

COMMITTEE REPORTS

REGULATORY PRACTICES COMMITTEE

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TEXAS

Texas Railroad Commission:

- **New SWR 66, Winterization:** The Commission is conducting field inspections to verify compliance with the winterization requirements. Many operators received letters after the December cold spell asking if they experienced any downtime due to the weather. This was not declared a major event, so notifications were not required.
- **New SWR 65, Critical Infrastructure:** The rule's revisions to increase the minimum production requiring reporting has been done. The most recent CI-D filing was due March 1. This system utilized a portal rather than an upload, and the system was fraught with bugs, failures, and dead ends. The failures of the system have been reported back to CID.
- **SWR 8 Water Protection Revisions:** The Rule 8 revisions have been backburnered due to the legislative session. PBPA's RPC, and the other trade orgs, are in dialogue with Commission staff during this phase of the amendment process. We will keep members updated and will call on RPC participants to help comment and participate on behalf of PBPA. This rule change will be critical and will need to be followed closely.
- **Seismic Update:** The various OLRP members continue to meet with Commission staff. A new Seismic Investigation area has been established in Scurry and Fisher Counties, the "Camp Spring" area. This area experienced a M4.6 event in February.
- **Injection and Disposal Permitting:** In February the Commission issued a NTO regarding new permit conditions for SWDs in the Permian Basin. This notice defines "deep" and "shallow" disposal and sets specific permit language for each including monthly reporting of daily pressure and volume information, bottom hole pressure, and fluid density. Additionally, an initial BHP test and periodic pressure fall-off tests will be conditions of permit.
- **Revisions of SWR 9/46:** Paul Dubois, RRC Technical manager, wants to revise the injection and disposal rules to incorporate the newly implemented data requirements (previous bullet), among other things.

Texas Commission on Environmental Quality

- **Air Quality Monitoring:** Goldsmith exceedances for H₂S are continuing. Be aware that aerial surveys are periodically being conducted in this area.
- **TCEQ has announced** that the Region 7 office in Midland will be receiving a mobile monitoring vehicle in the next 6 to 8 months that will be able to drive around and possibly pinpoint emission sources. The vehicle will have the capability to detect ppb levels of H₂S as well as numerous other emissions, including benzene. The mobile monitoring vehicle will be deployed throughout the Texas side of the Permian Basin and will not just be limited to the Goldsmith Area.

NEW MEXICO

Oil Conservation Division

- Director Sandoval has left the OCD for a position with the EPA. OCD is actively looking for a new Director.
- OCD is working on an updated UIC rule (SWD's) addressing seismicity in New Mexico. OCD has now stated there is no specific timeline on when this will be coming out.
- Updated "beneficial use" categories for filing the C-115B waste reports are now available.
- The NMOCD has announced that all facilities that have the potential to discharge liquids will be required to file for Discharge Permits. This is a new interpretation of an existing rule on the books. Currently, OCD is working with refineries and gas processing plants, but will notify oil and gas operators in the next 6 months or so of which facilities will be targeted next to gain compliance.

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REGULATORY PRACTICES COMMITTEE CONTINUED

- Updated Form C-137 Release: OCD has updated Form C-137 which is required for a new surface waste management facility (SWMF), to modify an existing SWMF, or for a permit renewal under 19.15.36.8(C) NMAC. The applicant has the option to utilize the new amended application form or the older version of the form until January 28, 2023 (i.e., 60-days from the new form upload date). After January 28, 2023, all applications using the old application form will be rejected and submitted application fees will be forfeited.

Environment Department

- Ozone Precursor Rule: The rule became effective August 5th. See rule here. The new rules set requirements for oil and gas operators to calculate emission rates and reduce the emission requirements by a percentage each year. There are 16 different categories with various timetables to gain compliance. First compliance date is January 1, 2023.

State Land Office:

- The cultural property rule (archaeology) became effective on December 1, 2022.
- Environmental compliance will be a major emphasis going forward to be certain all remediation/reclamation efforts are done to SLO minimum standards

Federal

BLM:

- Carlsbad Resource Management Plan is scheduled for release in July 2024.
- On November 28th BLM announced its Waste Prevention Rule dealing with venting and flaring o0 federal and Indian lands. Once in the Federal Register stakeholders will have 90 days to submit comments on the proposed rule.
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Environmental Protection Agency

- EPA has halted a planned ozone “nonattainment” designation for major oil and gas-producing areas in the Permian Basin region of western Texas and southeastern New Mexico, a move that would have required new pollution controls. The designation has been moved from “active” to “pending” on the agenda. Drilling and operations-related emissions primarily in Texas are blamed for downwind high ozone levels. EPA omitted the previously planned designation from its recently updated Unified Agenda of regulations because the nonattainment designation is no longer considered an “active” rulemaking.
- EPA/Corp of Engineers announced a new rule on December 30th for Waters of the US (WOTUS). The rule has the focus of creating a durable definition of WOTUS. However, this rule is most likely a placeholder as the Supreme Court is expected to draft a ruling this summer in Sackett vs. EPA which would likely affect this new rule. Texas AG Paxton has filed a lawsuit against the federal government against this rule.
- PBPA commented on EPA’s Standards of Performance for New, Reconstructed, and Modified Sources and Emissions Guidelines for Existing Sources.
- EPA released on its website videos of Permian Basin flyover showing gas emissions at oil and gas facilities.
- EDF released its Permian Methane Analysis Project report on flaring and venting in the Permian.