



Oil Patch

The shot heard round the world

38th Annual Texas Environmental Superconference

Betsy Peticolas

Railroad Commission of Texas

Office of General Counsel



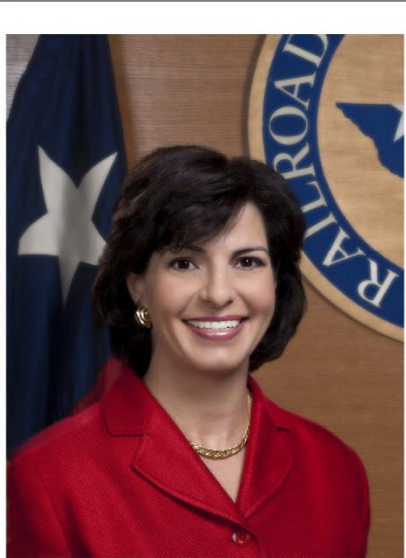


Railroad Commission Jurisdiction and Overview

The Railroad Commission at Conference in 1908



Texas State Library, Archives Division. W.D. Hornaday Collection



Commissioner Christi Craddick



Chairman Jim Wright



Commissioner Wayne Christian

- Established in 1891
- Texas' oldest regulatory agency
- Led by 3 statewide elected officials

Railroad Commission of Texas (RRC) jurisdiction

- Oil and natural gas exploration and production industry
- Intrastate pipelines, natural gas and hazardous liquid pipeline industry (pipeline safety and damage prevention)
- Liquefied Petroleum Gas (LPG), Compressed Natural Gas (CNG), and Liquefied Natural Gas (LNG)
- Natural gas utilities
- Coal and uranium surface mining operations



RRC Mission

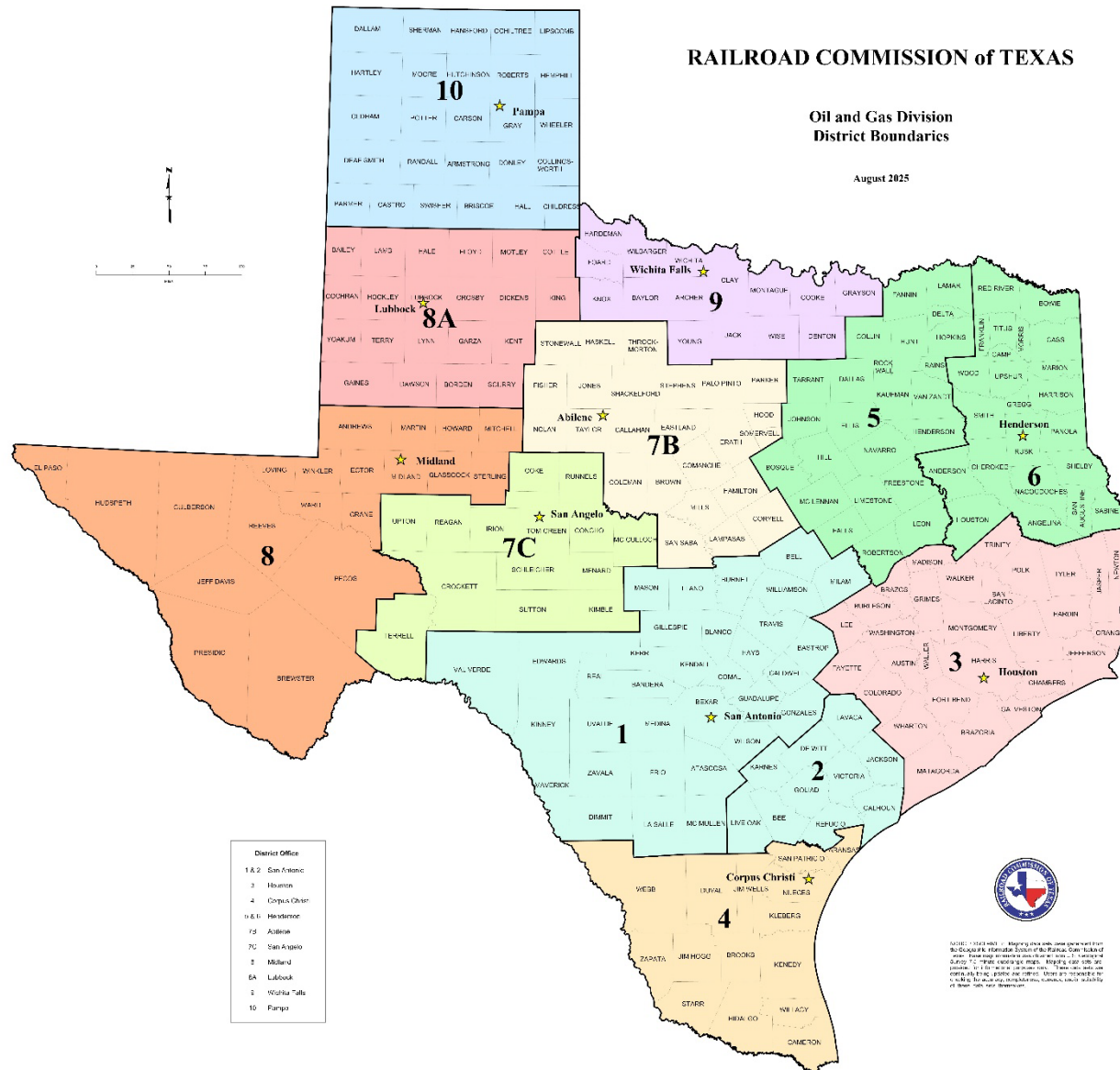
- Our mission is to serve Texas by our stewardship of natural resources and the environment, our concern for personal and community safety, and our support of enhanced development and economic vitality for the benefit of Texans.



