

Captive Agency

Part II:
Campaign contributions raise
questions about bias at the
Railroad Commission of Texas

by Andrew Wheat, Texans for Public Justice
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Commission Shift is reforming oil and gas oversight by building public support to hold the Railroad Commission of Texas accountable to its mission in a shifting energy landscape.



Reforming oil and gas oversight in Texas

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Executive summary

The Railroad Commission of Texas (RRC) is a 130-year-old state agency that oversees oil and gas development, coal and uranium mining, and natural gas utility service among other functions. Its mission is to serve Texas through stewardship of natural resources and the environment, concern for personal and community safety, and support of enhanced development and economic vitality for the benefit of Texans. Too often, the commission has focused on accelerated oil and gas development at the expense of safety, economic vitality and stewardship of natural resources and the environment.

Financial disclosure policies, recusal rules, and campaign contribution laws allow regulated companies to contribute to railroad commissioners' political campaigns, introducing, at the very least, an appearance of bias to the commissioners' decision making. Policy reforms in these areas could help to establish balanced governance of oil and gas development.

Commission Shift and Texans for Public Justice reviewed the three sitting commissioners' personal financial statements made to the Texas Ethics Commission. This report focuses on Railroad Commission Chairman Wayne Christian's personal finances. Other reports in this series examine the other commissioners' finances. Commissioner Christian held oil and gas stocks worth between \$106 and \$10,564 in 2020. Christian also sold oil and gas stocks with a net impact ranging from a loss of up to \$8,930 to a gain of up to \$8,930 (precise values are unknown since officials report their holdings in ranges). Christian also earned dividends from oil and gas companies totaling from \$8,935 to \$62,510. He also participated in a 2020 commission decision involving at least one of the companies whose stock he sold that year. This analysis did not include an exhaustive review of the docket.

The Railroad Commission requires commissioners to recuse themselves from a measure, proposal or decision in which they have a “personal or private interest.” The term is not clearly defined, and only the attorney general can enforce the standard.

This report also analyzes the \$15 million in campaign contributions that the four most-recent commissioners raised from 2015 through 2020. The oil and gas industry that they oversee supplied 67% of that amount. Individual oil and gas contributors gave hundreds of thousands of dollars to the commissioners' campaigns. The commissioners take campaign funds from parties with active cases pending before their agency. In this regard, two sectors of the oil and gas industry in particular stand out: wastewater disposal companies and pipeline companies.

The commissioners decide many wastewater disputes involving competing interests that contributed hundreds of thousands of dollars to their campaigns. Salty water that is produced from oil and gas wells is injected into underground disposal wells that have been found to trigger earthquakes, interfere with nearby oil and gas wells, and contaminate water supplies. Many oil and gas producers job out this disposal to waste companies, which are a growing source of agency disputes—and campaign funds.

After strong quakes struck near Pecos County in 2020, the Railroad Commission asked area waste companies to relieve pressure by voluntarily reducing injections. Only the commissioners' second-highest contributor, Denver-based NGL Water Solutions, declined to comply with that request for six months. Underscoring the close alignment of interests between the commissioners and industry, a private attorney who represented NGL in that dispute is now Commissioner Jim Wright's staff general counsel.

On the pipeline side, the commissioners levied relatively light fines on a company that was one of their top contributors after West Texas Gas pipeline eruptions hospitalized three ill-prepared workers

and killed another. More broadly, the commissioners have been reticent to rein in the controversial eminent-domain powers that allow “common-carrier” pipelines to force landowners to grant them easements to build pipelines across privately owned lands.

What is more, gas pipeline giants Energy Transfer Partners and Kinder Morgan made billions of dollars off Winter Storm Uri power outages in 2021, when gas supplies were constricted and prices skyrocketed. Gas utility applications for the “review and securitization of extraordinary costs” must be approved by the Railroad Commission.¹ Consumers face paying off about \$4.5 billion in bonds for decades.² The commission’s duties to serve the public interest in these securitization applications are in direct conflict with the interests of some of their largest campaign donors.

The following policy solutions would help the agency achieve its mission, renew confidence in the electoral process, and bolster public trust in an agency that oversees one of Texas’ most important industries.

- 1. Demonstrate no financial interest:** Before serving, commissioners should be required to divest from the industries they regulate. As in Oklahoma, commissioners overseeing the oil and gas industry should divest from those interests to safeguard the public trust.
- 2. Limit campaign contributions:** RRC candidate fundraising should be limited to the 18-month period preceding that election. Parties with upcoming contested case hearings should not be allowed to contribute to commission campaigns. Contributions should be limited to \$5,000 per election cycle. Recusals should be triggered if a commissioner received more than \$1,000 from a company in the candidate’s last election cycle.
- 3. Improve financial disclosure:** Texas should increase the upper range value of financial disclosures for RRC candidates and commissioners to match congressional disclosure requirements. In Texas, the current maximum disclosure category is “\$44,630 or more.” Financial disclosure forms also should specify whether certain reported incomes come from interest, dividends, royalties or rents.
- 4. Strengthen recusal standards:** Commissioners should recuse themselves from cases involving companies with which they hold equity, income, or business ties—or if the company donated more than \$1,000 to their campaign in the last election cycle. The state legislature should clarify and better enforce conflict of interest policies.
- 5. Use a neutral forum for contested cases:** The commission should conduct independent hearings through the State Office of Administrative Hearings for contested enforcement cases and gas utility cases. Currently, Railroad Commissioners approve administrative law judges’ hiring and compensation, which may encourage administrative law judges to favor parties that have financial ties to commissioners.

Introduction

Despite its name, the Railroad Commission of Texas oversees oil and gas development, pipeline safety, and coal and uranium mining. The three elected railroad commissioners' statewide campaigns typically cost more than \$1.5 million each. With no limits on how much money political committees and individuals can contribute,³ the oil and gas interests that the commissioners oversee supply from 60% to 70% of commissioner campaign funds. By comparison, that industry supplied 21% of Governor Greg Abbott's campaign funds.⁴ There is no requirement that commissioners recuse themselves from matters affecting oil and gas interests that contributed tens of thousands of dollars to their campaigns. These factors create the conditions for a "captured regulatory agency," meaning that the industry oversees the agency rather than the other way around.

Texas state candidates and officials file annual personal financial disclosures with the Texas Ethics Commission that report investments, debts, real estate and business interests. These financial disclosures permit crude calculations of an official's income and net worth. They also provide a means to screen potential conflicts between an official's oversight authority and their business investments. This report analyzes Railroad Commission Chairman Wayne Christian's business income, net worth, and potential conflicts based on his state personal financial disclosures covering calendar years 2019 and 2020.⁵ Two other reports in this series assess the personal financial statements of the other railroad commissioners, Christi Craddick and Jim Wright.

This report also analyzes campaign contributions to all three commissioners. The Texas Elections Code allows railroad commissioners (and many other nonjudicial state officials) to accept campaign contributions at any time during their term, except for a six-month period surrounding the regular legislative session, which takes place every two years.⁶ Railroad Commissioners serve six-year terms. The three oil and gas regulators sitting on the Railroad Commission of Texas in 2021 raised \$10.5 million in campaign funds from January 2015 through 2020. Collectively, they took 68% of that money—\$7 million—from the oil and gas interests that they regulate—compared to the 60% found in a similar analysis published in 2016.⁷ The agency's commissioners have long relied on energy dollars to prevail in expensive statewide campaigns, giving them a reputation as the state's quintessential "captured agency."

Oil and gas money accounted for 69% of all the campaign money raised by Commissioners Wayne Christian and Christi Craddick and 67% of former Commissioner Ryan Sitton's campaign money. Jim Wright, who ousted Commissioner Ryan Sitton in 2020, started his campaign suggesting that he would recuse himself from matters involving campaign contributors if elected.⁸ Wright said he rejected campaign funds "that would compromise my decisions" after observing "that type of thing happening often" at the Railroad Commission.⁹ After his upset primary victory, however, Wright accepted oil and gas money, which supplied 60% of his total 2020 campaign contributions. In his first four and a half months in office in 2021, Wright recused himself from a couple of matters that his general counsel previously worked on in private practice but did not cite campaign contributions as the basis for any recusals.¹⁰

The three current Railroad Commissioners raised a total of \$10.5 million in campaign funds from 2015 through 2020, while new Commissioner Jim Wright's chief 2020 opponents raised \$8.6 million (\$4.2 million by Chrysta Castañeda and \$4.4 million by ex-Commissioner Ryan Sitton). This report focuses most on the four most recent commissioners to wield power at the agency.

Railroad Commissioner Campaign Money Raised Jan. 2015 Through Dec. 2020

Politician	Last Elected	Contributions	Oil/Gas Amt.	Oil/Gas %	Funding Period
Jim Wright	2020	\$1,549,443	\$928,449	60%	12/2019 thru 12/2020
Christi Craddick	2018	\$7,307,944	\$5,037,013	69%	01/2015 thru 12/2020
Wayne Christian	2016	\$1,608,905	\$1,106,148	69%	01/2015 thru 12/2020
Ryan Sitton	2014	\$4,362,647	\$2,933,306	67%	01/2015 thru 12/2020
Chrysta Castañeda	NA	\$4,213,085	\$37,374	< 1%	10/2019 thru 12/2020
	TOTALS	\$19,042,024	\$10,042,290	53%	

Sources: Texas Ethics Commission, Texans for Public Justice

In addition to identifying major campaign contributors, this report also reviews some of the matters that those contributors had before the RCC, led by commissioners that they helped elect. Addressing lawmakers about such potential campaign conflicts in 2012, Commissioner Craddick said, "I think we are self-policing."¹¹ The report calls into question the ability of the commission to be self-policing, in light of the power of oil and gas interests to provide direct financial support to the political campaigns of commissioners who oversee that industry.

Three Sitting Commissioners' Richest Fundraising Areas (Jan. 2015 to Dec. 2020)

Metro Area	Campaign Cash (%)
Midland	21%
DFW	20%
Austin	17%
Houston	14%
TOTAL	72%

Source: Texas Ethics Commission.

*Top Oil & Gas Contributors to Four Railroad Commissioners, Jan. 2015 to Dec. 2020
Christi Craddick (CC), Wayne Christian (WC), James Wright (JW) and Ryan Sitton (RS)*

Total	Contributor (Affiliation)	City	CC Amt.	WC Amt.	JW Amt.	RS Amt.
\$425,000	Syed Javid Anwar (Midland Energy)	Midland	\$260,000	\$10,000	\$5,000	\$150,000
\$298,500	NGL Water Solutions	Denver	\$130,000	\$72,500	\$76,000	\$20,000
\$270,000	Cody C Campbell (Double Eagle Dev.)	Ft Worth	\$125,000	\$0	\$20,000	\$125,000
\$260,000	Oilfield Water Logistitcs (OWL)	Dallas	\$195,000	\$5,000	\$20,000	\$40,000
\$225,000	Kelcy Warren (Energy Transfer)	Dallas	\$75,000	\$0	\$25,000	\$125,000
\$215,000	High Roller Group	Center	\$60,000	\$125,000	\$30,000	\$0
\$205,000	Ray L Hunt (Hunt Consolidated)	Dallas	\$105,000	\$30,000	\$10,000	\$60,000
\$204,980	S Kirk Rogers (S K Rogers Oil)	Levelland	\$124,980	\$10,000	\$5,000	\$65,000
\$195,000	John A Sellers (Double Eagle Dev.)	Ft Worth	\$100,000	\$0	\$20,000	\$75,000
\$178,115	Texas Oil & Gas Association	Austin	\$25,570	\$51,045	\$76,500	\$25,000
\$175,000	Jimmy Davis (West Texas Gas)	Midland	\$100,000	\$20,000	\$0	\$55,000
\$173,500	Stephen Chazen (Magnolia Oil & Gas)	Bellaire	\$85,000	\$25,000	\$13,500	\$50,000
\$155,000	Robert Beecherl (Verdad Oil)	Midland	\$80,000	\$15,000	\$0	\$60,000
\$135,000	Mackie McCrea (Energy Transfer)	San Antonio	\$25,000	\$0	\$35,000	\$75,000
\$135,000	Ryan Sitton (Pinnacle Adv. Reliability)	Pasadena	\$0	\$0	\$0	\$135,000
\$130,000	Mickey L Long (Westtexas Well Services)	Midland	\$30,000	\$0	\$0	\$100,000
\$127,000	James C Henry (Henry Petroleum LP)	Midland	\$52,500	\$25,000	\$14,500	\$35,000
\$110,000	Jay C Graham (Spur Energy Partners)	Houston	\$5,000	\$5,000	\$0	\$100,000
\$108,043	Donald E Wood (Permian Enterprises)	Odessa	\$88,043	\$0	\$0	\$20,000
\$105,000	Frosty Gilliam (Aghorn Energy)	Odessa	\$30,000	\$0	\$5,000	\$70,000
\$103,500	Bryan S Sheffield (Parsley Energy)	Austin	\$63,500	\$20,000	\$0	\$20,000
\$102,200	Bill Holmes (Mid-States Operating Co)	Midland	\$58,700	\$5,000	\$5,000	\$33,500
\$101,000	Tim Dunn (CrownQuest Operating)	Midland	\$21,000	\$35,000	\$20,000	\$25,000
\$100,000	Jeffery Hildebrand (Hilcorp Energy Co)	Houston	\$45,000	\$25,000	\$5,000	\$25,000
\$97,000	Fasken Oil/Fasken Management	Midland	\$52,500	\$17,000	\$10,000	\$17,500
\$95,000	Jack Rathbone (Mid-States Operating)	Midland	\$52,500	\$5,000	\$5,000	\$32,500
\$90,000	Terry G Bailey (High Roller Wells)	Center	\$50,000	\$30,000	\$0	\$10,000
\$88,961	Ruben Martin (Martin Res.Mgmt)	Kilgore	\$20,506	\$10,000	\$0	\$58,455
\$87,500	Boykin Energy	Ft Worth	\$65,000	\$7,500	\$5,000	\$10,000
\$85,000	Clay. Reaser (Eagleford Water & Disp.)	San Antonio	\$0	\$0	\$10,000	\$75,000
\$82,500	Marathon Oil Co PAC	Houston	\$27,500	\$25,000	\$12,500	\$17,500
\$82,500	'Dick' Saulsbury (Saulsbury Industries)	Odessa	\$27,500	\$5,000	\$10,000	\$40,000
\$80,000	Pioneer Natural Resources	Irving	\$30,000	\$25,000	\$10,000	\$15,000
\$75,000	Paul L Foster (Western Refining Co)	El Paso	\$25,000	\$0	\$10,000	\$40,000
\$74,801	CenterPoint Energy, Inc.	Houston	\$27,300	\$19,251	\$8,250	\$20,000
\$70,000	Randy Taylor (Pinnergy)	Austin	\$25,000	\$20,000	\$5,000	\$20,000
\$70,000	Atmos Energy Corp	Dallas	\$25,000	\$10,000	\$10,000	\$25,000
\$68,500	Elliott Roosevelt Jr (ER Operating Co)	Dallas	\$47,500	\$5,000	\$0	\$16,000
\$68,355	Rosalind Grover (Redfern Enterprises)	Midland	\$64,355	\$4,000	\$0	\$0
\$67,800	Douglas Scharbauer (consultant)	Midland	\$65,000	\$0	\$2,800	\$0
\$65,500	Ben 'Bud' Brigham (Anthem Ventures)	Austin	\$45,000	\$6,500	\$2,000	\$12,000
\$61,000	Loyd W Powell Jr (Cholla Petroleum)	Dallas	\$21,000	\$0	\$0	\$40,000
\$60,000	Trevor D Rees-Jones (Chief Oil & Gas)	Dallas	\$25,000	\$0	\$25,000	\$10,000
\$5,706,255	TOTALS		\$2,579,954	\$667,796	\$511,050	\$1,947,455

Note: Donors above supplied 38% of the oil and gas money that these commissioners raised in this period.

