PERMIAN BASIN
PETROLEUM ASSOCIATION

April 10, 2026

Mr. Paul Dubois
Assistant Director, Technical Permitting
Oil & Gas Division
Railroad Commission of Texas

RE: Response to Oil and Gas Emergencies

Mr. Dubois,

Thank you for the opportunity to provide comments on behalf of our membership regarding the proposed "Response to Oil and Gas Emergencies." Due to the time constraints in gathering comments, and in lieu of attempting to develop consensus on the proposals, we are providing you with the comments from our members.

As you know the Permian Basin Petroleum Association (PBPA) represents the small and large oil and gas operators that live, work, and raise their families in the heart of America's oilfield. Over the years our communities and members have continued to safely and responsibly develop these natural resources and will continue to work with all stakeholders to ensure that the energy dominance that has deep roots in the Permian Basin continues for generations to come.

Committing this process to writing and procedure is an important step to bring clarity and understanding surrounding the response to these emergencies. Equally important, PBPA and many of its members want to establish regular dialogue with you when these events occur, the anticipated response from the Commission or operator community, and lessons learned from each event. This transparency for operators would further assist in understanding where and when events occur and how they are managed.

Regarding the comments below, a significant theme appears throughout and that is the importance of precision, certainty, and clarity in the circumstances that qualify an "emergency" subject to any response, as well as what clearly constitutes the "end" of the emergency. You will also see that our members would appreciate greater clarity in any process that outlines the responsibilities and obligations of each party within these or other proposals.

While we do our best to organize the comments we received in order of general questions and concerns followed by slide specific questions, some of the responses we received suggest different means entirely to better manage these potential emergencies.

We look forward to continuing to work with the Railroad Commission of Texas (RRC), including Commissioners and staff to develop a process that benefits the health and safety of the public and continues to advance the mission of the agency and oil and gas industry in the Permian Basin.

**General Questions/Comments received by PBPA:**

What impact does this have on the state plugging fund that operators contribute to?
What level of expenditure is expected from operators when an Operator Led Emergency Response Action (OLERA) is enacted?
Wells have been plugged by operators according to the standards applicable at the time; does the State provide guidance on how proper plugging will be determined for wells of varying ages? This concerns more than just orphaned wells.
How is RRC informed about surface breaches? Operators/midstream? Surface owners?
Are deep SWD also shut-in within response radius?
How will RRC define OLERA membership?
Define cost structure and payment schedule—how does payment/reimbursement differ between Option 1 vs. Option 2?
What reservoir pressure model, InSAR signal, other adverse characteristics does RRC plan to use to impose injection moratoriums or deny/revise permits?
How does the RRC plan to use InSAR, and will they consult with industry when/if they see a signal before making permitting or other changes?

- RRC-led or OLERA would greatly benefit from a public InSAR product tailored for the Permian
- TexNet is expanding their remit to be an Earth Observatory and has already hired an InSAR expert as of 2025

Operators need a clear line-of-sight to pathway and timeframe for cessation of SIs.
After the RRC ensures injection can be resumed, will the OLERA be dismantled? Or will they continue like the existing SRA's? Estimated timeframe for these actions?
Operators need more definition on OLERA:

- how exactly is OLERA established?; does the RRC have to approve response plan?; does the OLERA have discretion/free will, or does the RRC direct the activities of the OLERA?; what communications with RRC are required?; what communications with the greater OLERA are required of the leads?; how are remediation costs distributed among OLERA leads and members?

If Option 2 is selected, operators need guidance, and to incorporate industry trade group feedback.
When does the RRC envision responding to industry's perspective? Will they convene a similar meeting with interested stakeholders?
What structure/mechanism within the OLERA would dictate how data and best practices are handled?

How exactly does the O&G Emergency Declaration protect OLERA leads vs. OLERA members?

In the OLERA model, it's clearer what happens with an orphan well; what if there's an identified operator's well creating the emergency—does the OLERA still operate and charge the operator for the work? Should that operator be the lead? If so, that situation doesn't seem to require an OLERA (unless the operator is insolvent or incapable technically)

It would be helpful to clearly define how operators are identified as "contributing to the incident" and who makes this determination.

It would be helpful to have clarity on "request" versus "compel."

A 2-mile radius seems arbitrary. It would be helpful to understand how the RRC came to this metric. Perhaps wells closer to the 2-mile radius get rates reduced on some sort of proportional scale, but not completely shut-in.

It would be helpful to clearly define how operators can "demonstrate confinement and the protection of freshwater resources." Who will be reviewing these submissions and how long will this process take?

Would there be a timeline for "review of casing, cementing, plugging and wellbore integrity for all wellbores in the response radius"?

When "assessing casual factors," what happens if there is a disagreement between industry and the RRC as to the causal factors? How is the mediated or litigated?

What will this test be measured against? Improperly plugged wells or wells with inadequate surface casing from decades ago could have contaminated the FW well before injection began in an area. Also, define what RRC will accept as proof, who will review and how long this process will take.

Concerning RRC's "cost recovery posture," what is the plan for this and how will it be distributed?

"Re-evaluation of existing permits based on current guidelines, possibly in certain areas," is a concern as it could change vintage permits. Also, is it saying that once the RRC determines the reservoir is "full", that any injection wells in that area will have their injection authority cancelled?