RAILROAD COMMISSION of TEXAS

Oil and Gas Division District Boundaries

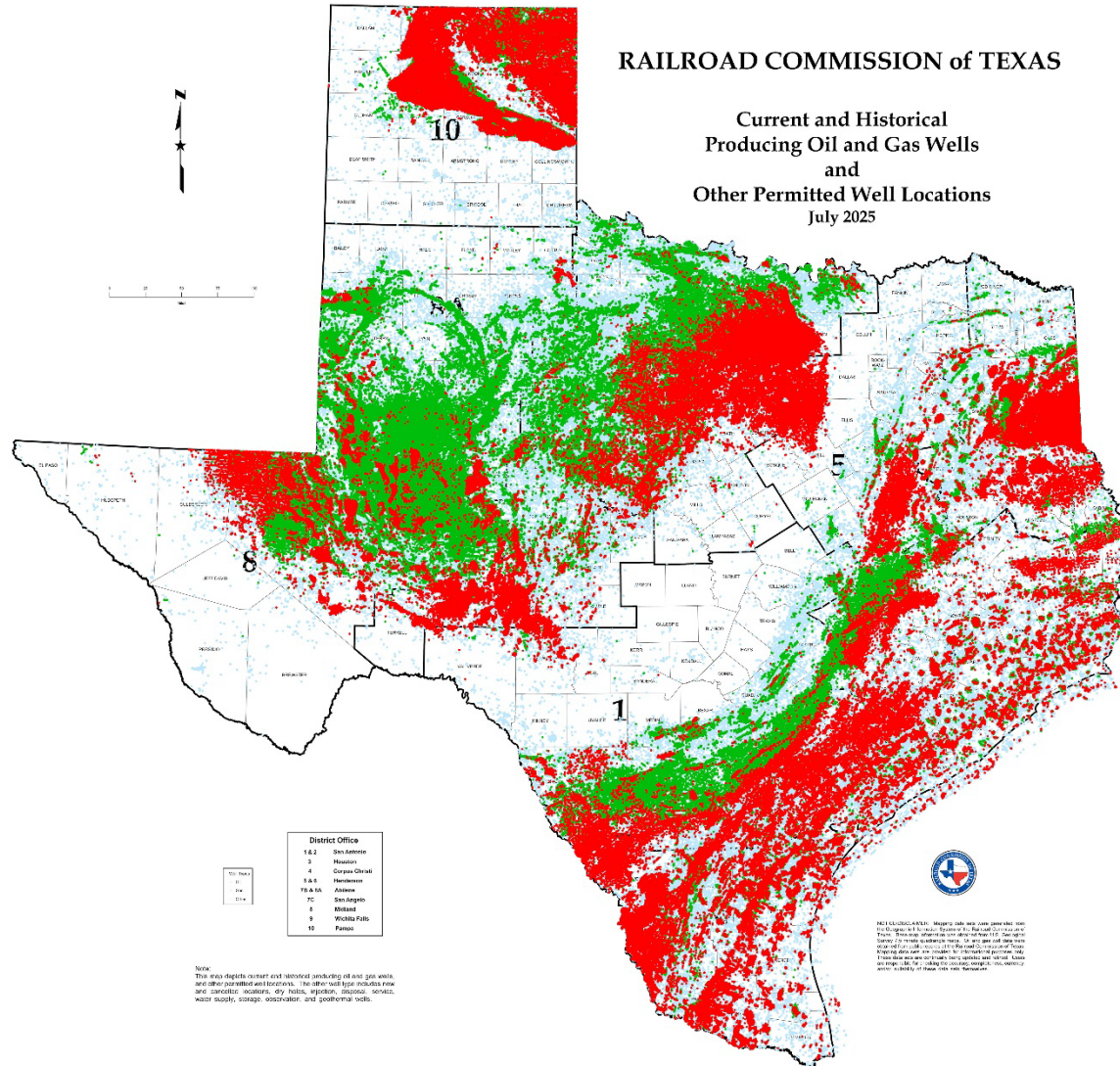
August 2025



NOTICE: This map is for informational purposes only. It is not intended to be used as a legal document. The Railroad Commission of Texas is not responsible for any errors or omissions on this map. The Railroad Commission of Texas is not responsible for any damages or losses resulting from the use of this map. The Railroad Commission of Texas is not responsible for any claims or liabilities resulting from the use of this map. The Railroad Commission of Texas is not responsible for any claims or liabilities resulting from the use of this map.

RAILROAD COMMISSION of TEXAS

Current and Historical
Producing Oil and Gas Wells
and
Other Permitted Well Locations
July 2025





Surface Waste Management Rules



New Surface Waste Management Rules

- 2023 Informal Draft Amendments
- 2025 Formal Amendments
 - Adopted December 17, 2024
 - Effective July 1, 2025

<https://texashistory.unt.edu/ark:/67531/metapth38447/m1/1/>

16 TEX. ADMIN. CODE, Chapter 4

- Subchapter A, Oil and Gas Waste Management
 - 16 TAC § 3.8, Water Protection (Statewide Rule 8) and 16 TAC § 3.57, Reclaiming Tank Bottoms, Other Hydrocarbon Wastes, and Other Waste Materials
 - Simplified pit definitions
 - New definition of commercial facility
- Subchapter B, Commercial Recycling
 - Adds legislative requirements, and
 - Changes for consistency with Subchapter A



Subchapter A