Sources: Texas Ethics Commission, Texans for Public Justice.

RRC Chairman Wayne Christian’s personal financial statements

Railroad Commission Chairman Wayne Christian owns a financial planning business in Center, Texas and reported interests in three other businesses in his 2020 disclosure. His Center Street Properties, LLC, owns a commercial property that includes an office building and 41 storage units. The local tax district assessed it at \$175,820 in 2020.¹² It’s unclear what his other two businesses do (Christian Business, LLC and Shelby County Properties, LLC).

As a railroad commissioner and a gubernatorial appointee to the Interstate Oil and Gas Compact Commission, Christian is on the front lines of energy policy debates. After ice storms devastated Texas’ electricity grid in February 2021, Christian blamed the disaster on renewable energy, while suggesting that those parts of the grid fueled by traditional fuels performed well. “An obsessive focus on reaching the unattainable goal of zero carbon emissions led to decades of poor decisions that prioritized and subsidized unreliable energy sources (wind and solar),” he wrote in a Wall Street Journal opinion piece, “at the expense of reliable ones (natural gas, coal and nuclear).”¹³ This opinion is at odds with data from Texas’ grid operator, the Electric Reliability Council of Texas,¹⁴ a detailed analysis by University of Texas researchers,¹⁵ and a federal investigation of a similar Texas grid failure a decade earlier.¹⁶

Christian Businesses
 Center Street Properties, LLC
 Christian Business, LLC
 Shelby County Properties, LLC
 Wayne Christian Financial Services

Christian also opposes initiatives to reduce carbon emissions. He wrote in a 2021 opinion piece that the Paris Climate Accord “carries sky-high costs with very low benefits and unfairly imposes a double standard based on unproven assumptions and climate models that are wrong nearly all the time.”¹⁷ The professional financial planner also denounced “woke” anti-carbon investment strategies that “could cause record bankruptcies in the U.S. energy sector, destroying millions of high-paying jobs and American energy independence.”¹⁸ Yet Christian’s personal holdings of up to \$2.3 million in stocks and mutual funds contain relatively modest oil and gas investments.

In his 2020 personal financial statement submitted to the Texas Ethics Commission, Commissioner Christian reported that he and his wife, Lisa, own real estate and securities with approximate values that range from \$2.6 million to more than \$4.6 million (exact values are not known because Texas officials report many assets in ranges, such as “\$5,000 - \$9,999”).

Christian’s Reported 2019 and 2020 Assets and Liabilities

Category	2019 Count	2019 Min. Value	2019 Max. Value	2020 Count	2020 Min. Value	2020 Max. Value
Properties	17	\$2,494,597	\$2,494,597	19	\$2,552,417	\$2,552,417
Stocks Held	104	\$135,667	\$1,954,461	76	\$11,872	\$1,175,369
Mutual Funds	62	\$168,086	\$798,860	62	\$342,677	\$1,148,313
Personal Debt	6	> (\$163,998)	(\$124,000)	5	> (\$267,780)	(\$214,240)
TOTALS		< \$2,634,352	\$5,123,918		< \$2,639,186	\$4,661,859

Christian's Reported 2019 and 2020 Income

Category	2019 Count	2019 Min. Value	2019 Max. Value	2020 Count	2020 Min. Value	2020 Max. Value
State salary	1	\$140,937	\$140,937	1	\$140,937	\$140,937
Rents	13	\$76,500	\$189,987	11	\$125,022	\$312,450
Dividends	5	\$2,500	\$24,995	126	\$9,055	\$1,134,110
Stocks Sold	5	(\$14,497)	(\$1,500)	56	(\$205,357)	\$294,667
TOTALS		\$205,440	\$354,419		\$69,657	\$1,882,164

Stocks and mutual funds

Most of Christian's wealth is invested in securities and real estate. Christian reported that he and his wife held stock in 76 diversified companies at the end of 2020. At year's close they were worth up to \$1,175,369. Those stock holdings included shares in three oil and gas companies: Diamondback Energy, Royal Dutch Shell, and Public Service Enterprise Group (the parent of New Jersey-based Public Service Electric & Gas Co.). The total value of those oil and gas stocks was up to \$14,032.

Oil and Gas Stocks Christian Held, Year-End 2019 and 2020

Company Name	Shares	2019 End Value	2020 End Value
Diamondback Energy, Inc.	1-99	\$93 - \$9,193	\$48 - \$4,792
Kinder Morgan, Inc.	100 - 499	\$2,117 - \$10,564	NA
Pub. Srv. Enter. Group	1-99	\$59 - \$5,846	\$58 - \$5,772
Royal Dutch Shell B	1-99	NA	\$34 - \$3,328
	TOTALS	\$2,269 - \$25,603	\$140 - \$14,032

Note: This list does not include stock from ConocoPhillips and Kinder Morgan that was sold in 2020.

Source: Texas Ethics Commission, Google Finance.

The Christians sold 56 stockholdings before the end of 2020, some at a gain and some at a loss. The net impact of those sales ranged from a loss of \$205,357 to a gain of \$294,667. The Christians sold just two oil and gas stockholdings. This included selling stock in pipeline giant Kinder Morgan for a gain of up to \$8,930, offset by a loss of up to \$8,930 on their sale of ConocoPhillips stock. Christian's personal financial reports show that he has owned ConocoPhillips stock since before he was sworn in as railroad commissioner in January 2017. During that time the company had myriad issues before his agency, including a water pollution case that dragged on for eight years.¹⁹

In addition to the stocks listed above, Christian reported holding 62 mutual funds at the end of 2020.²⁰ Year-end valuations found for 50 of them ranged from a total of \$342,677 to \$1,148,313. None of these funds specialized in energy companies.

Christian Stocks Sold During 2020

Stock Sold	Min. Gain/Loss	Max Gain/Loss
33 Stock Gains	\$33	\$294,690
23 Stock Losses	(\$205,390)	(\$23)
TOTALS	(\$205,357)	\$294,667

Source: Texas Ethics Commission.

Christian reported 126 income payments in 2020 from dividends, interest, royalties or rents, which totaled from \$9,055 to \$1,134,110. This included payments of up to \$62,510 from six oil and gas companies. Christian reported owning stock in five of those oil and gas companies, suggesting that those incomes were dividend payments. It is not clear, however, why Bulldog Oilfield Services paid Christian up to \$17,860 in 2020 income. State disclosure forms do not require filers to specify the type of income that they report.

2020 Oil and Gas Income from Dividends, Interest, Royalties and Rents

Source	Min. Value	Max. Value	Likely Income Source
Bulldog Oilfield Services	\$8,930	\$17,860	Unknown
ConocoPhillips	\$1	\$8,930	Dividends
Diamondback Energy Inc	\$1	\$8,930	Dividends
Kinder Morgan Inc	\$1	\$8,930	Dividends
Public Svc Enterprise Grp	\$1	\$8,930	Dividends
Royal Dutch Shell Plc B	\$1	\$8,930	Dividends
TOTALS	\$8,935	\$62,510	

Source: Texas Ethics Commission.

Debt

Wayne Christian reported six personal debts totaling from \$214,240 to more than \$267,780. The amount of his personal debt cannot be determined from his financial disclosure because four of his reported loans exceed the maximum reporting threshold of \$44,630 or more. While none of Commissioner Christian's oil and gas incomes and assets exceeded the maximum reporting threshold of \$44,630, four of his debts shown below did.

Christian's 2020 Personal Debt

Lender	Min. Amount	Max. Amount
Amerihome Mortgage	\$44,630	> \$44,630
Pensco Trust	\$44,630	> \$44,630
Prosperity Bank	\$44,630	> \$44,630
Roundpoint Mortgage Co.	\$44,630	> \$44,630
Lexus Financial	\$17,860	\$44,630
A+ Federal Credit Union	\$17,860	\$44,630
TOTALS	\$214,240	> \$267,780

Source: Texas Ethics Commission.

Real estate

Christian’s real estate holdings are consistent with his public statements casting doubt on the science of climate change.^{21,22} The Christians’ Crystal Beach home on the Bolivar Peninsula north of Galveston stands in a “VE high-risk coastal area” that bears a 26% chance of flooding over 30 years.²³ In fact, that home was rebuilt after Hurricane Ike leveled Crystal Beach in 2008.

The Christians reported owning 19 properties in 2020 with tax appraisals totaling \$2.5 million. Tax appraisal records in their hometown of Center list nine properties owned by the Christians, their living trust, or their Center Street Properties. Local tax records also list six properties ostensibly owned by Pensco Trust Co. that benefit Wayne Christian’s IRA account. Pensco helps investors use their retirement accounts “to invest in real estate and private equity.”²⁴

2020 Valuations of Christian-Owned Properties

Address	City	Tax Appraisal	Owner
2505 Enfield Rd	Austin	\$505,275	Walter Wayne & Lisa Christian
2615 Holiday	Crystal Beach	\$379,970	Walter Wayne & Lisa Christian
2508 Enfield Rd	Austin	\$288,692	Walter W. & Lisa Christian Living Trust
201 Center St	Center	\$246,230	Walter Wayne & Lisa Christian
788 State Hwy 7 West	Center	\$175,820	Center Street Properties, LLC
306 San Augustine St (229)	Center	\$162,440	Pensco Trust Co.
204 Houston St	Center	\$151,000	Walter Wayne & Lisa Christian
504 Pecan St	Center	\$151,000	Walter W. & Lisa Christian Living Trust
220 Center St	Center	\$61,140	Walter Wayne & Lisa Christian
511 Pecan St	Center	\$51,530	Pensco Trust Co.
312 Elliott St	Center	\$50,100	Pensco Trust Co.
215 Field St	Center	\$44,260	Pensco Trust Co.
637 Railroad Ave (506)	Center	\$44,060	Pensco Trust Co.
423 Pecan St	Center	\$36,970	Walter Wayne & Lisa Christian
206 Houston St	Center	\$36,540	Walter Wayne & Lisa Christian
405 & 407 Pecan St	Center	\$33,250	Walter W. & Lisa Christian Living Trust
601 Railroad Ave	Center	\$26,360	Walter Wayne & Lisa Christian
637 Railroad Ave	Center	\$44,060	Pensco Trust Co.
200 Greer St (102)	Center	\$63,720	Tommie Christian
	TOTAL	\$2,552,417	

Source: Galveston, Shelby and Travis central appraisal districts.

2020 Christian Rent Incomes from Center, Texas

Source	Address	Min. Income	Max. Income
Mary Craig	215 Field St.	\$17,860	\$44,630
Kerry Barnes	511 Pecan St.	\$17,860	\$44,630
Jo Laila Chambless	312 Elliott St.	\$17,860	\$44,630
Douglas Boone	504 Pecan St.	\$17,860	\$44,630
Brenda Dones	423 Pecan St	\$17,860	\$44,630
Tonya Antley	*102 Greer St. (200)	\$8,930	\$17,860
Stella Carroll	220 Center St.	\$8,930	\$17,860
Robert Berry	405 Pecan St	\$8,930	\$17,860
Darrin Borders/Luke Brown	229 San Augustine	\$8,930	\$17,860
Tremoin Jackson	206 Houston	\$1	\$8,930
David Lawrence	*506 Railroad Ave.	\$1	\$8,930
	TOTALS	\$125,022	\$312,450

**Shelby Central Appraisal District records do not list this property.*

Source: Texas Ethics Commission.

The street numbers that Christian reported for two Pensco properties do not match addresses found in local tax records. Christian also reported rent from an address that does not appear in local appraisal records. The Christians sold a home on that same street in 2005, however, to Wayne Christian's mother. The likely corrected street numbers are listed in parenthesis in the accompanying table.

Wayne Christian's personal oil and gas interests make up a small percentage of his net worth. Nonetheless, to promote public trust and reduce commissioner bias, commissioners should be barred from owning any oil and gas interests, as is the case with Oklahoma's oil and gas regulators.

Apart from the personal financial interests that commissioners have in the oil and gas industry, that industry also supplies the majority of the campaign funds that the commissioners spend to get elected. The next section analyzes campaign contributions made to the three sitting railroad commissioners from 2015 through 2020.

Top campaign contributors to current commissioners

This part of the report analyzes the total of \$10.5 million in campaign funds raised by the three current commissioners from January 2015 through the end of 2020. Particular emphasis is given to the \$7.1 million supplied by the oil and gas industry, which the commissioners oversee (68% of the total). This section also explores some of the issues that major oil and gas contributors brought before the commissioners whom they helped to elect.

*Current Railroad Commissioner Campaign Money
Raised Jan. 2015 Through Dec. 2020*

Politician	Last Elected	Contributions	Oil/Gas Amt.	Oil/Gas %	Funding Period
Jim Wright (R)	2020	\$1,549,443	\$928,449	60%	12/'19 thru 12/'20
Christi Craddick (R)	2018	\$7,307,944	\$5,037,013	69%	01/'15 thru 12/'20
Wayne Christian (R)	2016	\$1,608,905	\$1,106,148	69%	01/'15 thru 12/'20
	TOTALS	\$10,466,292	\$7,071,610	68%	

Sources: Texas Ethics Commission, Texans for Public Justice.

