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To: [Rules Coordinator](#)
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General Comment

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Comment

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3.8, 3.57 and Chapter 4

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Comments concerning draft rulemakings

My name is Jeff Cannon, and I am the CEO of Waste Facilities Inc. We have operated RRC permitted commercial facilities since 1992. We are one of, if not the largest recycler by volume of solid drill cuttings into roadbase over the last decade in the state of Texas. We have operated an on-lease mobile-recycling permit since 2014, and we have recycled almost one million tons of cuttings into roadbase over the last nine years. We know what works and what doesn't work in recycling, both in terms of engineering, process and economic practicality. The current rules (and moreover how the current rules are interpreted by Commission Staff) are NOT conducive to encouraging recycling, in that the current promulgations by Staff make recycling a competitive disadvantage compared to traditional haul-off and disposal and on-site burial. I'm encouraged that the new rule proposals include other beneficial re-uses besides roadbase, because there are numerous other beneficial reuses of recycled drill cuttings. Our primary issues with the new Subchapter B rules are the same as the ones we have with the existing rules. First, the definitions continue to contradict the provisions within the specifics of the divisions in the Rule. The most glaring example is 4.204(13) - On-lease commercial solid oil and gas waste recycling--Commercial recycling performed on an oil or gas lease or well site using equipment that moves from one location to another (same language that is currently in 4.204(9). That would be sufficient to allow recycling on a lease owned by the same operator who generated the waste (which was by the way the exact verbiage in our original permit issued in 2014). Unfortunately, in 4.221(a)(1), the language regarding on-lease is vague regarding what lease on-lease refers to, and then in 4.222(e)(1)(B)(iii) and (iv), the

recordkeeping requirements reference a drill site, which Staff interprets to mean on-lease recycling can only occur on a single drill site. If on-lease recycling is limited to a single drill site, the costs of the required constructing, operating, storing and closing a single well recycling site are overwhelmingly prohibitive to any oil and gas operator desiring to recycle. Therefore Division 2 recycling is non-viable. To my knowledge, WFI has been the only recycler in the state that has maintained a significant on-lease mobile recycling presence, and our latest permit is unusable because of the drill site requirement that was initiated in our most recent renewal permit language. Which brings us to Division 3, Off-Lease/Centralized Recycling. The definition in 4.204(11) is spot on: A commercial recycling facility that is capable of being moved from one location to another, but which is generally in operation in one location for a period of time longer than one year, but less than two years that shall recycle solid oil and gas waste. But then you look at the requirements under this Division, and there is virtually no difference in the siting, construction, operating and notice requirements of a Division 4 Stationary Facility. If the off-lease/centralized division is meant to be a more consolidated version of the Division 2 on-lease, then at a minimum the siting, monitoring and notice requirements should be much less than a traditional stationary facility, especially in that the intent is for these operations to move from location to location rather than remain at a single location. Bottom line, the proposed Subchapter B changes do nothing but continue the Commission's de facto discouragement of recycling. So rather than encouraging recycling of oil and gas solids into re-usable materials that have great redemptive value, such as roads, reclamation, fill material and many other uses, the result will be more haul-off, more landfill disposal, and much more on-site burial. Here are WFI's proposed solutions: Division 2 should be an on-lease recycling solution that allows the recycling of oil and gas solids on any lease controlled by the the operator who generated the waste, AND waste at a single location can only be from one generator (i.e. there can be no commingling of waste with another generator). In other words, Division 2 should govern mobile recycling units that do not

commingle waste at a single location from multiple generators. This is easily accomplished by clarifying the application of the definition of on-lease within the rule segments I referenced above. Division 3 should be off-lease/centralized recycling that does allow the commingling of waste from multiple generators, but still focuses on the mobility and temporary location of the units, meaning less strict siting requirements, and no notice or groundwater monitoring requirements other than to the landowner of the temporary site. Division 4 would remain a permanent facility with a long-term location presence that would include the more stringent siting, monitoring, notice and bonding requirements. Doing so would encourage solids recycling, reduce truck traffic by allowing recyclers to be more nimble and locate closer to the constantly shifting drilling concentrations, while making recycling not only economical to generators, but even cost advantageous, which should be the goal. I know that both the industry and the Commission would like to move towards a zero waste discharge model in both solid and liquid oil and gas waste. But if that's really true, then you have to put your Rules where your mouth is, and that means making rules that make not just environmental sense, but economic and common sense as well. Thank you for this opportunity to provide our comments.

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