DIVISION 1	<u>GENERAL</u>
DIVISION 2	<u>DEFINITIONS</u>
DIVISION 3	<u>OPERATIONS AUTHORIZED BY RULE</u>
DIVISION 4	<u>REQUIREMENTS FOR ALL PERMITTED WASTE MANAGEMENT OPERATIONS</u>
DIVISION 5	<u>ADDITIONAL REQUIREMENTS FOR COMMERCIAL FACILITIES</u>
DIVISION 6	<u>ADDITIONAL REQUIREMENTS FOR PERMITTED PITS</u>
DIVISION 7	<u>ADDITIONAL REQUIREMENTS FOR LANDFARMING AND LANDTREATING</u>
DIVISION 8	<u>ADDITIONAL REQUIREMENTS FOR RECLAMATION PLANTS</u>
DIVISION 9	<u>MISCELLANEOUS PERMITS</u>
DIVISION 10	<u>REQUIREMENTS FOR OIL AND GAS WASTE TRANSPORTATION</u>
DIVISION 11	<u>REQUIREMENTS FOR SURFACE WATER PROTECTION</u>



Operations Authorized by Rule

- Authorized Disposal
 - Water condensate
 - Inert oil and gas waste
 - Low chloride water-based drilling fluids
- Authorized Recycling
 - Produced water
 - Treated fluid if reuse authorized by another state or federal agency

Two Types of Authorized Pits

- Schedule A
 - Can be without a permit
 - Reserve Pits; Mud Circulation, Completion/Workover, Makeup Water, Condensate, etc.
- Schedule B
 - Must register with RRC
 - Produced Water Recycling



Commercial Facility

- 16 TAC § 4.110(21)
- A facility permitted under Division 4 of this subchapter (relating to Requirements for All Permitted Waste Management Operations), whose owner or operator receives compensation from others for the management of oil field fluids or oil and gas wastes and whose primary business is to provide these services for compensation.

