

Transcript of the Railroad Commission Open Meeting, February 24th, 2026

On this meeting of the Railroad Commission in Texas will come to order, consider matters, which have been duly posted with the Secretary of State for February 24th, 2026. As a reminder, all persons attending today's meeting should conduct themselves with dignity, courtesy, and respect toward the commission, agency, staff, and other persons in attendance under our public participation policy.

Anyone desiring to offer public testimony on any items that are not noticed on today's agenda was required to register in advance. We had four people register in advance. The commission will consider the items on the agenda as posted on the agenda. Okay, we're gonna start with service bind item number one, John.

Good morning, chairman and commissioners. Good morning for the record. I'm John Ru, administrative Law Judge with the hearings division Item number one. An application by the Sabine Mining Company requesting release of phase one reclamation obligations for 97.6 acres within the Sabine Mine permit number five five A in Harrison, Panola and Rusk County, Texas.

The approved post mine land usage for the area are forestry and fish and wildlife habitat. Evidence in the record supports that Sabine has satisfied all requirements of phase one release of the acreage as required by the Texas Surface Coal Mining and Reclamation Act, and the coal mining regulations.

Following public notice, no comments or requests for hearing were received. Sabine and staff are the only parties to the proceeding, no exceptions to the proposed order were filed and Sabine seeks no reduction to the bond. It is recommended that the request for release of phase one reclamation obligations on the 97.6 acres be approved and that Sabine be eligible to reduce the amount of bonds at charitable to the approved acreage.

And I'm available for questions. Thank you, John. Um, any questions? No. I move that we approve the examiner's recommendation. Is there a second? Second. Seconded by Commissioner Christian. All in favor say aye. Aye. That motion passes. Item is approved. Thank you. On the oil and gas division, Arden items number two and three.

Good morning, chairman and commissioner. We heard together, right? Yes. For the record, I'm Erden Elliot, technical examiner for the hearings division. Items two and three will be presented together, have one order and require one vote. These items are the applications of NGL Water Solutions Eagle for Eagleford LLC pursuant to statewide Rule 46 to dispose of oil and gas waste by injection into a reservoir productive of oil or gas for the Pena Creek SWD Lease, well numbers one and two in the Pena Creek, almost 2 3 5 0 field in Ditt County, Texas.

The wells are currently permitted to NGL as disposal wells in the Pena Creek Georgetown Field with injection intervals in the Georgetown and Edwards formations in 2024, the commission

suspended the permits After the upper Glen Rose formation was recognized as a potential source of fresh water that required protection.

Its applications NGL proposed to plug back and recomplete the wells with injection intervals in the shallower omo and San Miguel formations by setting four cast iron bridge plugs in each of the wells. Each pr, each bridge plug will be topped with cement to isolate the proposed injection interval. The applications are protested by Winter Garden Groundwater Conservation district.

Winter garden asserts that the bridge plugs are likely to fail and will not protect the aquifer. The use of cast iron bridge plugs topped by at least 20 feet of cement is industry standard, but NGL is not opposed to setting a minimum of 40 feet of cement above each bridge plug to provide greater protection for the aquifer.

The examiners find that the applications meet their requirements of chapter 27 of the Texas Water Code and statewide Rule 46. And recommend approval of the applications with amendments to the special conditions in the draft permit to require a minimum thickness of 40 feet of cement above each bridge.

Bridge plug. No exceptions. Were filed. I'm available for questions. Okay. Thank you Orden. Uh, anybody have any questions? No. And therefore move that we approve the examiner's recommendation. Is there a second? Second. Seconded by Commissioner Craddick. All in favor say aye. Aye. Aye. Motion passes that item, Ms.

Item number four. Okay. Travis. Good morning, Jeremy Fishers. Good morning. For the record. My name is Travis Donald, administrative Law Judge with the hearings division. I'll be presenting items four and five. Items four and five are motions for rehearing filed as a result of a final order denying renewal of the operator's.

P five because of wells not compliant with statewide Rule 15. Item four in its motion, Este Cavo Energy LLC states the issues preventing compliance have been resolved or will soon be, or will soon be resolved. Staff opposes a motion responding that 15 well boards remain non-compliant. It is recommended that the motion be denied.

The motion be overruled by operation of law on March 26th. I'm available for questions. Thanks Travis. Anybody have any questions? I move that we approve the examiner's recommendation. Is there a second? Second. Seconded by Commissioner Christian. All in favor say aye. Aye. Aye. Motion passes. That item is approved.

Number five. John Travis. Yes sir. Item five In its motion true texts operating LLC States has been unable to fund the escrow account for the relevant well due to a lack of funds. Staff opposes a motion of responding that one well. War remains non compliant. It is recommended that the motion be denied.