Presumably, once the problem well has been remedied and no others were identified in the area review, what reason would there be to not allow injection to immediately continue?

The entire burden shouldn't be laid solely on injection well operators. It should be holistic. Offset O&G well operators should have to show that they effectively isolated the permitted injection zone with cement in their completions...via CBL (if possible) vs just reporting cement tops. Undoubtedly, pathways to surface can originate in these wells. However, the most likely cause would be old, improperly plugged wellbores and orphaned wells which penetrate the injection interval.

Identify if RRC can even compel operators (both injectors & producers) to participate in OLERA. How will they do that?

Consider other alternatives. Such as, statutory changes:

- Redefining that funds can be used for wells other than wells 'listed' on the orphan well list, or give operators/RRC the ability to identify them and add them to the 'list.'
- Create a separate emergency fund dedicated to emergency wells.
- Create incentives for operators to be encouraged to be more helpful.

**Alternative Concepts the Commission should consider received by PBPA:**

Both have too many problems associated with them and would likely require significant impairments of rights by owners and operators or massive overreach by the RRC instead of using an emergency declaration for actually addressing an emergency.

Alternative Recommendation –

The RRC should only apply these emergency standards to true orphan wells with no identifiable owner. The RRC should create a three step alternative should the RRC encounter a significant emergency well control issue with no identifiable ownership party:

1 – The RRC shall declare an emergency

2 – The RRC shall offer the right to plug and stop the emergency its own list of operators in a reasonable radius of the well control issue. This list shall be prioritized by the District office based on their own experience with the operators and offered in that order. The District may chose to leave operators off the offered list should the District not want them to perform that work. The operator will be working as the RRC's contractor in the emergency situation.

3 – An operator who is offered the opportunity to plug the well may submit actual field invoices for repayment from the Orphan well plugging fund.

A -Only actual incurred expenses shall be paid, not employee charges or overhead maybe charged other than direct salary from employees in the field and on site.

B – No invoices will be paid until the RRC determines the emergency is over and the well has been plugged.

C - The RRC may contest invoices as either work not performed or the rate over charged at a hearing at the Commission

4 – The operator shall only be required to coordinate with the District office. Any special permissions needed for the emergency shall be made between the Austin offices and District.

5 – Should no operator choose to intervene in the plugging work, the RRC will continue to address the same way they currently do.

When operators know they will mostly be reimbursed for addressing the emergency that likely affects them more than any other party and knowing the RRC is likely to shut in a large area of operations to work on it, it is unlikely qualified operators will chose to not intervene in the case. This keeps the

As oil and gas operations put billions of tax dollars into the State funds every year, including funding almost the entire rainy-day fund and the RRC's budget is about $300mm per year, a small increase to address the true orphan wells without a massive increase in government would be the prudent, pro-Texas, and long term pro-taxpayer route. It is highly important to keep the oil and gas industry running quickly and efficiently for the State's economy and the RRC should not introduce new rules that create significant uncertainty into operators of oil and gas wells. The industry has had an overwhelming number of new regulations the past 5 years. Critical infrastructure, Subpart W, OOOOb/c, Seismicity, Chapter 4 pit rules, and PHMSA just to name a few. These represent thousands of new pages of regulations requiring massive new record keeping obligations and permitting to keep up with. Please take this increase in traditional RRC orphaned well interventions as an opportunity to

leverage the natural relationship with operators and not drive a further wedge between the regulator and regulated.

**Concerns Organized by Options received by PBPA:**

Option 1:
Cost Assignment: RRC utilizes existing resources, however, if the companies inherit these fees, we could see escalating and unpredictable costs
Feasibility:
Pros: Does not use company resources unless they are requested or volunteered
Cons: Multiple events stretch the RRC's resources
Technical ability: Concern that in 1-2 known examples where the RRC required industry to help plug well/breach
Liability: While we have questions about the certainty of the liability, it mostly removes the operator liability even without an oil and gas emergency declaration
Impact to operations:
Cons: arbitrary shut in radius/durations without clear causation
Control: RRC dictates radius, wells, operations, SWD shut ins, injection moratoriums, etc.—generic approach may not fit problem

Option 2:
Cost Assignment: Cost uncertainties to operators/midstream
Feasibility:
Pros: stakeholders already familiar with this approach (OLRGs, SRAs)
Cons: could stretch company resources if we are designated to lead OLERA
Technical ability:
Pros: improved response if OLERA lead has a strong well integrity operations team
Cons: what if largest producer or disposer in radius doesn't have the technical skill to respond?
Liability: increased perception of liability? setting a precedent? (O&G Emergency declaration may limit this?)
Control: ability to specify response plan/wells, etc.—potential to tailor plan to need/concerns

**Concerns Organized by Slides received by PBPA:**

Slide 10:
How will it be determined that operators were "contributing to the incident" and how would operators be compelled under this scheme?
Slide 12:
What is the process followed by the RRC in selecting a contractor to address an event? Operators should be involved for technical advice before RRC takes any action. Is there a process for this?
Slide 16:
Does the Commission have an understanding of how frequently OLERA's may be implemented?

Slide 21:
Is it possible for operators to recover costs from the OLERA, does this require additional rule or legislative changes?
What is the Commission's plan if agreements are not made between parties?