Wayne Christian

In 1996 Wayne Christian was narrowly elected to the Texas House of Representatives from far East Texas. Apart from a hiatus to make a failed 2004 Congressional bid, Christian served in the Texas House until 2013. Christian was aligned with then-Speaker Tom Craddick, father of Commissioner Christi Craddick, before Joe Straus ousted Tom Craddick in January 2009. Christian was one of the hardline opponents of Speaker Straus who was made vulnerable through 2012 redistricting.²⁵ Facing just a fifth of his old constituents in the 2012 GOP primary, Christian lost to Straus-backed Chris Paddie. Christian lost another primary two years later, when Ryan Sitton elbowed him out to be the party's 2014 Railroad Commission nominee. Coming back, Christian narrowly won the 2016 primary runoff for another open Railroad Commission seat, which he secured that November.

*Money Raised by Commissioner Christian
Jan. 2015 Through Dec. 2020*

Contributions	Oil/Gas Amount
\$1,608,905	\$1,106,148 (69%)

Christian raised \$1.6 million from January 2015 through December 2020, taking 69% of it from the oil and gas interests he regulates. The High Roller Group was Christian's top donor, giving him \$125,000, or 8% of his total. High Roller owner Terry Bailey gave Christian another \$30,000. High Roller Group's precursors specialized in saltwater disposal services and expanded into a host of oil and gas well services. Denver-based competitor NGL Water Solutions supplied another 5% of Christian's money—with the Texas Oil and Gas Association chipping in three percent.

After oil and gas, lawyers and lobbyists were Christian's next-largest font of campaign cash, supplying 11% of his total. Leading that group with \$50,000 was Coffin Renner, which represents clients with issues before the Railroad Commission. Christian's most-lucrative fundraising turf was the Austin area, where he raised 24% of this money. The Houston area came next, providing 15% of Christian's cash.

Wayne Christian's Top Contributors (Jan. 2015 through Dec. 2020)

Total	Contributor (Affiliation)	City	Interests
\$125,000	High Roller Group	Center	Oil & Gas
\$72,500	NGL Water Solutions	Denver CO	Oil & Gas
\$51,046	Texas Oil & Gas Association	Austin	Oil & Gas
\$50,000	Coffin Renner	Austin	Lawyers/Lobbyists
\$35,000	Tim & Terri Dunn (CrownQuest Operating)	Midland	Oil & Gas
\$34,400	Texans for Lawsuit Reform	Austin	Ideological
\$30,000	Terry G & Pam Bailey (High Roller Wells)	Center	Oil & Gas
\$30,000	Ray L & Nancy Hunt (Hunt Consolidated)	Dallas	Oil & Gas
\$26,500	Hance Scarborough	Austin	Lawyers/Lobbyists
\$25,000	Stephen & Patricia Chazen (Magnolia Oil & Gas)	Bellaire	Oil & Gas
\$25,000	Pioneer Natural Resources USA	Irving	Oil & Gas
\$25,000	Jeffery Mindy Hildebrand (Hilcorp Energy Co)	Houston	Oil & Gas
\$25,000	James C & Paula Henry (Henry Petroleum LP)	Midland	Oil & Gas
\$25,000	AT&T	Austin	Communications
\$25,000	Marathon Oil Co PAC	Houston	Oil & Gas
\$20,000	Bryan & Sharoll Sheffield (Parsley Energy)	Austin	Oil & Gas
\$20,000	Occidental Petroleum Corp	Los Angeles CA	Oil & Gas
\$20,000	Scott Douglass & McConnico	Austin	Lawyers/Lobbyists
\$20,000	Jimmy Davis (West Texas Gas)	Midland	Oil & Gas
\$20,000	Randy & Kathy Taylor (Pinnergy)	Austin	Oil & Gas
\$17,000	CenterPoint Energy Inc	Houston	Gas/Electricity
\$17,000	Fasken Oil & Ranch/Fasken Management	Midland	Oil & Gas
\$15,000	Harry & Jane Pefanis (Plains All American Pipeline)	Houston	Oil & Gas
\$15,000	Chesapeake Energy PAC	OK City OK	Oil & Gas
\$15,000	Robert R Beecherl (Piedra Resources/Verdad Oi)	Midland	Oil & Gas
\$14,500	David Mayes & Macy Middleton (Middleton Oil Co)	Houston	Oil & Gas
\$12,500	Exxon Mobil Corp	Irving	Oil & Gas
\$11,333	Young Conservatives of Texas	Rowlett	Ideological
\$10,300	Energy Transfer Partners PAC	Austin	Oil & Gas
\$10,250	Kyle L & Jamie Stallings (Desert Royalty Co)	Midland	Oil & Gas
\$10,000	Atmos Energy Corp	Dallas	Oil & Gas
\$10,000	Vistra Energy Leaders PAC	Irving	Electricity
\$10,000	Texas Home School Coalition	Lubbock	Ideological
\$10,000	Darwin & Katerina Deason (Deason Capital Srvc)	Dallas	Finance
\$10,000	Empower Texans	Austin	Ideological
\$10,000	Paul L Foster (Western Refining Co)	El Paso	Oil & Gas
\$10,000	Syed Javaid & Vicky Anwar (Midland Energy Inc)	Midland	Oil & Gas
\$10,000	Rusty & Janet Kelley (Blackridge)	Austin	Lawyers/Lobbyists
\$10,000	S Kirk Rogers (S K Rogers Oil)	Levelland	Oil & Gas
\$10,000	Devon Energy Corp	OK City OK	Oil & Gas
\$10,000	Ruben Martin (Martin Resource Mgmt. Co)	Kilgore	Oil & Gas

Note: Donors above supplied \$952,329—or 59% of Christian's total.

Source: Texas Ethics Commission, Texans for Public Justice.

Christi Craddick

Former oil and gas lobbyist Christi Craddick was first elected to her present office in 2012—with assistance from her father. Rep. Tom Craddick is the longest-serving Texas legislator and a former Texas House Speaker. The oil and gas interests that Craddick regulates supplied 69 cents of every campaign dollar that she raised.

Money Raised by Commissioner Craddick Jan. 2015 Through Dec. 2020

Contributions	Oil/Gas Amount
\$7,307,944	\$5,037,013 (69%)

Craddick's Top Contributors (Jan. 2015 through Dec. 2020)

Total	Contributor (Affiliation)	City	Interests
\$260,000	Syed Javaid Anwar (Midland Energy Inc)	Midland	Oil & Gas
\$195,000	Oilfield Water Logistics (OWL)	Dallas	Oil & Gas
\$143,569	Republican Party of Texas	Austin	Ideological
\$130,000	NGL Water Solutions	Denver CO	Oil & Gas
\$125,000	Cody C Campbell (Double Eagle Development)	Fort Worth	Oil & Gas
\$125,000	Ryan LLC (Ryan & Co)	Dallas	Finance
\$124,980	S Kirk Rogers (S K Rogers Oil)	Levelland	Oil & Gas
\$105,000	Ray L Hunt (Hunt Consolidated)	Dallas	Oil & Gas
\$100,000	John A Sellers (Double Eagle Development)	Fort Worth	Oil & Gas
\$100,000	Jimmy Lee Davis (West Texas Gas)	Midland	Oil & Gas
\$88,043	Donald E & Lynne Wood (Permian Enterprises)	Odessa	Oil & Gas
\$85,000	Stephen Chazen (Magnolia Oil & Gas)	Bellaire	Oil & Gas
\$80,000	Robert Beecherl (Piedra Resources/Verdad Oil)	Midland	Oil & Gas
\$75,000	Kelcy L Warren (Energy Transfer Partners)	Dallas	Oil & Gas
\$75,000	Jack A Wood (Western National Bank)	Odessa	Finance
\$65,000	Boykin Energy	Fort Worth	Oil & Gas
\$65,000	Douglas Scharbauer (oil & gas consultant)	Midland	Oil & Gas
\$64,355	Rosalind Redfern Grover (Redfern & Grover Resources)	Midland	Oil & Gas
\$63,500	Bryan S Sheffield (Parsley Energy)	Austin	Oil & Gas
\$60,000	High Roller Group	Center	Oil & Gas
\$60,000	Gulf States Toyota/Friedkin Co's	Houston	Transportation
\$58,700	Bill L Holmes (Mid-States Operating)	Midland	Oil & Gas
\$52,500	James C Henry (Henry Petroleum LP)	Midland	Oil & Gas
\$52,500	Monroe 'Jack' & Randee Rathbone (Mid-States Operating)	Midland	Oil & Gas
\$52,500	Fasken Oil & Ranch/Fasken Management	Midland	Oil & Gas
\$52,000	Carlton 'Carty' Beal Jr (BTA Oil Producers)	Midland	Oil & Gas
\$50,000	Terry G & Pam Bailey (High Roller Wells)	Center	Oil & Gas
\$50,000	Coffin Renner	Austin	Lawyers/Lobbyists
\$50,000	Charles 'Bubba' Saulsbury Jr (Saulsbury Industries)	Odessa	Oil & Gas
\$47,500	Robert Drayton & Elizabeth McLane (McLane Group)	Temple	Misc. Business
\$47,500	Elliott Roosevelt Jr (ER Operating Co)	Dallas	Oil & Gas
\$45,563	Woody L & Gayle Hunt (Hunt Companies)	El Paso	Real Estate
\$45,000	Ben 'Bud' Brigham (Anthem Ventures)	Austin	Oil & Gas
\$45,000	Jeffery Hildebrand (Hilcorp Energy Co)	Houston	Oil & Gas
\$42,000	Dana Dillard & William E Powell Powell Co's/Bitterblue)	San Antonio	Real Estate
\$40,000	Russell Rusty & Janet Kelley (Blackridge)	Austin	Lawyers/Lobbyists

Note: Donors above supplied \$2,920,210—or 40% of Craddick's total.

Source: Texas Ethics Commission, Texans for Public Justice.

Craddick received 26% of her cash out of the oil-rich Midland metropolitan area, where she grew up. Her No. 1 donor, Midland Energy owner Syed Javaid Anwar, provided \$260,000—4% of her total. Two firms handling industry wastewater ranked among Craddick’s top contributors: Dallas-based Oilfield Water Logistics and NGL Water Solutions, as did the Republican Party of Texas. A distant second to the oil and gas industry, lawyers and lobbyists supplied 7% of Craddick’s money, led by \$50,000 from Austin-based Coffin Renner.

Jim Wright

Commissioner Jim Wright is the owner of several oilfield waste services companies. During his uphill 2020 challenge of incumbent Commissioner Ryan Sitton, Wright suggested he would not take campaign funds from companies under the RRC’s oversight,²⁶ and pledged to recuse himself from such conflicts if elected.²⁷ After his surprise primary victory, Wright accepted oil and gas money and gave ambiguous responses about what campaign-contributor recusal policy, if any, he would follow in office.²⁸ In the end, the industry that Wright now regulates supplied 60% of the \$1.5 million he raised for his 2020 campaign. In his first four and a half months in office in 2021, Wright recused himself from a couple of matters that his general counsel previously worked on in private practice but did not cite campaign contributions as the basis for any recusals (see our Wright report for more on Wright’s recusals).

Money Raised by Commissioner Wright Dec. 2019 Through Dec. 2020

Contributions	Oil/Gas Amount
\$1,549,443	\$928,449 (60%)

A third of Wright’s campaign money came from the Austin metro area, home to lobbyists and the Republican Party of Texas. The Houston and DFW areas each supplied another 16% of Wright’s cash. Wright’s top donor, the Republican Party of Texas, furnished 22% of his war chest. Wright’s next-two largest donors, each supplying 5% of his campaign money, were the Texas Oil & Gas Association and NGL Water Solutions. Like Wright, NGL is in the oil and gas waste disposal industry overseen by the Railroad Commission.

Jim Wright's Top 2020 Election Cycle Contributors

Amount	Contributor (Affiliation)	City	Interest
\$347,644	Republican Party of Texas	Austin	Ideological
\$76,500	Texas Oil & Gas Association	Austin	Oil & Gas
\$76,000	NGL Water Solutions	Denver CO	Oil & Gas
\$35,000	Marshall 'Mackie' McCrea (Energy Transfer Partners)	San Antonio	Oil & Gas
\$30,000	High Roller Group	Center	Oil & Gas
\$25,000	Trevor Rees-Jones (Chief Oil & Gas)	Dallas	Oil & Gas
\$25,000	Kelcy L Warren (Energy Transfer Partners)	Dallas	Oil & Gas
\$20,000	Cody Campbell (Double Eagle Development)	Fort Worth	Oil & Gas
\$20,000	Tim Dunn (CrownQuest Operating)	Midland	Oil & Gas
\$20,000	Oilfield Water Logistics (OWL)	Dallas	Oil & Gas
\$20,000	John A Sellers (Double Eagle Development)	Fort Worth	Oil & Gas
\$15,000	Ryan LLC (Ryan & Co)	Dallas	Finance
\$14,500	James C Henry (Henry Petroleum)	Midland	Oil & Gas
\$13,500	Stephen Chazen (Magnolia Oil & Gas)	Bellaire	Oil & Gas
\$12,500	Marathon Oil Co Employees PAC of Texas	Houston	Oil & Gas
\$10,000	Carlos E Alvarez (Gambrinus Co.)	San Antonio	Alcohol
\$10,000	Atmos Energy Corporation	Dallas	Oil & Gas
\$10,000	ConocoPhillips Company	Houston	Oil & Gas
\$10,000	John W Cook (Petroleum Wholesale)	Woodlands	Oil & Gas
\$10,000	Seth Crawford (Boykin Energy)	Fort Worth	Oil & Gas
\$10,000	Devon Energy Corporation	OK City, OK	Oil & Gas
\$10,000	Energy Transfer Partners Texas PAC	Austin	Oil & Gas
\$10,000	Fasken Oil & Ranch/Fasken Management	Midland	Oil & Gas
\$10,000	Hance Scarborough	Austin	Lawyers/Lobbyists
\$10,000	Ray L Hunt (Hunt Consolidated)	Dallas	Oil & Gas
\$10,000	John Mabee (Mabee Ranch)	Midland	Oil & Gas
\$10,000	Joe Van Matre (Workstrings International)	Houston	Oil & Gas
\$10,000	H Ross Perot Jr (Perot Group)	Dallas	Real Estate
\$10,000	Pioneer Natural Resources USA	Irving	Oil & Gas
\$10,000	Clayton Reaser (Eagle Ford Water & Disposal)	San Antonio	Oil & Gas
\$10,000	Charles 'Dick' Saulsbury Sr (Saulsbury Industries)	Odessa	Oil & Gas
\$10,000	United Energy Group	Baytown	Oil & Gas
\$10,000	Mike Weeks (Weeks Environmental)	Premont	Oil & Gas
\$10,000	Barry A Williamson (Tejas Securities)	Austin	Lawyers/Lobbyists

Note: Donors above supplied \$940,644—61% of Wright's total.

