

COMMITTEE REPORTS

REGULATORY COMMITTEE

Mark Henkhaus, Apache Corporation

The 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 the PBPA HSE Committee to ensure no duplication of efforts and that issues affecting both groups are relayed to all participants.

The RPC submits the following quarterly Committee Report detailing significant issues which are being followed by the RPC members:

TEXAS

- PBPA continues to participate in a small industry group with Railroad Commission staff and the other Trades to amend Statewide Rule 40. Rule 40 prohibits multiple assignment of acreage within a regulatory field. The Spraberry Trend field is the one field in Texas which has an exception to this rule, for one ownership difference. PBPA's participation is aimed to make Rule 40 allow full and complete development in any field where there is ownership difference by depth. This process is ongoing, and after being stalled for many months due to opposition by certain parties, it appears that progress is being made.
- The RPC continues to monitor operator experience with the recent handoff of District 8A to Abilene. The RPC is sharing successes and problems that are affecting operations and dealings with Commission staff.
- The PBPA's outreach to the Commission continues. On January 24 PBPA staff and RPC members visited RRC's Abilene management to invite district participation in PBPA events and open communication lines. This visit was very successful and the PBPA's inspector orientation has been scheduled for May 1.
- Steve Pruett, of Elevation Resources, presented to RPC a solicitation for RPC involvement in a project designed to improve RRC efficiency. RPC members have expressed an interest in assisting on this project. This initiative will be complementary to, and not duplicative with, Chairman Craddick's ongoing regulatory reform efforts.
- Parsley Energy brought up an issue regarding injection and disposal well protests and standing for protest. Based on their meetings with Commission staff, RPC is prepared to support efforts to define and refine who has standing to protest these applications.
- University Lands has published their application for a produced water frac pit. This information was provided to RPC members.
- PBPA supported, and the RPC supported and disseminated information on The Environmental Partnership (API) workshop that was held on April 4, 2018. The Environmental Partnership is a new voluntary program, launched in 2017, that is comprised of companies in the U.S. natural gas and oil industry committed to continuously improve industry's environmental performance, especially in regards to GHG. Many PBPA members are supporters of this outreach.
- PBPA and RPC members continue to support, and participate in the organizing committee, for the upcoming Midland College Environmental and Regulatory Seminar, to be held in May.

NEW MEXICO

- A new Director of the Oil Conservation Division was appointed in January. Heather Riley was named by Secretary Ken McQueen to replace retiring David Catanach.
- Horizontal Drilling rule: A hearing for Case 15957 has been scheduled for April 17-20. PBPA has been very involved in this process with several work sessions attended by PBPA staff and members. A support letter will be drafted for entering in to the record on behalf of PBPA.
- Spill rule: Case 15959 has been scheduled for hearing on June 5-8 to repeal and replace the spill cleanup rules. While the PBPA has not formally supported this change we anticipate RPC will advise PBPA to comment in support of these changes.
- RPC members were advised that the New Mexico State Land Office issued notice to those operators with a Plan of Development obligation with the State. PODs require annual status reports and those with PODs should review the notice and respond as needed.
- The NM Environment Department Air Quality Board announced a new Chief effective March 12. Liz Bisbey-Kuehn will replace Richard Goodyear. She has been the manager of the Minor Source Permitting Unit in the Bureau for the last five years.
- Delaware Disposal issues. We continue to monitor the disposal issues in SE New Mexico and West Texas for regulatory agency actions.

EPA

- Anne Idsal became regional administrator for EPA Region 6. Since 2015, she has served as chief clerk and deputy land commissioner for the Texas General Land Office (GLO)
- Several notices were published by the EPA, including March 9 publication of notice of proposed withdrawal of the Control Techniques Guidelines (CTG) for Oil and Natural Gas industry, March 9 publication of Implementation of 2015 National Ambient Air Quality Standards for Ozone in Non-Attainment Areas, and March 12 publication of Ambient Air Quality Standards.

BUREAU OF LAND MANAGEMENT

- Hydraulic Fracturing BLM Rule: The rule was formally rescinded at the end of 2017.
- BLM issued a Temporary Pipeline procedure for temporary water lines on federal surface. The policy is detailed and specifies that those in trespass, without a permit, will be required to remedy the trespass issue before additional permits are issued. A template for this application was distributed to RPC members.
- The Carlsbad Resource Management Plan was due March 9, however, we have learned it will be postponed until April, at least. Reportedly it is in the queue for publication in the Federal Register. This document will govern operations on the Federal Land under the Carlsbad office for the next 20-30 years. The work group and its consultants are geared up for the release of this document which is reported to be around 1000 pages. Upon release we anticipate significant impact to the O&G industry and will recommend a subcommittee be formed to evaluate and comment on the RMP.

ENDANGERED SPECIES ACT

- At each RPC meeting, Stephen Robertson updates the RPC on PBPA's ESA efforts and changes in the status of ESAs in our area. These updates include the lesser prairie chicken, dune sagebrush lizard, and the Texas hornshell mussel.