



October 6, 2022

BY ELECTRONIC MAIL TO RULESCOORDINATOR@RRC.TEXAS.GOV

Rules Coordinator, Office of General Counsel
Railroad Commission of Texas
P.O. Box 12967
Austin, TX 78711-2977

Dear Rules Coordinator:

**SUBJECT: COMMENTS ON PROPOSED AMENDMENTS TO §3.65, RELATING TO
CRITICAL DESIGNATION OF NATURAL GAS INFRASTRUCTURE**

Further to the proposed amendments to 16 Texas Administrative Code §3.65, relating to Critical Designation of Natural Gas Infrastructure, Citation Oil & Gas Corp. (Citation) hereby provides the following public comments by the October 7, 2022 deadline.

Comments

1. Citation supports the proposed changes to §3.65(b) Critical Designation Criteria (1) Critical Gas Supplier whereby the TX RRC is proposing to reduce the number of wells and/or leases designated critical (see page 7 of 11). Right now, gas wells producing in excess of 15 Mcf/d and oil leases producing gas in excess of 50 Mcf/d are “designated critical.” In order to focus the rule on “truly critical facilities,” the TX RRC is proposing to increase those thresholds to gas wells producing in excess of 250 Mcf/d and oil leases producing gas in excess of 500 Mcf/d. Citation supports these increased thresholds because it has been extremely frustrating and difficult to go through the CI-D and CI-X filing process for these marginal wells and/or leases which will not make a meaningful difference during an energy emergency situation as defined under these rules.
2. Citation supports the proposed change to delete paragraph (2) regarding the electricity supply chain map under §3.65(c) Request for Critical Designation if not Designated Critical in Subsection (b) of this Section (see page 8 of 11). Citation also supports the proposed change to delete §3.65(e)(1) Facility not Eligible for an Exception - a facility included on the electricity supply chain map... (see page 8 of 11). Under this proposal, if the facility is not designated as critical (see above proposed thresholds), there would still be no need to file Form CI-D for the facility even if it ends up on the separate electricity supply chain map. Again, this makes sense

not to include these marginal wells and/or leases as critical since this production will not make a meaningful difference during an energy emergency.

3. Citation supports the addition of another example under §3.65(e)(2) Example of a Reasonable Basis and Justification...(see page 9 of 11). The proposal adds a few more examples of valid “exceptions” that can be applied for via CI-X when a facility has otherwise been designated as critical. But the “few more examples” don’t include recent Commissioner approvals of exceptions for facilities which use more electrical power than what these same facilities can produce (i.e., the facility has a negative net power impact on the grid). In the preamble, TX RRC staff noted that “hearings are pending at the Commission in which ALJs are reviewing whether other reasons are sufficient to allow an exception. A determination by the ALJ will be reviewed by the Commissioners and, if granted, future exception applications demonstrating the same facts may also be approved.” Therefore, Citation requests that this additional example be added to this list since the Commissioners have already approved these as a valid reason for an exception.

If you have any questions or need additional information, please contact me at (713) 891-1550 or via email at BRedweik@cogc.com.

Very truly yours,



Robert J. Redweik
Vice President – EHS and Regulatory