Source: Texas Ethics Commission, Texans for Public Justice.

Wastewater disposal companies are top contributors to RRC campaigns

Recent Railroad Commissioners took more than \$1 million from six contributors that dispose of some of the huge volumes of wastewater produced by oil and gas operations. The average hydraulically fractured well in the Permian Basin required 11.2 million gallons of water, according to a study in *Science Advances*.²⁹ Most of this chemical-laden mixture comes back up as flowback, along with naturally occurring salt water referred to as “produced water.” Operators sometimes process produced water and reuse it for other beneficial purposes.³⁰ More often, they inject this wastewater into underground disposal wells. The Railroad Commission regulates these contentious injection wells, which can interfere with nearby oil and gas wells, trigger earthquakes, and contaminate aquifers and drinking water.³¹

Oil and gas producers increasingly contract out such waste-disposal needs to specialized companies, which frequently buy and sell each other’s assets. Giant NGL Water Solutions acquired competitor Oilfield Water Logistics, for example, only to sell it in October 2019.³² NGL also has acquired operations from High Roller Group’s “High Roller Wells” and from Boykin Energy.³³

Top waste-disposal interests provided 7% of commissioner campaign money since 2015.

*Top Wastewater Disposal Contributors to Four Railroad Commissioners
Jan. 2015 to Dec. 2020*

Total	Contributor (Affiliation)	Craddick	Christian	Wright	Sitton
\$298,500	NGL Water Solutions	\$130,000	\$72,500	\$76,000	\$20,000
\$260,000	Oilfield Water Logistics: OWL	\$195,000	\$5,000	\$20,000	\$40,000
\$215,000	High Roller Group	\$60,000	\$125,000	\$30,000	\$0
\$90,000	Terry Bailey (High Roller Wells)	\$50,000	\$30,000	\$0	\$10,000
\$87,500	Boykin Energy	\$65,000	\$7,500	\$5,000	\$10,000
\$85,000	Clay. Reaser (Eagleford Water & Disposal)	\$0	\$0	\$10,000	\$75,000
\$1,036,000	TOTALS	\$500,000	\$240,000	\$141,000	\$155,000

Sources: Texas Ethics Commission, Texans for Public Justice.

Oil and gas producers routinely challenge Railroad Commission disposal-well permits that could interfere with their nearby wells or tarnish the industry's reputation. Some companies also routinely oppose competitors' applications for new disposal wells. Midland-based Henderson & Erickson filed a 2016 Railroad Commission complaint against NGL Water Solutions, citing dozens of protests that NGL had filed against competitors' applications (including Henderson's), even as NGL sought new wells of its own.³⁴ The complaint urged the agency to sanction NGL for abusing agency rules designed to discourage competitors from protesting injection-well applications. With NGL denying any such abuse, Henderson dropped its complaint, saying that hearing costs would exceed any relief.³⁵

Parties to these disputes wrangle over who even has the right to challenge injection wells. In a 2014 case,³⁶ commissioners overruled their own hearing examiners to deny the Gonzalez County Groundwater Conservation District legal standing to challenge an injection well sought by another big commissioner donor: Marathon Oil.³⁷ A few recent disposal-well disputes also involved major contributors to the commissioners.

Formed in 2014, Fort Worth-based Boykin Energy and Boykin owner Seth Crawford never contributed to a Texas state candidate before 2019. Then they quickly gave \$107,500—all of it to the four most-recent railroad commissioners. Boykin's Seth Crawford testified at a 2019 agency hearing that he sets up disposal wells and then spins them off to others. "A majority of the wells we drill are then purchased by NGL," he testified.³⁸

In August 2018, Boykin Energy submitted applications to the Railroad Commission to drill two pairs of waste-disposal wells at two locations near Pecos in Reeves County. Apache Corp. and Colgate Operating each challenged one of the applications, arguing that the proposed disposal wells would endanger their investments in nearby oil and gas wells (Apache has a reputation for challenging disposal permits).³⁹ NGL intervened in both cases, since Boykin sought to drill the wells on its behalf. In both cases, Commissioners Christian, Craddick and Sitton ruled to grant Boykin and NGL the contested waste wells and refused to rehear the matters in the first half of 2020. The losers in both cases filed pending lawsuits, asking a state district court in Austin to overrule the commissioners.

In June 2021 Commissioner Craddick filed a personal financial disclosure covering calendar year 2020. It revealed that Colgate Operating paid her "more than \$44,630" in income during 2020 (she did not report Colgate income in 2019). Craddick did not report why Colgate paid her that income, which may have been for royalties on mineral interests she owns. Commissioners are not required to specify the type of income they receive (e.g. royalties, rents, etc.).

Parties and lawyers directly involved in these disputes gave the campaigns of the four most-recent commissioners \$440,000 from the time that Boykin filed both disposal-well applications in August 2018 through the end of 2020. The commissioners' campaigns took 90% of this money—\$397,000—from the prevailing Boykin-NGL team. Meanwhile, Apache Corp. and its attorneys from McElroy Sullivan Miller & Weber gave the commissioners' campaigns a total of \$18,000. Finally, Colgate Operating did not contribute, though its law firm, Scott Douglass McConnico, contributed \$25,000 to the commissioners' campaigns.

About half of this docket-tied money went to Commissioner Craddick's campaign, who told lawmakers discussing potential campaign-contribution conflicts in 2012, "I think we are self-policing."⁴⁰ Meanwhile, the campaigns of Commissioner Christian and then-candidate Jim Wright each received more than one fifth of the money. Finally, 7% of the contributions tied to these cases went to then-Commissioner Sitton's campaign. Then-candidate Wright, who did not participate in these cases, launched his campaign criticizing such contributor conflicts. Putting Wright aside, the campaigns of the three commissioners who ruled for these disposal wells collected \$337,000 from the parties and lawyers involved.

Parties with Active Wastewater Disposal-Well Disputes Gave \$440,000 to Commissioners' Campaigns

Parties Donating to Railroad Commissioners' Campaigns

Party (Subtotal)	Contributor	Amount
Boykin/NGL (\$397,000)	NGL	\$278,500
	Boykin	\$87,500
	Boykin's Seth Crawford	\$20,000
	Attny. George Neale	\$11,000
Colgate (\$25,000)	Scott Douglass McConnico	\$25,000
Apache (\$18,000)	Apache PAC	\$15,000
	Attny. Brian Sullivan	\$2,000
	Attny. William Hayenga	\$1,000
	TOTAL	\$440,000

Donations by Commissioner

Campaign	Amount
Craddick	\$209,500
Wright	\$103,000
Christian	\$97,500
Sitton	\$30,000
TOTAL	\$440,000

To better assess Commissioner Craddick's self-policing claims, the accompanying, full-page timeline shows the progression of these two cases alongside \$440,000 in related campaign contributions. The case that Apache contested appears on the left of the timeline; the Colgate case on the right. Actions by team Boykin-NGL are shown in green, Apache actions are in purple, and Colgate in red.

NGL/Boykin Wastewater Disposal-Well Disputes with Apache and Colgate

Apache Case	Date	Donations	Recipient	Colgate Case
Boykin seeks permits	8/17/18			
Apache files protest	8/31/18			Boykin seeks permits
	9/10/18			Colgate files protest
Atty Brian Sullivan \$	9/27/18	\$1,000	CC	
NGL \$	11/2/18	\$10,000	CC	NGL \$
Boykin requests hearing	12/5/18			
Atty George Neale \$	12/7/18	\$10,000	CC	Atty George Neale \$
Prehearing	3/12/19			
Boykin files to dismiss Apache	4/15/19			
Hearing	Early May			
NGL \$	6/25/19	\$10,000	CC	NGL \$
Boykin Energy \$	6/25/19	\$10,000	CC	Boykin Energy \$
	6/27/19	\$5,000	WC	Scott Douglass McConnico \$
Closing statements	6/28/19	\$15,000	CC	Boykin Energy \$
	7/11/19			Prehearing
	9/4/19			Hearing
Boykin Energy \$	9/4/19	\$10,000	RS	Boykin Energy \$
NGL \$	9/17/19	\$20,000	RS	NGL \$
Boykin Energy \$	10/18/19	\$10,000	CC	Boykin Energy \$
NGL \$	10/18/19	\$10,000	CC	NGL \$
NGL \$	10/29/19	\$20,000	WC	NGL \$
Examiners back Apache	10/30/19			
Boykin Energy \$	10/31/19	\$5,000	WC	Boykin Energy \$
Boykin Energy \$	11/15/19	\$5,000	CC	Boykin Energy \$
NGL \$	12/12/19	\$2,500	CC	NGL \$
	12/12/19	\$5,000	CC	Scott Douglass McConnico \$
Commissioners rule for Boykin	12/17/19	\$2,500	WC	Boykin Energy \$
NGL \$	12/17/19	\$2,500	WC	NGL \$
Apache seeks rehearing	1/20/20			
NGL \$	2/3/20	\$2,500	WC	NGL \$
Commissioners nix rehearing	2/11/20			
NGL \$	2/28/20	\$25,000	CC	NGL \$
Boykin's Seth Crawford \$	2/28/20	\$10,000	CC	Boykin's Seth Crawford \$
Apache sues commission	3/10/20			
	3/15/20			Examiners back Boykin
Boykin Energy \$	4/20/20	\$5,000	JW	Boykin Energy \$
	4/20/20	\$2,500	JW	Scott Douglass McConnico \$
	4/21/20			Commissioners back Boykin
Apache \$	5/18/20	\$5,000	WC	
Apache \$	5/19/20	\$5,000	JW	
Apache \$	5/20/20	\$5,000	CC	
	6/10/20			Commissioners nix rehearing
NGL \$	6/25/20	\$25,000	WC	NGL \$
NGL \$	6/26/20	\$25,000	JW	NGL \$
Boykin's Seth Crawford \$	6/26/20	\$10,000	JW	Boykin's Seth Crawford \$
NGL \$	6/30/20	\$25,000	CC	NGL \$
	7/16/20			Colgate sues commission
Atty George Neale \$	8/28/20	\$1,000	JW	Atty George Neale \$
NGL \$	10/2/20	\$50,000	JW	NGL \$
Atty William Hayenga \$	10/5/20	\$1,000	JW	
	10/13/20	\$2,500	JW	Scott Douglass McConnico \$
NGL \$	10/30/20	\$25,000	CC	NGL \$
NGL \$	11/4/20	\$25,000	WC	NGL \$
Boykin Energy \$	12/8/20	\$25,000	CC	Boykin Energy \$
Atty Brian Sullivan \$	12/8/20	\$1,000	CC	
NGL \$	12/9/20	\$1,000	JW	NGL \$
	12/10/20	\$5,000	WC	Scott Douglass McConnico \$
	12/10/20	\$5,000	CC	Scott Douglass McConnico \$
TOTAL:		\$440,000		

Party Key

- Boykin/NGL Parties
- Apache Parties
- Colgate Parties

Recipient Key

- CC: Christi Craddick
- WC: Wayne Christian
- JW: Jim Wright
- RS: Ryan Sitton

Note: Table lists checks of \$1,000 or more.

Sources: Texas Ethics Commission, Texans for Public Justice.

The problem with self-policing is that it combines lax conflict and recusal rules with zero enforcement. Apache Corp. filed its Boykin protest on August 31, 2018, sending a clear signal that the commissioners might wind up hearing and resolving that dispute. The commissioners initially did so on December 17, 2019 and finalized their ruling by rejecting Apache's request for a rehearing on February 11, 2020. During the time that Apache was actively contesting a Boykin-NGL disposal application, the campaigns of the three ruling commissioners collected \$146,000 from parties and attorneys tied to the case. That included \$77,500 from NGL, \$57,500 from Boykin, \$10,000 from a Boykin attorney and \$1,000 from an Apache attorney. Apache's PAC and executives did not contribute to the commissioner campaigns in this sensitive period.

The administrative law judge and staff technical examiner assigned to this case issued their "proposal for decision" on October 30, 2019. It advised the commissioners to reject Boykin's application to drill a saltwater disposal (SWD) well at the Landmark Lease outside the town of Toyah because it could endanger the nearby Rustler Aquifer. They wrote:

Boykin failed to demonstrate that the installation and operation of the proposed SWD well was in the public interest, that the injected fluids would be constrained to the injection interval, and that useable quality groundwater would be protected. Protestant demonstrated the existence of a nearby fault. The fault could become transmissive with the installation and use of the Landmark Lease SWDs and act as conduit for the migration of injected fluids to contaminate useable quality water in the Rustler Aquifer.

Under even a minimal self-policing policy, commissioners would not take money from interested parties between the time when their staff issued this proposed settlement and the day that the commissioners issued their own ruling on December 17, 2019. As the timeline shows, however, Commissioner Craddick's campaign took \$5,000 from Boykin in that period and another \$2,500 from NGL. Christian's campaign took a total of \$7,500 from Boykin—including \$2,500 from Boykin on the very day that he and his colleagues overturned their own staff to rule for Boykin and NGL.

Reversing their staff, the commissioners unanimously ruled that Apache, which owns an oil and gas lease two miles from the proposed disposal site and relies on Rustler Aquifer water, "is not an affected person entitled to protest." Their ruling also sent the application back to its staff to be reevaluated.⁴¹ A month after the commissioners refused to revisit the case, Apache sued the Railroad Commission in state district court for "gross disregard...in denying Apache standing to protest two disposal wells that pose a grave and demonstrable threat to Apache's nearby groundwater and mineral interests."

Midland-based Colgate Operating filed a similar, concurrent protest challenging the application that Boykin filed in August 2018 to drill two other waste-injection wells in Reeves County. Colgate argued that underground fractures could allow Boykin's waste to contaminate Colgate's nearby oil and gas wells, which it said already were endangered by two other waste-injection wells. In this case, the administrative law judge and technical examiner recommended on March 15, 2020 that the commissioners approve Boykins' waste wells.⁴² Commissioners Christian, Craddick and Sitton did so on April 21.⁴³ After the commissioners denied Colgate's rehearing request on June 10, 2020,⁴⁴ Colgate filed its own pending lawsuit in state district court.⁴⁵ It alleges that the commissioners' decision is not supported by "an explicit statement of the underlying facts supporting the findings," as required by law. The agency disagreed.

The Colgate case extended a few months longer than the Apache case, allowing the commissioners' campaigns to raise more docket-related money. From Boykin's application in August 2018 to the

commissioners' rejection of a case rehearing in June 2020, NGL gave the three ruling commissioners \$102,500, while Boykin, its owner and attorney gave them \$77,500. Colgate did not contribute to the commissioners but its law firm, Scott Douglass & McConnico, gave them \$12,500 in that period. As the case unfolded, the Boykin-NGL winners gave the ruling commissioners 14 times more money than the losing side did. In the most sensitive five-week period separating the staff recommendation from the commission's initial ruling, then-candidate Wright collected \$5,000 from Boykin and \$2,500 from Colgate's law firm, whereas the campaigns of the three ruling commissioners did not report case-related contributions.

