

October 14th, 2024

Rules Coordinator
Railroad Commission of Texas
Submitted electronically to rulescoordinator@rrc.texas.gov

RE: Amend §3.8 and other rules in Chapter 3, and new and amended rules in Chapter 4 to update oil and gas waste management procedures and incorporate recent legislation

I am submitting comments as a former executive and attorney in the oilfield waste treatment, recycling, and disposal industry. Over the last 15 years, I've seen firsthand dramatic changes in the national energy landscape including widespread adoption of hydraulic fracturing and directional drilling. While these practices have helped solidify Texas as an energy powerhouse, they have also significantly changed the velocity in which these wastes are generated and managed during an oil and gas well's life cycle.

I am writing to bring your urgent attention towards a stronger, more modern regulatory framework regarding reserve pit utilization for the permanent disposal of oil and gas wastes. These reserve pits present significant environmental and public health risks when not properly managed or regulated accordingly. The Texas Railroad Commission's existing and contemplated regulations regarding reserve pits have not kept pace with the growing scale and impact of oil and gas operations. In many cases, operators are allowed to use unlined pits for waste disposal – without landowner consent or any public awareness of such permanent disposal onsite is taking place - and there are insufficient requirements for monitoring the integrity of these pits over time. This leads to significantly underreported issues, with spills and/or contamination events sometimes going undocumented and/or unnoticed until it is too late (or, worse, not noticed at all while contamination has been occurring for long periods of time).

I urge you to consider improved oversight and regulation of these reserve pits in the new Rule, including the following critical concepts:

1. **Transparency and Public Reporting:** While the newly contemplated reporting database will be an improvement and positive step towards better transparency, there *must* be a landowner consent component for pits whereby waste is permanently disposed. Furthermore, a required public disclosure identifying the precise location and size of reserve pits used for permanent disposal of oil and gas wastes must also be required. In fact, Texas is one of the only states that does not require operators to: (1) obtain landowner permission; (2) provide specific details (volume, type, etc.) regarding the wastes buried on the property; and/or (3) identify the specific location of the reserve pit(s).
2. **Mandatory Lining and Containment:** Require reserve pits whereby waste will be permanently disposed to be lined with improved impermeable materials to prevent leakage into the surrounding environment – which often goes unnoticed until it's too late.
3. **Regular Monitoring and Inspection:** Independent inspections and/or continuous monitoring of reserve pits whereby waste is permanently disposed must become part of the regulatory protocols.

Reserve pits are large (the vast majority of new pits in Texas contain greater than 5,000 barrels of solid and liquid waste material - essentially mini landfills) and each hold hundreds to thousands of barrels of oil and gas waste (see **Figure 1**). Current, drilling practices utilize multiple wells on a single pad, making the disposal requirements even more significant, if mishandled (see **Figure 2a and 2b**). Depriving Texas landowners of the right to decide for themselves whether their land is used for permanent disposal of oil and gas wastes is wrong. The potential environmental risks, economic injury and property damage resulting from this practice are significant. These affected persons should have the right to consent, or not

consent, to permanent burial of oil and gas wastes on their land. Since the inception of oil and gas exploration in Texas, hundreds of thousands of reserve pits have been utilized for permanent disposal, and that number continues to grow. Many of these pits are unlined and undocumented.

Figure 1. Reserve Pit Aerial (near Midland)



Figure 2a. Multi-Well Pad (Permian)



Figure 2b. Multi-Well Pad Aerial (Permian)



For the first time in nearly 40 years, the Railroad Commission is presented with a truly unique opportunity to modernize critical aspects of an outdated rule – one that could establish Texas as the gold standard for the industry...not be the one left in the dark ages. Yet, the proposed draft does not seize this opportunity. Ensuring landowners have rights to determine whether waste is permanently disposed of on their property should be a cornerstone requirement (see **Figure 3a and 3b**). It's not in there. Furthermore, operators would still be allowed to use unlined pits for permanent waste disposal, and there are insufficient requirements for monitoring the integrity of these pits over time.

Figure 3a. Surface Impact and Proximity to Residence (Permian)



Figure 3b. Same Reserve Pit Aerial - Surface Impact and Proximity to Residence (Permian Basin)



The Texas Railroad Commission's oversights continue to not account for or adequately address the full extent of potential environmental damage, and the loopholes that allow oil and gas operators to leverage gaps in existing (and contemplated) regulations. Moreover, the Railroad Commission's well-known issue of inadequate, lagging enforcement allows (and even tempts) companies to sidestep best-practices operating standards – leading to potentially disastrous consequences for the operators, Texas taxpayers, and, most importantly, the communities ultimately affected.

I hope you will consider these recommendations and work towards a more modern, industry-leading regulatory framework that prioritizes the health and safety of Texans, while still supporting responsible energy development.

I personally would like to thank the Railroad Commission staff for their continued efforts during the long rule making process and for the opportunity to provide comments to such an important issue. While I no longer working within the industry directly impacted by these rules, I remain deeply passionate about ensuring they are improved for the next generation. The changes recommended here are with the intent of establishing a more proactive approach regarding a couple of key issues to modernize drilling waste management practices by enhancing transparency and reducing long-term liability.

Respectfully submitted,

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