

October 7, 2022

VIA EMAIL

Rules Coordinator
Office of General Counsel
Railroad Commission of Texas
P.O. Box 12967
Austin, Texas 78711-2967

Submitted electronically to rulescoordinator@rrc.texas.gov

RE: Comments on amendments to §3.65, Critical Designation of Natural Gas Infrastructure

To the Railroad Commission of Texas:

WaterBridge Operating LLC (together with its affiliates, “WaterBridge”) is the largest pureplay, privately held midstream water management company in Texas. WaterBridge's water management networks provide E&P operators with reliable and efficient gathering, disposal and reuse of produced water. These networks consist of purpose-built produced water disposal facilities interconnected by large-scale water pipeline infrastructure throughout the Delaware Basin in west Texas and the Eagle Ford Basin in south Texas.

We would like to thank the Railroad Commission for their work on this rule and we appreciate the opportunity to share some of our thoughts on how it can be improved to take into consideration some operational realities for water management companies like WaterBridge.

WaterBridge and many other water management companies in the oilfield in Texas have invested hundreds of millions of dollars to develop purpose-built disposal connected systems across the state to help ensure continuous and sustained produced water disposal operations for producers, regardless of what operational constraints may arise. WaterBridge’s concern is that the current SWR 65 requires ALL disposal facilities in the state to be registered as critical infrastructure. Our concern is that the proposed rule ignores the purpose of our disposal well networks and our ability to shift produced water from one disposal well to another as constraints, such as a weather-related outages, arise. We believe that allowing water management companies with interconnected networks to designate a portion of these networks as critical, rather than the entire network, is sufficient to ensure producers have enough disposal capacity during a weather emergency.

WaterBridge would like to suggest the following language to take this operational reality into account (new language underlined):

Under (a) Definitions, add the following definition:

(4) In this section, the term “saltwater disposal connected system” refers to facilities permitted under §3.9 and §3.46 and comprised of two or more saltwater disposal wells connected via pipeline.

Under (b) Critical designation criteria, amend (H) to read:

The following facilities are designated critical during an energy emergency:

(H) saltwater disposal facilities, including saltwater disposal pipelines and saltwater disposal connected systems, with the latter treated as a single system for the purposes of this section so that in the event of an energy emergency the system as a whole is able to handle no less than 80% of its average daily injection volume through one or more of its connected wells. as designated by the operator.

We would envision that when an operator of a disposal connected system files its CI-D every six months that the operator would designate the appropriate parts of their systems as critical to meet the 80% threshold. Along with that filing, the operator would provide their 6-month daily average injection volume to provide documentation that the disposal facilities on that connected system being designated as critical provide sufficient capacity for weather emergencies.

In addition to providing relief from operators potentially needing to unnecessarily weatherize 100% of their facilities, this change will also help ensure that only truly critical disposal capacity is on the critical list to assist electric transmission and distribution utilities have more manageable critical lists to ensure power is getting to as many Texans as possible during a weather emergency.

We would like to make one last comment in closing. Because the gas supply chain map is confidential and cannot be shared, we have a concern that water management companies like WaterBridge do not have an accurate picture of which production wells they service are deemed critical by the Railroad Commission. To help our sector better manage this situation, it would be helpful if the Railroad Commission could share data with us regarding production levels from operators whose wells are on the map and designated as critical.

Again, thank you for your hard work on this important issue. We appreciate your serious consideration of these recommendations and look forward to continuing to work with you to serve Texas' energy needs.

Sincerely,



Harrison Bolling
Senior Vice President, General Counsel

Cc: Micheal Reitz, Executive Vice President, Operations