Eleven days after commission examiners advised the agency to approve Boykin's disposal well over Colgate's objections, a 5.0 magnitude earthquake struck Culberson County near the Reeves County line, northwest of Pecos on March 26, 2020.⁴⁶ This was part of a renewed shaky period in the region.⁴⁷ On June 25, 2020 commission staff notified companies with 12 injection well permits in that area of several nearby quakes, asking them to diminish surface injection pressure and reduce maximum waste injection volumes by 10,000 barrels a day until further notice.⁴⁸ Six of the well permits belonged to NGL, not all of which were operational.⁴⁹

In a swift response—or odd coincidence—NGL immediately contributed \$25,000 apiece to the campaigns of Christian, Craddick and Wright (see timeline below). NGL business partner Seth Crawford of Boykin Energy gave Wright's campaign another \$10,000 at that time. One month after signing those checks, NGL met with agency staff, arguing that its Culberson operations were “not the cause of its recent seismicity.” On August 3rd, NGL filed a formal outright rejection of its regulator's seismic-reduction request, later requesting a hearing on the matter. The agency noted in November that “NGL was the only operator that refused to comply with Staff's requested reductions.”⁵⁰

RAILROAD COMMISSION OF TEXAS OFFICE OF GENERAL COUNSEL

November 20, 2020

George C. Neale, Christopher S. Hotchkiss
George C. Neale - Attorneys at Law
Attorneys for NGL Water Solutions Permian, LLC

Staff requested that the twelve permits identified as likely contributing (or likely to contribute) to seismic activity reduce their permitted maximum daily injection volumes and pressures to prevent or minimize future seismic events. NGL was the only operator that refused to comply with Staff's requested reductions.

By the time of a December 16 prehearing on the issue, NGL had given the campaigns of Craddick and Christian another \$25,000 apiece. Doubling down, NGL gave Wright's campaign \$50,000 more one month before the election. Austin attorneys George Neale and Christopher Hotchkiss represented NGL. They also represented Boykin in the Apache dispute and previously defended future Commissioner Jim Wright in a waste-disposal enforcement case that he had with the agency.⁵¹

NGL Water's contributions following earthquakes in Culberson County

Date	Donations	Recipient	Case Actions
6/25/20			Commission quake advisory
6/25/20	\$25,000	WC	NGL \$
6/26/20	\$25,000	JW	NGL \$
6/26/20	\$10,000	JW	Boykin's Seth Crawford \$
6/30/20	\$25,000	CC	NGL \$
7/30/20			NGL argues it's not quake cause
8/3/20			NGL rejects quake-reduction request
8/28/20	\$1,000	JW	Atty George Neale \$
10/2/20	\$50,000	JW	NGL \$
10/30/20	\$25,000	CC	NGL \$
11/4/20	\$25,000	WC	NGL \$
11/20/20			Agency says just NGL refuses to comply
12/8/20	\$25,000	CC	Boykin Energy \$
12/9/20	\$1,000	JW	NGL \$
12/15/20			Agency prehearing on matter
01/29/21			NGL withdraws hearing request
TOTAL:	\$212,000		

In January 2021 the Railroad Commission welcomed new Commissioner Wright, who hired NGL's outside attorney Christopher Hotchkiss to be his staff general counsel. On January 29, NGL withdrew its request for a hearing on the permit reductions. Permit records indicate that the Railroad Commission cancelled two of NGL's six permits in rattled Culberson County in late 2020 and early 2021.⁵²

The Railroad Commission's oil and gas hearings docket says that NGL had 35 different cases before the agency from 2015 through 2020.⁵³ These involved 24 "Rule 9" permits to inject waste into unproductive oil and gas wells, seven "Rule 46" permits to inject waste into productive reservoirs, three complaint-driven hearings and one agency enforcement case. During that period, NGL contributed \$298,500 to the campaigns of the four most-recent commissioners.

The elections code allows commissioners to accept campaign contributions from parties that have a contested case before the commission or that face possible enforcement actions or fines. This should be prohibited to reduce the possibility of commissioners making biased decisions that conflict with the public interest.

Penalty reductions for pipeline companies donating to commissioners

While federal authorities oversee interstate pipelines, the Railroad Commission oversees more than 400,000 miles of intrastate pipes that start and end within Texas.⁵⁴ The spaghetti bowl of pipelines crisscrossing this vast energy state can jeopardize aquifers, drinking water, workers, and the public.⁵⁵

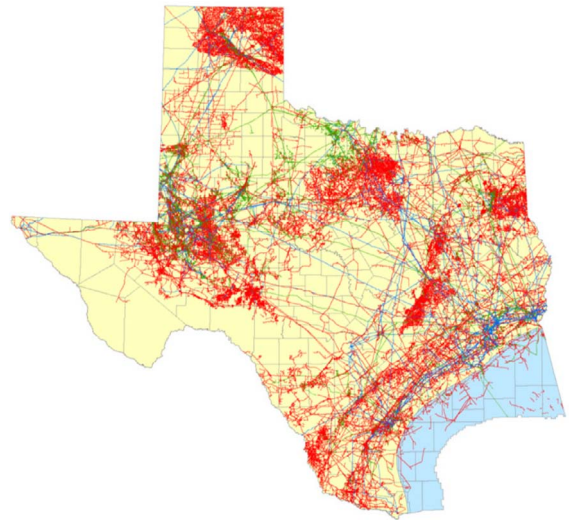
Railroad commissioners assessed pipeline enforcement penalties totaling \$582,705 against 48 private entities from January 2017, when Wayne Christian took office, to June 2019, the most recent data on the agency's website.⁵⁶ During that period, executives and PACs tied to 12 companies that were fined \$399,500 contributed a total of \$376,600 to the campaigns of Craddick, Christian and Sitton. Jim Wright collected \$79,252 from donors tied to these penalized companies during his 2020 Railroad Commission campaign. Some of these campaign contributions occurred before the commissioners levied the fine, others after the fine was levied. They were not quid-pro-quo contributions made on the day that the fines were levied. Instead, they illustrate how commissioner campaign reliance on oil and gas money can erode perceptions of an impartial commission.

*Pipeline Enforcement Cases and Political Contributions,
Jan. 2017 Through June 2019*

Parent Company	Penalties	Gave CC	Gave WC	Gave RS	TOTALS	Gas Utility Docket Numbers
West Texas Gas, Inc.	\$205,000	\$85,500	\$5,000	\$35,000	\$91,500	10382 10609
Southcross Energy	\$104,000	\$1,100	\$0	\$0	\$1,100	10588
Enterprise Products Part.	\$15,000	\$10,500	\$2,000	\$2,000	\$14,500	10632 10571
Hilcorp (Harvest Midstream)	\$15,000	\$20,000	\$10,000	\$10,000	\$40,000	10782
Centerpoint, Entex	\$12,500	\$15,250	\$16,250	\$15,000	\$31,500	10653
TX Gas Service Co (One Gas)	\$10,000	\$1,000	\$0	\$0	\$1,000	10626
Kinder Morgan (Double Eagle)	\$8,000	\$11,000	\$0	\$2,000	\$8,000	10802
Plains All American	\$8,000	\$20,500	\$5,000	\$10,000	\$30,500	10720 10584
Occidental Petroleum	\$6,000	\$16,000	\$12,500	\$10,000	\$38,500	10671
Phillips 66 Co	\$6,000	\$1,001	\$3,001	\$2,001	\$44,500	10700
Finley Resources, Inc.	\$5,000	\$10,000	\$1,000	\$20,000	\$31,000	10691
Marathon Oil	\$5,000	\$29,000	\$5,000	\$20,000	\$44,500	10650
TOTAL	\$399,500	\$220,851	\$59,751	\$126,001	\$376,600	

Sources: Texas Ethics Commission, Texans for Public Justice, Texas Railroad Commission.

Railroad commissioners assessed two recent pipeline safety penalties against units of Midland-based West Texas Gas, Inc. totaling \$205,000—or half of the total pipeline penalties listed above (penalty payment is not an admission of wrongdoing). A June 4, 2019 enforcement order imposed a \$160,000 penalty on the company because, in its words, the vent stack on one of its Midland compressors lacked “adequate anchors or supports.”⁵⁷ Moreover, “affiliate employee Johnny Plasentillo,” who was sent “unassisted” to work on that faulty equipment in 2014, “did not hold qualifications” to “recognize an abnormal operating condition associated with releasing pressure from the compressor unit.”



Railroad Commission gas, crude and hazardous liquids pipeline map.

That enforcement order summary glosses over pertinent details alleged in the original commission complaint.⁵⁸ Namely, it alleged that the pipe was pressurized to “approximately 538” pounds per square inch. As a result, when the pipeline gave way, the hurtling pipe and fittings “struck Mr. Plasentillo, resulting in his death.”⁵⁹ Plasentillo left behind three sons and a grandchild.⁶⁰ Commissioners were authorized to fine West Texas Gas \$200,000 a day.⁶¹ They assessed a total of \$160,000. Led by the family of West Texas Gas founder Jimmy Davis, who died in late 2019,⁶² owners and executives of that company contributed a total of \$125,500 to the three commissioners since 2015, including \$91,500 in the pipeline enforcement period shown above. Johnny Plasentillo gave nothing to the railroad commissioners before his death.

Commissioners also fined West Texas Gas \$45,000 in August 2017 for another incident that agency staff attributed to insufficiently trained workers.⁶³ This time a staff member and three contract workers were hospitalized after the pipeline they were servicing in White Deer burst into flames in June 2015. The contract workers were confined in a pit excavated around the pipe that they were trying to splice. An agency inspector concluded that they failed to ground the pipe and their tools to dissipate static electricity, which likely sparked the fire. The inspector blamed the severity of the accident on inadequate worker training, a “poorly excavated workspace” without “an acceptable means of egress,” and lack of fire-resistant clothes.⁶⁴ Links in the accompanying table provide details on safety penalties involving other pipeline interests that bankrolled commissioner campaigns.

Texas law grants owners of certain pipelines “eminent domain” powers to compel landowners to sell them easements to run pipelines through their land. Through its T-4 pipeline permit, the Railroad Commission collects information about the classification of pipeline operators, whether they are “gas utilities” or “common carriers” that transport gas for multiple entities, which may be granted eminent domain in Texas.

Landowners have long complained that the agency’s T-4 applications simply had pipeline companies check a box to claim common-carrier status, with no further verification required. The agency countered that it has nothing to do with pipeline routes or land-grab disputes, which belong in court. Under pressure in 2014, the agency adopted new rules to require a bit more documentation to support common-carrier claims.⁶⁵ But it rejected tougher proposals that would have required companies to document third-party pipeline users and mandated agency investigations to approve or revoke common-carrier permits. In 2015 the agency also stopped posting pipeline permit documents online and began to release them only in response to formal open-records requests.⁶⁶

*Permian Hwy. Pipeline (PHP) Milestones and
Kinder Morgan CEO Steven Kean's Donations
(Railroad Commissioners in red, all other recipients in green.)*

Date	Amount	Recipient/PHP Milestones
6/1/10	\$500	University of Houston PAC
9/15/13	\$2,000	Land Commissioner George P. Bush (R)
5/30/16	\$500	Rep. Eugene Wu (D)
5/31/16	\$500	ActBlue Texas (D)
9/26/16	\$1,000	Railroad Commissioner Wayne Christian (R)
3/20/18	\$2,000	Railroad Commissioner Ryan Sitton (R)
9/10/18		PHP files preliminary T4 application
9/20/18	\$500	Railroad Commissioner Christi Craddick (R)
10/3/18		PHP Board adopts plan & tentative route
10/6/18	\$5,000	Railroad Commissioner Christi Craddick (R)
10/29/18		RRC recognizes PHP as 'gas utility'
12/3/18		RRC issues revised PHP T4
12/7/18	\$500	Railroad Commissioner Christi Craddick (R)
6/27/19	\$5,000	Railroad Commissioner Christi Craddick (R)
9/23/19	\$10,000	(Then-Speaker of the House) Rep. Dennis Bonnen (R)
9/23/19	\$5,000	Sen. Carol Alvarado (D)
9/25/19	\$2,500	Rep. Tom Craddick (R)
10/15/19	\$5,000	Moving to The Future PAC
12/16/19	\$1,000	Railroad Commissioner Wayne Christian (R)
12/19/19	\$10,000	Texans for Lawsuit Reform
2/24/20	\$2,500	Rep. Terry Canales (D)
2/25/20	\$1,000	ActBlue Texas (D)
3/5/20	\$1,000	Rep. Garnet Coleman (D)
5/15/20	\$1,000	Railroad Commissioner James Wright (R)
5/19/20	\$1,000	House cand. Justin Ray (R)
6/24/20	\$5,000	Railroad Commissioner Christi Craddick (R)
8/17/20	\$1,000	Rep. Jim Murphy (R)
8/20/20	\$10,000	Texans for Lawsuit Reform
TOTAL	\$73,708	

Pipeline giant Kinder Morgan and its partners completed the Permian Highway Pipeline in January 2021. It can move 2 billion cubic feet of gas a day from the Reeves County Waha oil field outside of Pecos to the greater Houston region. That pipe carves a swath through 430 miles of mostly private land.

