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Chairman's Office
Railroad Commission of Texas

Presta Petroleum LLC
4455 Camp Bowie Blvd.
Suite 114 #49
Fort Worth, TX 76107
817-796-9980
jsbrumley@prestapetro.com

October 6, 2023

Commissioner Wright
Railroad Commission
1701 N. Congress Ave.
Austin, TX 78701

Dear Commissioner Wright,

Thank you for serving as Railroad Commissioner for the State of Texas. The RRC is the finest regulatory body in the state and probably the entire nation. I am writing this letter about Statewide Rule 8 and more specifically to let you know that if the proposed changes are made to 16 TAC as presented in Chapter 4 are adopted, the RRC would be making a mistake.

These changes treat temporary pits as if they were permanent underground storage tanks, which they are not. The industry has responsibly operated under the current rules. New Mexico has adopted almost identical regulations to what the RRC is contemplating. These poor regulations have resulted in a bad deal for New Mexico and its citizens by causing too much truck traffic, additional road wear, and the spreading of salt on the ground. All of this is bad!

The oil and gas industry abides by the regulations of the state and takes good environmental stewardship seriously. Not only is this change bad for the environment, but this change will cost the Texas energy producers \$300,000 per new well. This will harm the state by reducing revenue, because the industry will have to spend more on each new well we drill, resulting in less wells drilled in Texas.

The proposed regulation could greatly increase the capital cost of vertical wells to a point where almost no vertical wells are economic. If a vertical wells costs \$1 million under the old regulation, the new regulation would increase the cost by 30%. This would be terrible on the small mom and pop producer and hurt the little guy in our industry.

Please do not make the same regulatory mistake that New Mexico made and keep Statewide Rule 8 the same as it has been for decades.

Thanks,



Jonny Brumley
President

Cc: Commissioner Craddick, Commissioner Christian