Reclamation Plants

- Current R-9 permits will expire on July 1, 2030
 - 5-year term
 - Transferrable under 16 TAC § 4.122
- Renewal applications due at least 60 days before expiration



Miscellaneous Permits

- 16 TAC § 4.185
- Allows approval of pilot projects for certain activities
 - Recycling of treated produced water; or
 - Any recycling activities not otherwise authorized by rule or permit



New Notice Requirements

- Timing
 - After initial review
 - Administratively Complete Letter
 - Before technical review
- Duration
 - 30 days
- Encourages bundling of applications

New Closure Requirements

- 16 TAC § 4.132, Closure Requirements for all Permitted Waste Management Operations
 - 45-day notice to RRC
 - Detailed closure plan at least 30 days prior to commencement of any closure activity
 - Financial Security must remain in place through closure



Waste Transportation

- Waste Profile Form
- Waste Manifest
- Recordkeeping requirements
- Waste rejection and notification
- Waste Hauler Permit

Trans-Jurisdictional Waste Transfers

- Designed for
 - Management of certain oil and gas waste to be managed at appropriate TCEQ facilities, and
 - Certain TCEQ jurisdictional waste to be managed at certain RRC-regulated facilities
 - Requires approval from both agencies
 - Special Waste Authorization form
 - Effective December 31, 2026



Chapter 4 Questions: EPSch4@rrc.texas.gov

EPS Permitting: enviro.permits@rrc.texas.gov

EPS Waste Haulers: whp@rrc.texas.gov

EPS Compliance: EPSCompl@rrc.texas.gov

Authorized Pit Registration: AuthPits@rrc.texas.gov



Underground Injection Control



- Underground Injection Control Unit
 - Class II injection and disposal wells
- Special Injection Permits Unit
 - UIC Class III Injection
 - Solution brine mining from salt domes and strata
 - Class V Injection
 - Disposal of fluids from lithium mining from brine
 - Geothermal energy production
 - Class VI Injection
- Subsurface Investigation Unit
 - Investigates subsurface issues related to injection and the potential for environmental harm and loss of natural resources

Brine Production Projects, Associated Brine Production Wells and Class V Spent Brine Return Injection Wells