The project hit major snags in the Hill Country. The Austin American-Statesman reported that Kinder Morgan pumped 36,000 gallons of drilling fluid into an underground aquifer when it attempted to drill under the Blanco River, polluting the water wells of local residents.⁶⁷ The company did not notify the Railroad Commission about the accident until a local resident posted pictures of her polluted drinking water online.⁶⁸ Local governments and private landowners in the area sued the company for greater easement payouts and to better protect the Barton Springs and Edwards Aquifers, along with the endangered Houston toad and golden-cheeked warbler. U.S. District Judge Robert Pittman expressed concerns that Kinder Morgan may have violated federal habitat-protection rules in blazing its way through the Hill Country. He ruled in 2020, however, that the court's authority was limited to preventing possible future injury—not redressing damage already done.⁶⁹

A state district court overseeing a related land dispute appointed a panel of local landowners to determine how much Kinder Morgan should pay for easements across the properties of three local plaintiffs.⁷⁰ The resulting \$2.8 million figure was 133 times larger than the \$21,000 Kinder Morgan had offered.⁷¹ Meanwhile, landowners in Blanco, Hays and Gillespie Counties joined with Hays County and

the City of Kyle to sue Kinder Morgan and the Railroad Commission. They alleged that the agency bungled its oversight of these land grabs by adopting a perfunctory process to designate pipelines as “gas utilities,” thereby delegating eminent domain powers to private corporations without public input or hearings.⁷² Dismissing that lawsuit in 2019, State District Judge Lora Livingstone said it’s up to lawmakers to reform pipeline eminent domain powers.⁷³ “The Court is concerned with a power that, when exercised by a government entity, must be done in the harsh light of public scrutiny of open meetings and public notice,” she added, “but, when exercised by a private entity, may be determined without public notice by a select few driven primarily by their financial interests.” The plaintiffs’ appeal of that case is pending in Austin.⁷⁴

Interests behind the Permian Highway Pipeline gave the four recent commissioners almost \$100,000 in campaign contributions from 2015 through 2020. Kinder Morgan executives gave \$28,500. Commissioner campaigns took \$33,750 from Apache Corp., which spun off assets into Altus Midstream, a part owner of the new pipeline.⁷⁵ Apache and Exxon’s XTO Energy unit contracted to transport their gas through that pipeline. Exxon donors gave commissioner campaigns \$36,750 more.⁷⁶

Kinder Morgan CEO Steven Kean’s political contributions increased significantly in the past 20 years. Kean started this century as a small donor to the PAC of Enron Corp., where he was an executive vice president.⁷⁷ Kean gave \$2,000 to George P. Bush’s 2014 campaign for Texas Land Commissioner and started giving to railroad commissioners in 2016. With the 2018 rollout of the Permian Highway Pipeline project, he started writing \$5,000 and \$10,000 checks to Commissioner Craddick, Sen. Carol Alvarado, and then-Speaker Dennis Bonnen.

In 2019 some Texas lawmakers proposed reforms to protect landowners from low-ball offers, set conditions for pipeline companies to seize property, and require public hearings when at least 25 tracts of land are at stake.⁷⁸ Senate author Lois Kolkhorst of Brenham said she couldn’t support her own bill after a House committee gutted key provisions, including one that would require pipeline construction crews to try to restore condemned land to an approximation of its original condition.⁷⁹ The House committee chairman in question, Commissioner Craddick’s father, Rep. Tom Craddick, countered that Sen. Kolkhorst failed to try to iron out their differences.⁸⁰

Fourteen companies affiliated with some of the railroad commissioners’ top campaign contributors had at least 783 T-4 pipeline permit actions before the agency from January 2015 through December 2020.⁸¹ During that same period, contributors affiliated with those companies gave the commissioners’ campaigns \$2.6 million. A unit of Houston-based Enterprise Products Partners, the company with the most agency pipeline permit activities, lost a 2020 eminent-domain case. A Houston appeals court ruled that an Enterprise pipeline through Brazoria County was not a common carrier and therefore lacked the power of eminent domain to impose an easement on a local landowner.⁸²

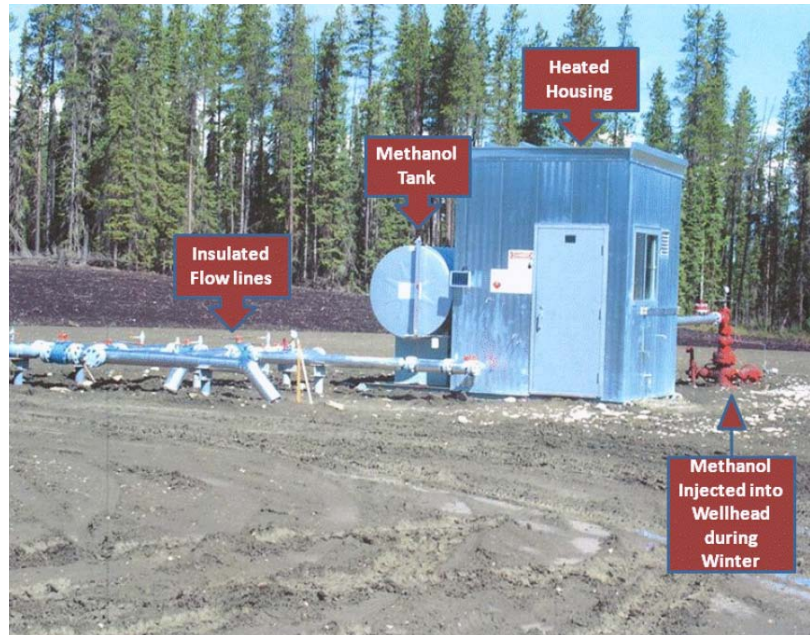
*Pipeline Permit Activities by Major Railroad Commission Contributors
Jan. 2015 to Dec. 2020*

Permits	Company	Total Contribs	Craddick Amount	Christian Amount	Sitton Amount	Wright Amount
247	Enterprise Products Part.	\$77,000	\$45,500	\$9,500	\$7,000	\$15,000
219	Energy Transfer Partners	\$408,050	\$113,000	\$10,300	\$201,250	\$83,500
111	Hilcorp/Harvest Midstream	\$100,500	\$45,500	\$25,000	\$25,000	\$5,000
80	West Texas Gas-WTG	\$202,000	\$117,000	\$22,500	\$58,000	\$4,500
47	Kinder Morgan	\$28,500	\$18,500	\$2,000	\$7,000	\$1,000
37	Marathon Oil Co	\$443,500	\$56,000	\$325,000	\$37,500	\$25,000
10	Atmos Energy Corp	\$70,000	\$25,000	\$10,000	\$25,000	\$10,000
9	Fasken Oil/ Fasken Mgmt	\$100,000	\$55,500	\$17,000	\$17,500	\$10,000
9	Pioneer Natural Resources	\$142,000	\$66,000	\$32,500	\$25,000	\$18,500
4	Henry Petroleum LP	\$127,000	\$52,500	\$25,000	\$35,000	\$14,500
4	Magnolia Oil & Gas	\$173,500	\$85,000	\$25,000	\$50,000	\$13,500
3	CrownQuest Operating	\$114,500	\$22,750	\$39,750	\$27,500	\$24,500
2	High Roller Group	\$317,500	\$110,000	\$155,000	\$22,500	\$30,000
1	NGL Water Solutions	\$303,500	\$135,000	\$72,500	\$20,000	\$76,000
783	TOTALS	\$2,607,550	\$947,250	\$771,050	\$558,250	\$331,000

Sources: Texas Ethics Commission, Texans for Public Justice, Texas Railroad Commission.

The railroad commissioners failed to prepare Texas for extreme cold temperatures

Pipeline companies Energy Transfer Partners and Kinder Morgan made billions of dollars off the gas scarcity caused by the extreme freeze in February 2021.⁸³ That crisis was exacerbated by the Railroad Commission's failure to require gas wells and pipelines to be winterized after similar storms in 1989 and 2011.⁸⁴ Declining to adjust extreme market-based gas prices in its regular session in 2021, Texas lawmakers instead chose to allow the costs to be securitized through bonds that ratepayers will pay off, with interest, for years.⁸⁵ San Antonio Mayor Ron Nirenberg called it the "most massive wealth transfer in Texas history."⁸⁶ Potentially adding to the wealth transfer, Railroad Commissioner Jim Wright then proposed using tax subsidies to "incentivize" pipeline companies to winterize pipelines.⁸⁷



After 2011 winter power outages, Gas Technology Institute prepared a list of techniques for preventing gas system outages in cold weather. Source: GTI cited in FERC/NERC (2011) Report on Outages and Curtailments During the Southwest Cold Weather Event of February 1 - 5, 2011.

Senate Bill 3, which was enacted earlier this year, directs the Railroad Commission to adopt rules to prompt gas suppliers and pipeline operators to maintain more reliable service during extreme weather.^{88, 89} Yet the legislative timetable suggests the agency won't complete this work until a year and a half after the freeze that prompted it.⁹⁰ The law grants the agency authority to establish a classification system for violations of these rules, stipulating that only the worst violations can be penalized more than \$5,000 per day.⁹¹ Given the commissioners' track record on weatherization, it remains to be seen if some gas companies will determine that its cheaper to risk the penalties than to pay for weatherization. More importantly, operators may be able to simply opt-out of weatherization requirements.

Senate Bill 3 requires the Railroad Commission to adopt weatherization rules for facilities designated as critical infrastructure.⁹² The weatherization rules are expected fall 2022 or spring 2023.⁹³ In September 2021, the commission proposed a responsive rule to designate certain gas supply chain facilities as "critical infrastructure."⁹⁴ That draft, however, would allow operators to file for an exception from critical infrastructure designation—and any weatherization requirements—by simply asserting that their "facility is not prepared to operate during a weather emergency."⁹⁵

Finally, the Railroad Commission oversees gas utility securitization. Eleven gas utilities including Houston-based CenterPoint Energy, Atmos Energy of Dallas, and Austin's Texas Gas Service, filed to securitize their "Extraordinary Costs" in July 2021.⁹⁶ As a result, Texas gas consumers are likely to pay higher bills for years to come. Texas law allows the PACs and executives of gas pipeline and utility companies to contribute unlimited amounts of campaign funds to the officials who regulate them. Too often, this leaves consumers in the dark and in the cold.

Lawyers, lobbyists, and party donors fund commissioner campaigns

If the three current commissioners took two-thirds of their campaign money from oil and gas interests, where did the rest come from? The accompanying table shows the commissioners' other top contributors. The Republican Party of Texas gave the commissioners almost 3% of their total funds. Law firms Coffin Renner and Scott Douglass & McConnico represents numerous clients before the Railroad Commission.

*Top Non-Energy Contributors to the Four Most-Recent Railroad Commissioners
Jan. 2015 through Dec. 2020*

Total	Surname	City	Interest
\$491,212	Republican Party of Texas	Austin	Ideological
\$240,000	Ryan LLC	Dallas	Finance
\$142,500	Coffin Renner	Austin	Lawyers/Lobbyists
\$118,000	Dian Owen Graves Stai (Owen Healthcare)	Abilene	Health
\$90,000	Gulf States Toyota	Houston	Transportation
\$86,000	Jack A Wood (Western National Bank)	Odessa	Finance
\$75,000	Trammell Crow (Crow Holdings)	Dallas	Real Estate
\$72,500	John B Zachry (Zachry Group)	San Antonio	Construction
\$69,500	William B Kent (Kent Oil)*	Midland	Miscellaneous
\$67,000	CenterPoint Energy Inc	Houston	Electricity
\$67,000	Dana Dillard Powell (Powell Co's/Bitterblue)	San Antonio	Real Estate
\$67,000	Robert Drayton McLane (McLane Group)	Temple	Miscellaneous
\$66,500	Hance Scarborough	Austin	Lawyers/Lobbyists
\$63,000	Tucker Bridwell (Mansefeldt Invest. Corp)	Abilene	Finance
\$60,000	Scott Douglass & McConnico	Austin	Lawyers/Lobbyists
\$60,000	T. Dan Friedkin (Gulf States Toyota)	Houston	Transportation
\$55,563	Woody L Hunt (Hunt Co's)	El Paso	Real Estate
\$52,400	Texans for Lawsuit Reform	Austin	Tort Law
\$50,000	Michael J Plank (Plank Co's)	Houston	Construction
\$50,000	Darwin A Deason (Deason Capital Service)	Dallas	Finance
\$50,000	Rusty Kelley (Blackridge)	Austin	Lawyers/Lobbyists

**Convenience store owner William B Kent was not classified as an oil and gas contributor in this report, despite the importance of fuel sales at such businesses.*

Note: Donors above accounted for 14% of money raised by the four commissioners.

Source: Texas Ethics Commission, Texans for Public Justice.

Conclusion and recommendations

An analysis of Railroad Commission Chairman Wayne Christian's personal financial statement submitted to the Texas Ethics Commission shows that in 2020 he may have earned tens of thousands of dollars in dividends from the oil and gas companies he oversees, and that he may own up to \$10,564 in some of these companies' stock. Commissioner Christian voted on at least one agency matter involving a company in which he held stock. There may have been others, but this analysis did not include an exhaustive review of the agency's docket.

Texas leads the nation in climate-warming carbon emissions,⁹⁷ including direct greenhouse gas emissions from petroleum and natural gas systems.⁹⁸ Simultaneously, Texas' largest financial sectors are shifting, and oil and gas is losing ground as a contributor to state and local tax revenues, partially due to competition from renewable energy.⁹⁹ Christian has repeatedly cast doubt on the science of climate change, and put his money into rebuilding a beach home in a high-risk area destroyed by Hurricane Ike in 2008. Christian also decries investors eschewing oil and gas assets for social or environmental reasons.¹⁰⁰ In 2020, Christian's oil and gas-related income from "dividends, interest, royalties, or rents" was between \$8,935 and \$62,510.

Christian meanwhile collected \$1.6 million in campaign contributions from 2015 through 2020, taking more than two-thirds of it from oil and gas interests. The four most-recent railroad commissioners raised \$15 million in that period, with a comparable reliance on oil and gas donors. Recent agency enforcement and permit disputes reveal that commissioners receive large amounts of campaign funds from parties with active matters before the commission. The personal financial and campaign finance ties between the commissioners and the industry that they oversee feed public perceptions that they unfairly promote expanded oil and gas development at the expense of their duty to protect the environment and promote the safety and economic vitality for the benefit of Texans.

The following reforms would promote a more balanced approach to oil and gas oversight in Texas:

- 1. Demonstrate no financial interest:** Commissioners should be required to divest from the industries they regulate before serving. As in Oklahoma, commissioners overseeing the oil and gas industry should divest from those interests to safeguard the public trust.¹⁰¹
- 2. Limit campaign contributions:** RRC candidate fundraising should be limited to the 18-month period preceding that election. Parties with pending contested case hearings should not be allowed to contribute to commission campaigns. Contributions should be limited to \$5,000 per election cycle. Recusals should be triggered if a commissioner received more than \$1,000 from a company in the candidate's last election cycle. If campaign finance laws cannot be reformed, the legislature should consider shifting to a governor-appointed commission with specific competency requirements for appointees, as the state legislature mandated for members of the Electric Reliability Council of Texas after the devastating power outages of February 2021.¹⁰²
- 3. Improve financial disclosure:** Texas should increase the upper range of financial disclosures for RRC candidates and elected commissioners to match congressional disclosure requirements. In Texas, the current maximum disclosure option is "\$44,630 or more" for incomes, assets and liabilities. Texas' form should mirror the Congressional disclosure form, with \$5 million as the largest income category and \$50 million as the largest asset category. Financial disclosure forms should specify whether reported incomes come from interest, dividends, royalties or rent.
- 4. Strengthen recusal standards:** Commissioners should recuse themselves from cases involving a company in which they hold equity, income, or business ties, or if the company donated more than \$1,000 to their campaign in the last election cycle.

