitated because the RRC has issued most of the available four-digit numbers in District o8. The structure of Form PR has not changed. The only change is to the acceptable length of Commingle Permit Number.

For now, District o8 is the only district where a five-digit Commingle Permit Number is necessary. At some future date, the RRC will issue five-digit numbers for other districts as they run out of four-digit numbers. The changes described herein will accommodate a five-digit Commingle Permit Number issued in the future for other districts.

**An implementation date has not been set but is *anticipated* to be in September 2022.** This will hopefully provide operators and the RRC time to make changes to their production reporting systems. **Operators will continue to report a four-digit Commingle Permit Number on their *Monthly Production Report* until the changes have been implemented.**

## **Recycling Treated Domestic Wastewater and Mobile Drinking Water Treatment Systems Wastewaters**

The RRC is revising its program for recycling of domestic wastewater and mobile drinking water treatment system wastewaters at oil and gas sites. An operator may now choose to implement this recycling program as either (1) a district-wide permit, or (2) a location-specific permit. This program change will provide significant flexibility and efficiencies for operators who utilize this program at multiple well sites and does not significantly change the program for operators who do not need that flexibility.

### *District-Wide Permit Program*

A permit may be issued to the operator of record of the well(s) being drilled and/or serviced. One permit will be issued to one operator for use with one service provider in one RRC district. The permit can apply to all the operator's leases within the district that are served by the same service provider and can be updated monthly with treatment location changes. The operator will submit monthly reports to the RRC documenting the treatment and recycling activities, including location information with sampling and analysis results, for the permit that includes information from all treatment locations.

### *Location-Specific Permit Program*

A permit may be issued to the operator of an oil or gas lease for recycling activities on that lease. This is the current program as it has existed since 2016, and these permits will last for 60 days and may be extended.

For more information on the program details and documents, visit the RRC website at <https://www.rrc.texas.gov/oil-and-gas/applications-and-permits/environmental-permit-types/recycling/dww-recycling/>.

If you have questions regarding the Recycling Treated Domestic Wastewater and Mobile Drinking Water Treatment System Wastewaters program, contact the Domestic Wastewater Program in the Environment Permitting Section of the RRC's Oil and Gas Division at 512-463-3840 or [domestic.wastewater@rrc.texas.gov](mailto:domestic.wastewater@rrc.texas.gov).



On behalf of the New Mexico Oil Conservation Division (OCD) within the Energy, Minerals and Natural Resources Department, the General Services Department/State Purchasing Division has published an Invitation to Bid (ITB) for private firms to participate in a Statewide Price Agreement assisting the OCD in its continuing efforts to plug abandoned oil & gas wells as well as remediating and restoring abandoned facilities. This effort will be paid for using both the OCD's Reclamation Fund and a \$25,000,000 initial grant from the US Department of the Interior as part of the Bipartisan Infrastructure Law (Section 40601

Orphaned Well Program). Additional federal funding will become available at a later date.

To participate in this program, interested parties must respond to the ITB no later than 2:00 pm on October 3rd, 2022. A copy of the ITB in .pdf format can be downloaded from OCD's website (<https://www.emnrd.nm.gov/ocd/rfps/>) or from the State Purchasing Division at: <https://bids.sciquest.com/apps/Router/PublicEvent?CustomerOrg=StateOfNewMexico>

ITB Number 30-00000-22-00001

All laborers and equipment operators employed in the performance of this work must be paid wages at rates not less than those prevailing on similar projects in the locality of the work being performed, as determined by the NM Department of Workforce Solutions and/or the US Secretary of Labor in accordance with subchapter IV of chapter 31 of title 40, United States Code commonly referred to as the "Davis-Bacon Act" (DBA). Funds provided are subject to DBA compliance and training requirements, and all contractors are required to maintain competency in DBA compliance.



## News and Events to Know



### 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.

**Customized Training Available!** For more information contact Midland College PPDC at (432) 683-2832 or [cepetroleumtraining@midland.edu](mailto:cepetroleumtraining@midland.edu)

Training Guide

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# CAREER FAIR

**OCTOBER 14, 2022 9AM-NOON**

**BUSH CONVENTION CENTER**

**105 N MAIN STREET**

**MIDLAND, TX 79701**

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