- 16 TEXAS ADMIN. CODE §§ 3.81 and 3.82
 - Effective February 18, 2025

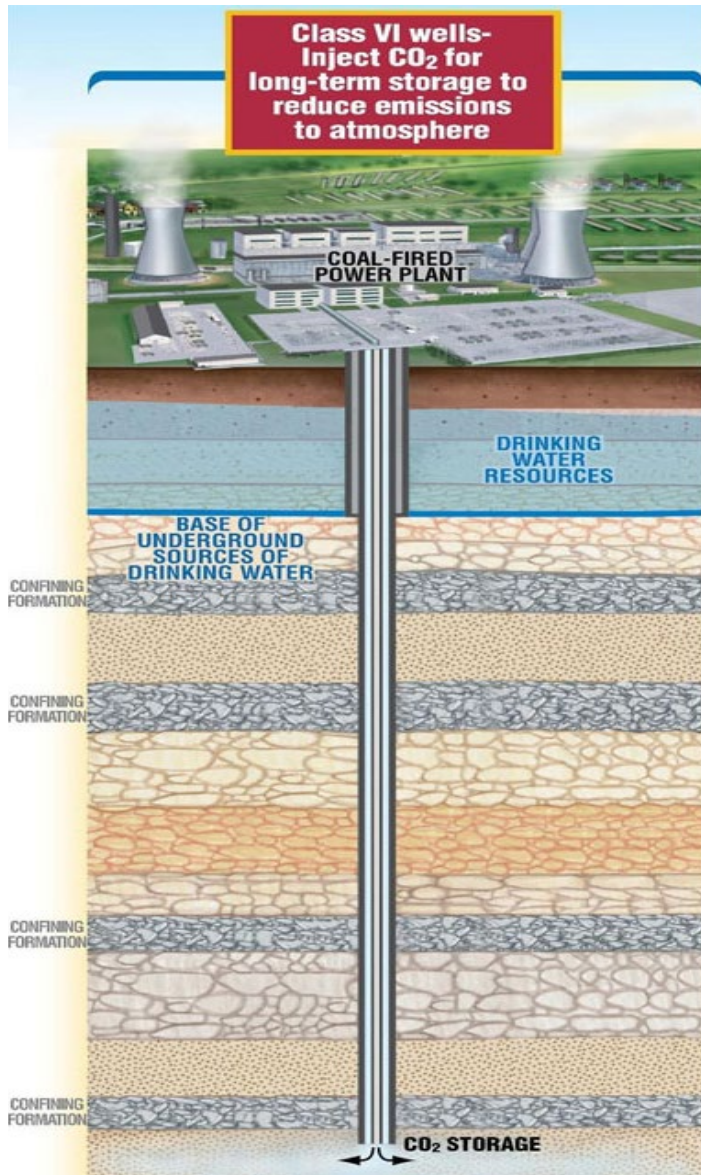
Shallow Closed-Loop Geothermal Systems

- 16 TEXAS ADMIN. CODE Chapter 6, Subchapter A
 - Effective January 6, 2025



RRC's Class VI Primacy

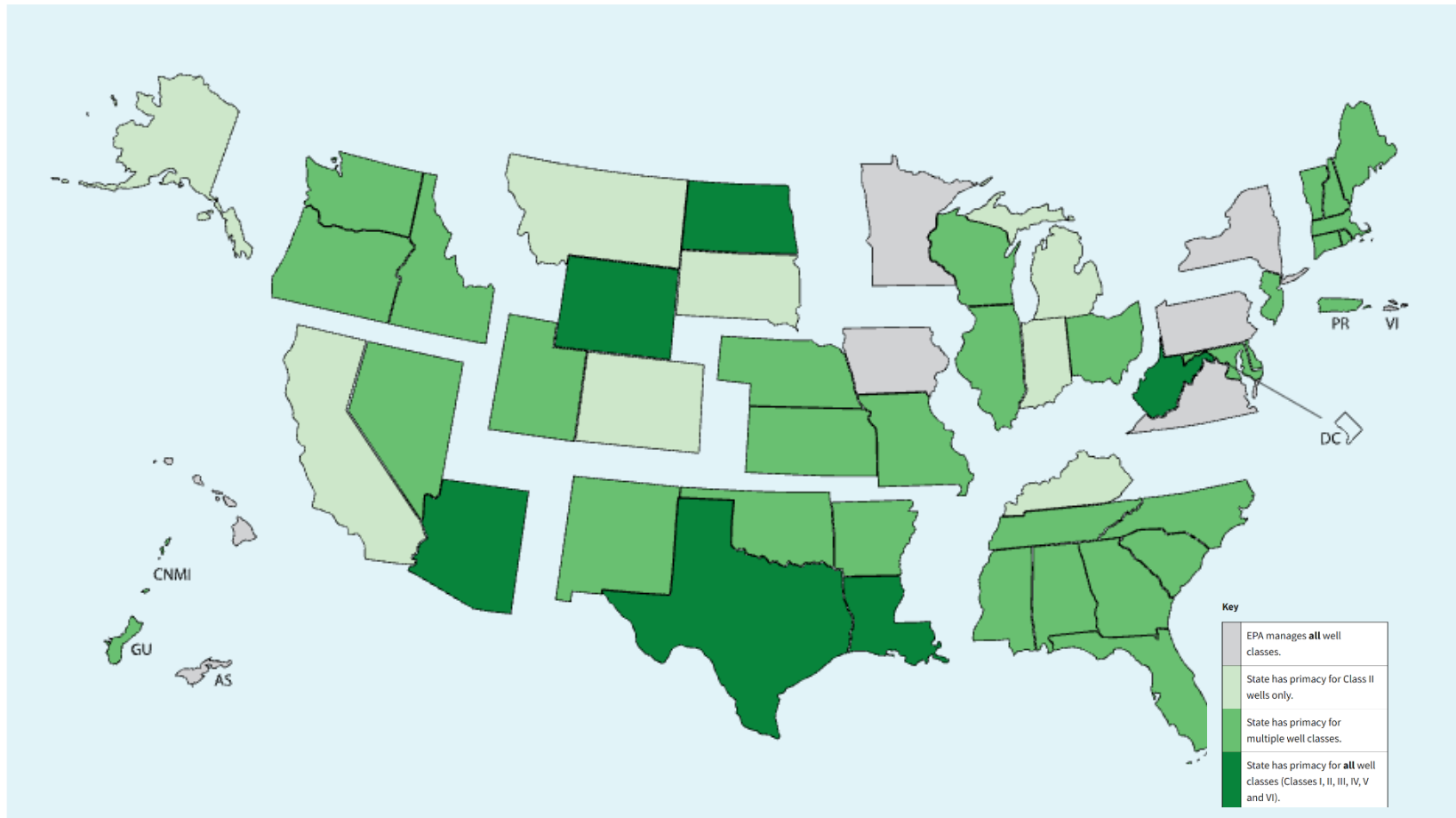
- RRC submitted a complete application for Class VI primacy to EPA in December 2022
- Memorandum of Agreement signed in April 2025
- Proposed approval published November 14, 2025
- Final Rule effective on December 15, 2025