5. Use a neutral forum for contested cases: The commission should conduct independent hearings through the State Office of Administrative Hearings for contested enforcement cases and gas utility cases. Railroad commissioners approve administrative law judges' hiring and compensation, which may encourage the administrative law judges to favor parties with personal financial or campaign finance ties to commissioners.

The Railroad Commission has long been criticized as a “captive agency,” controlled by the industry it is charged with overseeing.¹⁰³ This perception is not surprising given the lax financial disclosure, recusal, and campaign finance policies that govern ties between commissioners and the industry that they oversee. Exasperated landowners, workers, and communities facing water contamination, deaths, and land condemnation cannot compete with the oil and gas industry's dominant role in commission campaigns. Both the railroad commission and state legislators have a responsibility to Texans to reduce biases that might prevent the commissioners from handling cases with integrity, transparency, and accountability. Commissioner “self-policing” has fallen short of these standards.

Notes

¹ Railroad Commission of Texas. (2021). Gas Utilities Information Bulletin No. 1160. <https://www.rrc.state.tx.us/media/q3pjyckj/1160bu.pdf>

² Erin Douglas, & Mitchell Ferman. (2021, May 25). Texas plans billions in financing to pay for winter storm costs. The Texas Tribune. <https://www.texastribune.org/2021/05/25/electricity-market-financing-winter-storm/>

³ Texas Election Code Chapter 253 Subchapter D prohibits corporate contributions to candidates. A corporation's political committee and executives, however, can contribute unlimited amounts to campaigns for non-judicial state offices.

⁴ Oil and gas interests supplied 21 percent of the \$79 million in new money that Abbott raised between January 2017 and December 2020. This excludes the \$9.7 million that Abbott shifted during that period between his officeholder account and his special-purpose PAC: Texans for Greg Abbott. (Unpublished data compiled by Texans for Public Justice citing Texas Ethics Commission disclosures.)

⁵ Commissioner Wayne Christian was elected Chairman of the Railroad Commission at the September 28th Open Meeting, replacing Commissioner Christi Craddick as Chairman.

⁶ Texas Elections Code. Sec. 253.034. Fundraising is prohibited starting 30 days before a regular session until 20 days after its adjournment.

⁷ Texans for Public Justice, Sierra Club Lone Star Chapter, & Public Citizen's Texas Office. (2016). RIGGED: How the Texas Oil and Gas Industry Bankrolls its Own Regulators. <https://www.sierraclub.org/sites/www.sierraclub.org/files/sce/lone-star-chapter/TX-CHP-1900-TPJ-RRR-Report-Nov2016.pdf>

⁸ Asher Price. (2020, March 4). Did Jim Wright pull an upset on Tuesday because of his name? Austin American Statesman. <https://www.statesman.com/news/20200304/did-jim-wright-pull-upset-on-tuesday-because-of-his-name>

⁹ "Anatomy of an upset: Jim Wright on his shocking victory over Ryan Sitton for Texas Railroad Commissioner, by Brad Johnson, March 5, 2020, The Texan.

¹⁰ Commissioner Wright's first recusal statement occurs around 6:30 minutes into the recorded meeting, the second at around 10:40 minutes. Railroad Commission of Texas. (2021). Open Meeting. In Admin Monitor - Webcast Archives. http://www.adminmonitor.com/tx/rrc/open_meeting/20210126/

¹¹ Sunset Advisory Commission Hearing. December 19, 2012 at 2 hours and 15 minutes. Texas Senate Streaming Video Player. http://tlcsenate.granicus.com/MediaPlayer.php?view_id=11&clip_id=982 cited in Texans for Public Justice, Public Citizen's Texas Office, & Sierra Club Lone Star Chapter. (2017). Conflicted! Texas Railroad Commissioners "Self-Police" Their Self-Interests. <https://www.sierraclub.org/sites/www.sierraclub.org/files/sce/lone-star-chapter/CHP-TX-1900-Conflicted-TPJ-Mar2017.pdf>

¹² This property is financed with a Prosperity Bank mortgage of "more than \$44,630."

¹³ Wayne Christian. (2021, March 19). Texas' Blackouts Blew In on the Wind. Wall Street Journal. <https://www.wsj.com/articles/texas-blackouts-blew-in-on-the-wind-11616192622>

¹⁴ ERCOT. (2021). Update to April 6, 2021 Preliminary Report on Causes of Generator Outages and Derates During the February 2021 Extreme Cold Weather Event ERCOT Public. Slide 16. http://www.ercot.com/content/wcm/lists/226521/ERCOT_Winter_Storm_Generator_Outages_By_Cause_Updated_Report_4.27.21.pdf

¹⁵ King, C. W., Josh D. Rhodes, Zarnikau, J., Ning Lin, Erhan Kutanoglu, Benjamin Leibowicz, Dev Niyogi, Varun Rai, Surya Santoso, David Spence, Stathis Tompaidis, Hao Zhu, Erik Funkhouser, & Brent Austgen. (2021). The Timeline and Events of the February 2021 Texas Electric Grid Blackouts. <https://energy.utexas.edu/sites/default/files/UTAustin%202021%29EventsFebruary2021TexasBlackout20210714.pdf>

¹⁶ Federal Energy Regulatory Commission and North American Electric Reliability Corporation. (2011). Report on Outages and Curtailments During the Southwest Cold Weather Event of February 1 - 5, 2011. <https://www.ferc.gov/sites/default/files/2020-04/08-16-11-report.pdf>

- ¹⁷ Wayne Christian. (2021, January 5). Opinion: An assault from all fronts on energy independence. World Oil. <https://www.worldoil.com/news/2021/1/5/opinion-an-assault-from-all-fronts-on-energy-independence>
- ¹⁸ Wayne Christian, "Opinion: An assault from all fronts on energy independence," January 5, 2021, World Oil. <https://www.worldoil.com/news/2021/1/5/opinion-an-assault-from-all-fronts-on-energy-independence>
- ¹⁹ The details of the case are discussed in the first report in this series. Also see: Railroad Commission of Texas. (2019, August 6). Order Denying Motion for Rehearing. Oil & Gas Docket No. 09-0292018. <https://portalvhdsklzfb8q9lqr9.blob.core.windows.net/media/53440/090292018orderdenyingmfrh.pdf>
- ²⁰ He did not report any mutual fund sales in 2020.
- ²¹ Wayne Christian. (2019, January 9). Letter to Governor Greg Abbott. Railroad Commission of Texas. <https://www.lightandchampion.com/sites/lightandchampion.etypegoogle4.com/files/field/image/commissioner-christian-governor-letter-1-09-19-1.jpg>
- ²² Wayne Christian. (2018, April 24). The science on climate change is not settled. TribTalk. <https://www.tribtalk.org/2018/04/24/the-science-on-climate-change-is-not-settled/>
- ²³ Definitions of FEMA Flood Zone Designations. (n.d.). Retrieved August 16, 2021, from <http://msc.fema.gov/webapp/wcs/stores/servlet/info?storeId=10001&catalogId=10001&langId=->
- ²⁴ Christian reported a Pensco debt of more than \$44,630 in 2020.
- ²⁵ Ross Ramsey. (2014, March 22). Vanquished, but Still Eyeing Winner's Circle. The Texas Tribune Reposted in the New York Times. <https://www.nytimes.com/2014/03/23/us/vanquished-but-still-eyeing-winners-circle.html> also see Brandi Grissom. (2012, May 24). New District Puts Legislator, Mayor in Pitched Battle. The Texas Tribune. <https://www.texastribune.org/2012/05/24/new-district-puts-legislator-mayor-pitched-battle/>
- ²⁶ "Anatomy of an upset: Jim Wright on his shocking victory over Ryan Sitton for Texas Railroad Commissioner, by Brad Johnson, March 5, 2020, The Texan.
- ²⁷ Asher Price. (2020, March 4). Did Jim Wright pull an upset on Tuesday because of his name? Austin American Statesman. <https://www.statesman.com/news/20200304/did-jim-wright-pull-upset-on-tuesday-because-of-his-name>
- ²⁸ Asher Price. (2021, July 18). Oil-and-gas money flows to Railroad Commission nominee. Austin American Statesman. <https://www.gosanangelo.com/story/money/industries/energy/2020/07/18/oil-and-gas-money-flows-railroad-commission-nominee/5460983002/>
- ²⁹ Permian frac wells used an average of 42,500 cubic meters of water, or 11.2 million gallons. Kondash, A. J., Lauer, N. E., & Vengosh, A. (2018). The intensification of the water footprint of hydraulic fracturing. *Science Advances*, 4(8). <https://doi.org/10.1126/SCIADV.AAR5982>
- ³⁰ Plushnick-Masti, R. (2013, November 11). More oil and gas drillers turn to water recycling. Associated Press. <https://apnews.com/article/69ebf87535cd428c87c5df305cad9070>
- ³¹ Abraham Lustgarten. (2012, June 21). Injection Wells: The Poison Beneath Us. ProPublica. <https://www.propublica.org/article/injection-wells-the-poison-beneath-us> also see Connelly, K., Barer, D., & Skorobogatov, Y. (2013). How Oil and Gas Disposal Wells Can Cause Earthquakes. NPR State Impact Texas. <http://stateimpact.npr.org/texas/tag/earthquake/>
- ³² Ariana Hurtado. (2020, March 11). Key Players: Meeting E&P Water Management Demands. Hart Energy. <https://www.hartenergy.com/exclusives/meeting-water-management-demands-186178>
- ³³ Haynes & Boone LLP. (2013, August 7). Haynes and Boone Advises High Roller Wells in Connection with \$239 Million Sale of Oilfield Water Lines LP to NGL Energy Partners LP. Kinney Recruiting. <https://www.kinneyrecruiting.com/dallas/legal-news/11160-haynes-and-boone-advises-high-roller-wells-in-connection-with-239-million-sale-of-oilfield-water-lines-lp-to-ngl-energy-partners-lp/>
- ³⁴ Docket No. 0302911.
- ³⁵ Representing Henderson in the case was the Austin firm of Scott Douglass and McConnico, which gave the three current commissioners \$55,000. The lawyer defending NGL from the complaint was Christopher Hotchkiss—now general counsel to new Commissioner Jim Wright.
- ³⁶ Tiffany Dowell. (2014, May 27). Railroad Commission Sides with Oil Company Against Groundwater

Conservation District. Texas Agriculture Law. <https://agrillife.org/texasaglaw/2014/05/27/railroad-commission-sides-with-oil-company-against-groundwater-conservation-district/>

³⁷ Appeal of Examiner's Ruling. Oil and Gas Docket No. 01-0287364., (April 22, 2014). http://s3.amazonaws.com/static.texastribune.org/media/documents/Hrng_Examiner_Memo_to_Commissioners.pdf

³⁸ Texas Railroad Commission Proposal for Decision, Oil and Gas Dockets 08-0317254 and 08-0317258, October 20, 2019, page 12.

³⁹ The Apache-protested wells were Docket No. 08-0317254 and 08-0317258; The Colgate protested ones were Docket No. 08-0320009 and 08-0320288. See also "Apache cribs activist tactic and protests wastewater well at Alpine High," David Hunn, Houston Chronicle, August 24, 2017. Retrieved from: <https://www.chron.com/business/energy/article/Apache-cribs-activist-tactic-and-protests-11955462.php>

⁴⁰ Sunset Advisory Commission Hearing. December 19, 2012 at 2 hours and 15 minutes. Texas Senate Streaming Video Player. http://tlcsenate.granicus.com/MediaPlayer.php?view_id=11&clip_id=982 cited in Texans for Public Justice, Public Citizen's Texas Office, & Sierra Club Lone Star Chapter. (2017). Conflicted! Texas Railroad Commissioners "Self-Police" Their Self-Interests. <https://www.sierraclub.org/sites/www.sierraclub.org/files/sce/lone-star-chapter/CHP-TX-1900-Conflicted-TPJ-Mar2017.pdf>

⁴¹ In the meeting, Christian and Craddick initially moved to approve the ruling with no questions or discussion. This prompted Sitton to interject, "That happened really fast." Sitton said that Apache could be affected by waste moving through the fault but he didn't see how to assess that danger beyond the half-mile radius usually used to identify an affected person. Craddick concurred that she didn't see the science showing that risk. Christian said that competitors such as Apache are disqualified from such protests.

⁴² Proposal for Decision. Oil and Gas Docket No. 08-0320009 and 08-020288, (March 25, 2020). <https://portalvhdsklfb8q9lqr9.blob.core.windows.net/media/57447/08-0320009-and-08-0320288-boykin-energy-llc-pfd-002.pdf>

⁴³ Final Order. Oil and Gas Docket Nos. 08-0320009 and 08-0320288., (April 21, 2020). <https://portalvhdsklfb8q9lqr9.blob.core.windows.net/media/57448/08-0320009-and-08-0320288-signed-final-order.pdf>

⁴⁴ Order Denying Motion for Rehearing and Amending Final Order. Oil and Gas Docket Nos. 08-0320009 and 08-0320288., (June 16, 2020). <https://portalvhdsklfb8q9lqr9.blob.core.windows.net/media/58399/080320009and0288orderdenyingmfrhandamendingfo.pdf>

⁴⁵ Colgate Operating, LLC V. Railroad Commission of Texas, Travis County District Court case No. D-1-GN-20-003694.

⁴⁶ Jason Hanna, & Melissa Alonso. (2020, March 26). El Paso earthquake: 5.0-magnitude earthquake shakes West Texas and El Paso area - CNN. CNN. <https://www.cnn.com/2020/03/26/us/el-paso-west-texas-earthquake/index.html>

⁴⁷ The first known seismic events in the Culberson-Reeves region occurred in 2014. See Robert J. Skoumal, et al., Induced Seismicity in the Delaware Basin, Texas. 125 J. of Geophysical Research: Solid Earth 125 (2020), available at <https://doi.org/10.1029/2019JB018558>

⁴⁸ Railroad Commission attorney Jessica Mendoza's "Letter of Clarification" to NGL attorneys George Neale and Christopher Hotchkiss, November 20, 2020. The letter reviews the agency's seismicity concerns surrounding NGL disposal well permits 15577, 15586, 16570, 16558, 16135 and 16371. Docket Nos. OG-20-00004805, OG-20-00004905, OG-20-00004906, OG-20-00004907, OG-20-00004908, OG-20-00004909. <https://rrctx.force.com/s/ietrs-public-file-correspondence/a0yt0000000w7sf/cased-oc0000032838>

⁴⁹ Permits Nos. 15577, 15586, 16570, 16558, 16135 and 16371. The requested reduction of 10,000 barrel a day amounted to from 29 percent to half of the maximum permitted volume of those wells.

