



August 15, 2022

Rules Coordinator
Railroad Commission of Texas
Office of General Council
P.O. Drawer 12967
Austin, Texas 78711-2967

Re: New §3.66, Weather Emergency Preparedness Standards

Discovery Operating, Inc. “Discovery” submits that the SWR65 includes nearly all wells in the state and makes the term “critical” meaningless. Discovery recommends establishing a threshold of 1,500 MCFPD for gas wells and oil leases. This would allow about 50% of the gas produced in the state to be subject to SWR66. Since only about 8% of gas produced in Texas is used for electric generation, 50% should be enough.

In SWR66 subsection (c) (2) weather emergency preparation measures: the Texas Railroad Commission “RRC” should amend to avoid any suggestion that it has jurisdiction to require producers to operate under any condition. It is completely improper and unconceivable for the RRC to suggest that it would require producers to sacrifice the health and safety of employees and the public to implement a rule that would require the production of certain wells or batteries. Discovery will not intentionally put personnel in harm’s way to produce batteries that have to haul oil or water when trucks will not be allowed on the roads. Leaving these wells producing would not only subject personnel to undue safety risks, it would also increase the risk of oil and/or water spills. Tank batteries that must use trucks to haul oil or water production should be exempt from this rule in addition to the wells that produce into said battery.

Subsection (c) (2) (C) requires planning to identify, test, and protect the critical components, however it is not clear how an operator would simulate freezing conditions to accomplish the test. In addition, (c) (2) (D) should be eliminated. The RRC should not be listing best methods for winterization that may or may not be applicable. That would best be handled by producing a manual created by stakeholders from an industry work group. The RRC has traditionally handled other Statewide Rules in this way. It allows for best practices to change with technology without having to amend the rule continually.

The rule requires that an operator responsible for major repeated events “contract with a person who is not an employee of the operator to assess the operator’s weatherization plans, procedures and operations”. The RRC should strike that and change it to consult with an RRC employee to ensure appropriate engagement rather than propose unproven and unknown consultants that may or may not exist.

In conclusion, I want to point out that I believe this law/rule is unconstitutional. Not all forms of energy are being treated equally. This rule is the heavy hand of government coming down on one industry. There should not be any rule that requires somebody to produce or sell a product. This is government overstepping its authority in what is supposed to be a free country. Discovery will do everything in its power to abide by the final rules adopted by the RRC, but I believe that this rule is heavy handed, ill conceived, and will not actually accomplish its stated purpose as it is currently written. Until the Public Utilities Commission puts more emphasis on reliable electric generation, the electric power grid will be subject to interruptions, regardless of the readiness of the upstream natural gas producers.

Sincerely,

A handwritten signature in blue ink that reads "W. Jeffrey Sparks". The signature is written in a cursive, flowing style.

W. Jeffrey Sparks
Chief Operating Officer

WJS/ad