Class VI well regulation

- EPA Regulation
 - Safe Drinking Water Act (SDWA)
 - 40 C.F.R. 146.81 through 146.99
 - Maintains Oversight
- RRC Regulation
 - Texas Legislature established regulatory framework in 2009
 - RRC Adopted rules in 2010 / Amended in 2022 and 2023
 - 16 TEX. ADMIN. CODE §§ 5.201 - 5.208

UIC Primacy Map





Seismicity Issues and Permitting Guidelines

- 16 TAC §§ 3.9, 3.46
 - “a permit ... may be modified, suspended, or terminated ... if injection is likely to be or determined to be contributing to seismic activity.”
- 2019 Disposal Well Permitting Guidelines
 - New requirements for saltwater disposal well permit applications in the Permian Basin
- 2022 Seismic Response Plan
 - Seismic Event of Significance (SES)
 - Seismic Investigation Region (SIR)



Oilfield Theft



- H.B. 48
 - Created oilfield theft prevention unit within DPS
- S.B. 494
 - Created oilfield theft task force within RRC
 - Members include industry representatives and law enforcement
 - Meets quarterly
- S.B. 1806
 - Created new penalties, institutes new training

STOP THEFT

STATE TASK FORCE ON PETROLEUM THEFT

- STOPTHEFT members represent key elements of state, federal, and local law enforcement and the energy industry to help tackle petroleum theft.
- Prof. William Keffer (Texas Tech University) and Cole Harrison (Fiesta Energy) will serve as advisors
- Meets quarterly



Wildfire Mitigation

- H.B. 143
 - Requires coordination between RRC and PUC on oilfield electrical issues
 - Added regulatory authority for electrical poles owned by operators
- H.B. 2663
 - Requires removal of all electrical equipment from 10+ year inactive well sites
 - Increased fine for failure to remove surface equipment to \$25,000
 - Rulemaking
 - Amendments to 16 TAC §§ 3.15 and 3.107 adopted to be effective December 8, 2025



Postcard of 55,000 bbl tank struck by lightning in 1912

<https://texashistory.unt.edu/ark:/67531/metapth1129295/m1/1/>



Orphan and Inactive Wells

- S.B. 1146
 - Extended liability protections to operator who voluntarily plugs or provides funds to RRC for the plugging of an orphan well
- H.B. 3619
 - Requires RRC to restore surface to preexisting topography after orphan well plugging operation
 - Specifies RRC plugging contractor may not limit authorized person (ex. landowner) from accessing property during plugging operation
 - Exempts surface owner from liability related to plugging operation



- S.B. 1150
 - Any well with over 15 years of inactivity *and* 25 years since completion must be plugged or returned to service
 - Alternatively, the well can be included in a RRC approved compliance plan
 - Exceptions for
 - strong operating practice of returning wells to service
 - financial hardship
 - RRC annual report on orphan wells starting December 2026



Questions?

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