⁵⁰ Railroad Commission attorney Jessica Mendoza's "Letter of Clarification" to NGL attorneys George Neale and Christopher Hotchkiss, November 20, 2020. The letter reviews the agency's seismicity con-

cerns surrounding NGL disposal well permits 15577, 15586, 16570, 16558, 16135 and 16371. Docket Nos. OG-20-00004805, OG-20-00004905, OG-20-00004906, OG-20-00004907, OG-20-00004908, OG-20-00004909. <https://rrctx.force.com/s/ietrs-public-file-correspondence/a0yt0000000w7sf/cased-oc0000032838>

⁵¹ See email from Christopher Hotchkiss, then at George Neale's law firm, to Railroad Commission attorney Jessica Mendoza, December 11, 2019. Hotchkiss writes that he was unaware of a cleanup deadline for the dump because his firm took over the DeWitt/Eagleford Recycling case from its previous attorney, Chris Pepper, "in late June of 2018."

⁵² W-14 No. 15586 cancelled on December 11, 2020 and W-14 No. 16570 cancelled on February 1, 2021. See Injection and Disposal Query at <http://webapps2.rrc.texas.gov/EWA/uicQueryAction.do>

⁵³ Oil and Gas Hearings docket search. Query: "Applicant Name" = "NGL*" https://rrcsearch3.neubus.com/esd3-rrc/index.php?_module_=esd&_action_=keysearch&profile=11#page-2

⁵⁴ <https://www.rrc.state.tx.us/pipeline-safety/>

⁵⁵ Texas Groundwater Protection Committee. (2020). Joint Groundwater Monitoring and Contamination Report - 2019. <https://www.tceq.texas.gov/publications/sfr/056>

⁵⁶ Railroad Commission of Texas. (2019, July 3). Pipeline Safety Enforcement Cases. <https://stage.rrc.texas.gov/pipeline-safety/enforcement/pipeline-safety-enforcement-cases/>

⁵⁷ Railroad Commission of Texas. (2019). Enforcement Orders Signed June 4, 2019. <https://portalvhd-skzlf8q9lqr9.blob.core.windows.net/media/52921/gud-10382.pdf>

⁵⁸ "Original Complaint," Gas Utility Docket No. 10382, August 19, 2018. To access, search that docket number at https://rrcsearch3.neubus.com/esd3-rrc/index.php?_module_=esd&_action_=keysearch&profile=14

⁵⁹ "Original Complaint," Gas Utility Docket No. 10382, August 19, 2018. To access, search that docket number at https://rrcsearch3.neubus.com/esd3-rrc/index.php?_module_=esd&_action_=keysearch&profile=14

⁶⁰ Odessa American. (2014, June 6). Johnny Plasentillo Obituary (2014). <https://www.legacy.com/us/obituaries/oaoa/name/johnny-plasentillo-obituary?pid=171247475>

⁶¹ "Original Complaint," Gas Utility Docket No. 10382, August 19, 2018. To access, search that docket number at https://rrcsearch3.neubus.com/esd3-rrc/index.php?_module_=esd&_action_=keysearch&profile=14

⁶² Midland Reporter-Telegram. (2019, December 26). James Davis Obituary. <https://www.legacy.com/us/obituaries/mrt/name/james-davis-obituary?pid=194823343>

⁶³ Railroad Commission "Stipulation, Agreed Settlement and Consent Order," Gas Utility Docket No. 10609, August 15, 2017.

⁶⁴ Texas Railroad Commission Safety Division Docket Referral: Violation List, Form PS-53, Violation Code 192-805-010, February 27, 2017.

⁶⁵ Ty Johnson. (2014, December 10). Prove It Up: Texas Railroad Commission Revises Rule for Pipeline Common Carrier Permits. Energy Legal Blog. <https://www.energylegalblog.com/blog/2014/12/10/prove-it-texas-railroad-commission-revises-rule-pipeline-common-carrier-permits>

⁶⁶ The Railroad Commission's website on T-4 permits says that "Beginning in 2015, all permit work was required to be completed in the Pipeline Online Permit System (POPS)." And that "Permit work processed in POPS can only be acquired by submitting an open records request." Retrieved from: <https://www.rrc.state.tx.us/pipeline-safety/permitting-and-mapping/permitting/how-to-search-for-t-4-permits/> Accessed on: August 26, 2021.

⁶⁷ Katie Hall. (2020, June 22). Blanco County residents sue company over drilling spill. Austin American-Statesman. <https://www.statesman.com/story/news/local/2020/06/22/blanco-county-residents-sue-company-over-drilling-spill/42606331/>

⁶⁸ Katie Hall. (2020, June 22). Blanco County residents sue company over drilling spill. Austin American-Statesman. <https://www.statesman.com/story/news/local/2020/06/22/blanco-county-residents-sue-company-over-drilling-spill/42606331/>

⁶⁹ Leticia Gonzales. (2020, March 24). KMI's Permian Highway Pipeline Scores Another Legal Win; Construction On Time but Adjusting for Coronavirus. Natural Gas Intelligence. <https://www.naturalgas-intel.com/kmis-permian-highway-pipeline-scores-another-legal-win-construction-on-time-but-adjusting-for-coronavirus/>

⁷⁰ Sergio Chapa. (2019, August 13). Kinder Morgan ordered to pay another \$2.7 million in Hill Country pipeline dispute. Houston Chronicle. <https://www.chron.com/business/energy/article/Kinder-Morgan-ordered-to-pay-another-2-7-million-14301348.php>

⁷¹ Sergio Chapa. (2019, August 13). Kinder Morgan ordered to pay another \$2.7 million in Hill Country pipeline dispute. Houston Chronicle. <https://www.chron.com/business/energy/article/Kinder-Morgan-ordered-to-pay-another-2-7-million-14301348.php>

⁷² "The Commission has the authority to act to impose standards and public accountability in the process," the plaintiffs' appeal argues. "Yet it does essentially nothing. It conducts no investigation, evaluates no alternative routes, entertains no adversarial inquiry, provides no notice, allows no hearing, and considers no evidence."

⁷³ Matthew Prendergast, & Alyssa Goard. (2019, June 26). Judge dismisses lawsuit related to pipeline planned to run through parts of the Hill Country. In KXAN. KXAN. <https://www.kxan.com/news/judge-dismisses-lawsuit-related-to-pipeline-planned-to-run-through-parts-of-the-hill-country/>

⁷⁴ Case 03-19-00469-CV filed in Third Court of Appeals on July 16, 2019.

⁷⁵ S&P Global Market Intelligence. (2020, February 27). Altus Midstream "not in the ditch" even as Apache exits Alpine High, CEO says. <https://www.spglobal.com/marketintelligence/en/news-insights/latest-news-headlines/altus-midstream-not-in-the-ditch-even-as-apache-exits-alpine-high-ceo-says-57317676>

⁷⁶ Kinder Morgan. (2018, September 5). Kinder Morgan and EagleClaw Announce Final Investment Decision on Permian Highway Pipeline Project. <https://ir.kindermorgan.com/news/news-details/2018/Kinder-Morgan-and-EagleClaw-Announce-Final-Investment-Decision-on-Permian-Highway-Pipeline-Project/default.aspx>

⁷⁷ Kean made monthly Enron PAC contributions of \$208 in 2000 and 2001. See Enron Corp. PAC **disclosure** filings with Texas Ethics Commission. [https://www.ethics.state.tx.us/jasperserver-pro/flow.html?_flowId=viewReportFlow&standAlone=true&_flowId=viewReportFlow&ParentFolderUri/public/publicData&reportUnit=/public/publicData/datasource/CFS/By_Filer_Name&decorate=no&SuperName=enron&FilerType=ANY&FirstName=&CorrFlag=N&tec-pp=u=PUBLIC2&7CexpireTime=Thu%20Aug%2019%202021%2020:29:11%20GMT-0500%20\(CDT\)](https://www.ethics.state.tx.us/jasperserver-pro/flow.html?_flowId=viewReportFlow&standAlone=true&_flowId=viewReportFlow&ParentFolderUri/public/publicData&reportUnit=/public/publicData/datasource/CFS/By_Filer_Name&decorate=no&SuperName=enron&FilerType=ANY&FirstName=&CorrFlag=N&tec-pp=u=PUBLIC2&7CexpireTime=Thu%20Aug%2019%202021%2020:29:11%20GMT-0500%20(CDT))

⁷⁸ Carlos Anchondo. (2019, May 22). Texas House passes bill to better protect landowners under eminent domain. The Texas Tribune. <https://www.texastribune.org/2019/05/22/texas-house-passes-bill-better-protect-landowners-under-eminent-domain/>

⁷⁹ Carlos Anchondo. (2019, May 28). Eminent Domain Reform Died In The Texas Legislature This Session. The Texas Tribune. <https://www.houstonpublicmedia.org/articles/news/texas/2019/05/28/334779/eminent-domain-reform-died-in-the-texas-legislature-this-session/>

⁸⁰ Carlos Anchondo. (2019, May 28). Eminent Domain Reform Died In The Texas Legislature This Session. The Texas Tribune. <https://www.houstonpublicmedia.org/articles/news/texas/2019/05/28/334779/eminent-domain-reform-died-in-the-texas-legislature-this-session/>

⁸¹ This conservative number just counts pipeline permit actions listed in the parent company's name or minor variations thereof. Search Pipeline Permits (T-4) query for operator names listed in table. https://rrcsearch3.neubus.com/esd3-rrc/index.php?_module_=esd&_action_=keysearch&profile=12

⁸² Hlavinka v. HSC Pipeline Partnership, Houston's First Court of Appeals, case No. 01-19-00092-CV. Also see John McFarland. (2020, June 23). Pipeline Loses Condemnation Appeal - Hlavinka v. HSC Pipeline. Oil and Gas Lawyer Blog. <https://www.oilandgaslawyerblog.com/pipeline-loses-condemnation-appeal-hlavinka-v-hsc-pipeline/>

⁸³ Collin Easton, "Energy Transfer Reaps \$2.4 Billion Windfall From Texas Freeze," Wall Street Journal, May 6, 2021, <https://www.wsj.com/articles/energy-transfer-reaps-2-4-billion-windfall-from-texas->

freeze-11620340520

⁸⁴ Federal Energy Regulatory Commission and North American Electric Reliability Corporation. (2011). Report on Outages and Curtailments During the Southwest Cold Weather Event of February 1 - 5, 2011. <https://www.ferc.gov/sites/default/files/2020-04/08-16-11-report.pdf>

⁸⁵ HB 1520 (Paddie), 87th Legislative Session (Regular). Retrieved from: <https://capitol.texas.gov/Bill-Lookup/Text.aspx?LegSess=87R&Bill=HB1520>

⁸⁶ Kevin Crowley. (2021, July 9). Gas Sellers Reaped \$11 Billion Windfall During Texas Freeze. Bloomberg. <https://www.bloomberg.com/news/articles/2021-07-09/gas-sellers-reaped-11-billion-windfall-during-texas-freeze>

⁸⁷ Jim Wright. (2021, August 5). Wright: Reduce Emissions and Fix the Grid by Incentivizing Better Natural Gas Infrastructure. Railroad Commission of Texas. <https://rrc.texas.gov/news/080521-wright-op-ed/>

⁸⁸ Senate Bill 3. 87th Legislative Session (Regular). Utilities Code Sec. 121.2015 (a)

⁸⁹ Senate Bill 3. 87th Legislative Session (Regular). Natural Resources Code Sec. 86.044 (c)

⁹⁰ Lawmakers directed the RRC to adopt weatherization rules six-months after the Texas Electricity Supply Chain Security and Mapping Committee produces their map of gas and electricity systems, which is due September 1, 2022. Senate Bill 3, Section 37-38. 87th Legislative Session (Regular).

⁹¹ Senate Bill 3. 87th Legislative Session (Regular). Utilities Code, Sec. 39.9165 (e) and (f)

⁹² 87th legislature (R) Senate Bill 3, Section 5. Also see Texas Natural Resources Code Sec. 86.044 (b). Retrieved from: <https://capitol.texas.gov/tlodocs/87R/billtext/html/SB00003F.htm>

⁹³ 87th legislature (R) Senate Bill 3. Sections 27 and 38. Retrieved from: <https://capitol.texas.gov/tlodocs/87R/billtext/html/SB00003F.htm>

⁹⁴ Railroad Commission of Texas. September 10, 2021. Proposed New 16 TAC §3.65 and Proposed Amendments to §3.107 to Implement HB 3648 and SB 3. Accessed on September 28, 2021. Retrieved from: <https://www.rrc.texas.gov/media/huvofyl4/final-item-263-signed-091421.pdf>

⁹⁵ Id. at p. 10 of 22, paragraph (d).

⁹⁶ Railroad Commission of Texas. (2021). Gas Utilities Information Bulletin No. 1160. <https://www.rrc.state.tx.us/media/q3pjyckj/1160bu.pdf>

⁹⁷ Friedrich, J., Ge, M., & Tankou, A. (2017). 6 Charts to Understand U.S. State Greenhouse Gas Emissions. In World Resources Institute. <https://www.wri.org/insights/6-charts-understand-us-state-greenhouse-gas-emissions>

⁹⁸ U.S. Environmental Protection Agency. (2020, September 26). EPA Facility Level GHG Emissions Data. <https://ghgdata.epa.gov/ghgp/main.do#/listFacility/>

⁹⁹ Trey Cowan, & Tom Sanzillo. (2021, July 30). Texas confronts decline in oil and gas industry. IEEFA U.S. <https://ieefa.org/ieefa-u-s-texas-confronts-decline-in-oil-and-gas-industry/>

¹⁰⁰ Wayne Christian, "Opinion: An assault from all fronts on energy independence," January 5, 2021, World Oil. <https://www.worldoil.com/news/2021/1/5/opinion-an-assault-from-all-fronts-on-energy-independence>

¹⁰¹ 17 OK Stat § 17-179 (2019)

¹⁰² Texas 87th Legislature. Senate Bill 2, relating to the governance of the Public Utility Commission of Texas, the Office of Public Utility Counsel, and an independent organization certified to manage a power region. Retrieved from: <https://capitol.texas.gov/tlodocs/87R/billtext/html/SB00002F.htm>

¹⁰³ See, for example, Prindle, D. F. (1981). Petroleum Politics and the Texas Railroad Commission (First Edition). University of Texas Press, and "RIGGED - A New Report on Oil and Gas Influence at the Railroad Commission," Sierra Club, November 9, 2016, <https://www.sierraclub.org/texas/blog/2016/11/rigged-new-report-oil-and-gas-influence-railroad-commission>