



PERMIAN BASIN
PETROLEUM ASSOCIATION

October 15, 2024

Rules Coordinator
Railroad Commission of Texas
Submitted via email

RE: Proposed amendments to 16 TAC §3.70 and various rules in Chapter 8

The Permian Basin Petroleum Association “PBPA” greatly appreciates the opportunity to provide feedback on these proposed rules as thanks the Commissioners and staff for their work throughout this important process. As you know, our membership includes the smallest exploration, service and support companies as well as some of the largest oil and natural gas companies with world-wide operations. We firmly believe that Texas, the United States, and our allies benefit from a vibrant and diverse oil and gas sector and are committed to continuing the development of these resources for generations to come.

With regard to the proposed amendments within Chapter 3, PBPA has solicited and received the following member feedback for the Commission to consider. Broadly, our membership generally supports the rule which incorporates recent federal rulemakings by the Pipeline and Hazardous Materials Safety Administration (“PHMSA”) but do have concerns about a few key provisions.

Several members note that one proposed change would add a requirement for adding Type R lines to submit shapefiles with our T-4 permit requests. This goes beyond PHMSA’s requirements and operators have noted they may utilize other methods and may not have GIS centerline data for these lines and would suggest this requirement not be included in the final rule.

In Figure 2: 16 TAC §8.101(b)(2) it is recommended that the title “Liquid Pipelines” be changed to “Liquid Pipelines Subject to 49 CFR Part 195 Requirements.” The Texas Railroad Commission generally requires that interstate, rural, *non-regulated* systems be permitted. Non-regulated systems that are permitted should not be subject to Pipeline Integrity Assessment and Management Plans in 16 TAC §8.101. This is stated in proposed rule language and for consistency should also be clearly referenced in the title of Figure 2.

Another concern is that Class 1 has not been included in the 8.1 applicability definition and it is not included in the proposed 8.1 definition. Given PHMSA regulations (49 CFR 192.8) which associate Type C facilities only with Class 1 locations, Type C seems to be mistakenly included in

8.1(a)(1)(B) and should be removed. Production lines in Class 2, 3, or 4 locations would be Type A or B.

Clarity should also be provided to ensure that “Group A” fees would only be applicable to PHMSA defined transmission and gathering pipelines and would not include production lines defined in 8.1(a)(1)(B).

Our members also request to extend the deadline for filing amendments on the Commissions permitting system to at least December 31, 2025, and request clarity that the provisions in 3.70(r) do not apply to production lines. Additionally, our members have noted that in the future, any proposals to shapefile submission include public comment and solicit stakeholder feedback. Providing more time will allow for better compliance and information for the Commission.

Lastly our members would appreciate consideration that the “first point of measurement” include the practical and recognize that this measurement may be located in a variety of areas including the well pad or an intermediate testing facility and this inclusion in the proposal would help clarify the point where the start of production pipelines subject to Chapter 3.7 and Chapter 8.

We support the efforts undertaken by the Commission and staff to draft and present these proposals and greatly appreciate the opportunity to provide this feedback. PBPA and our members look forward to visiting with Commission and staff to consider these recommendations and look forward to continuing to work together to promote the safe and responsible development of natural resources in the Lone Star State.

Regards,

A handwritten signature in blue ink that reads "Ben Shepperd". The signature is written in a cursive, flowing style.

Ben Shepperd
President