The motion will be overruled by operation of law on March 26th. I'm available for questions. Any questions? No. Okay. I move that we approve the examiner's recommendations. There a second. Second. Seconded by Commissioner Craddick. All in favor say aye. Aye. Aye. That motion passes and is proof. Okay, let's move on to long gas consent items.

Items number six through 56. There are 51 items on the consent agenda. I move that we approve Item six through 56. Is there a second? Second. Seconded by Commissioner Christian. All in favor say aye. Aye. Aye. Motion passes. Those items are approved. Going on to Rule 15 and Active Well items, items number 57 through 81.

There are 25 items on the Rule 15 and Active well items agenda. Anybody have any questions? I'd like to pass number 68. Okay, we'll pass item number 68. That would make 24 in active well items. Therefore I move. We approve items 57 through 81 with the exception of 68, correct. Yes. Is there a second? Second.

Seconded by Commissioner Craddick. All in favor say aye. Aye. Aye. Motion passes. Those items are approved. Going on to master default orders items numbers 82 through one 13. There are 32 items on the master default order agenda. Are there any questions? Okay, I move that we approve items 82 through one 13.

Is there a second? Second. Seconded by Commissioner Christian. All in favor say a. Aye. Aye. Aye. Aye. Motion passes. Those items are approved.

Let's go to agreed enforcement orders, items number 1 14 3 3 92, which is 279 items on the Agreed Enforcement Order agenda. Are there any questions? Okay, I move that we approve items one 14 through 3 92. Is there a second? Second? Seconded by Commissioner Craddick. All in favor say aye. Aye. Motion passes.

Those items are approve. That concludes the hearing sections matters. Uh, we'll take up our administrative agenda. Item number 3 93, Teresa.

Good morning, chairman and commissioners. For the record, I'm Theresa Lopez, director of Operations. Item 3 93 on the agenda pertains to the commissioner's approval of a contract pursuant to the commission's delegation of authority under section 2260 1.254 of the Texas Government Code. The commission's internal delegation of authority and government code require commissioner approval of contracts and associated amendments greater than or equal to \$1 million At issue Today are four amendments for site remediation services.

Approval of these agenda items will ensure the agency has the necessary approvals in place pursuant to the commission's delegation of authority, and state law, so the projects can proceed in a timely manner, manner. Your notebooks include a summary of the contract and amendment terms, including contract numbers and amounts.

Staff request the commission, amendment, the commission, uh, approve the amendments pursuant to the commission's delegation of authority. I'm available for questions. Okay. Are there any questions? No. Okay. I move. Do we approve the staff's recommendation? Is there a second? Second. Seconded by Commissioner Christian.

All in favor say, honor. Aye. Motion passes that item. Item number 3 94. Olivia.

Good morning, chairman and commissioners, Olivia Allen with the Office of General Counsel. Item number 3 94 is Staff's recommendation to Adopt New Rule 16, Texas Administrative Code Section 7.712 relating to a regulatory asset for certain costs associated with Gross Plant. The new Rule Implements House Bill 43 84.

Passed by the 89th legislature, which added Texas Utilities Code Section 1 0 4 0.302. The bill directs the Commission to adopt implementing rules within 270 days of the acts effective date. On September 30th, 2025, the commission approved publication of the proposed rule and the Texas Register. The public comment period ended on November 17th and the commission received four comments.

Staff recommends the commission adopt new section 7.7102. With changes to the proposed text published in the October 17th issue of the Texas Register, the recommended changes are described in the attached adoption preamble. May I answer any questions? Thank you, Olivia. And thank for all those who put all the hard work into this.

Okay. Are there any questions? No. Okay. I move that we approve staff's recommendations. There a second, second. Second in by Commissioner credit. All in favor say aye. Aye. Aye. Motion passes. That item is approved. Thank you. Item 3 95 Joe Surface Mining. Uh, good morning. Chairman, commissioners, uh, Joseph Parks, director of the Surface Mining Reclamation division.

Item number 9 3 95 is a request by commission staff to adopt revisions to form 52 C to ensure consistency with Rule 12.108 related to annual fees. On February 5th, commission approved posting proposed revisions on its website for public review and comment. No comments were received. Copies of the form are included in your notebook materials.

Approval list of this item will allow updated the updated form to be made available on the Commission's website today. I'm available for questions. Thank you, John. Any questions? No. I move that we approve staff's recommendation. Is there a second? Second. Seconded by Commissioner Christian. All in favor say aye.

Aye. Aye. Motion passes. Thanks, chairman.

Item number 3 96 will be our public participation item. We had four people registered in advance. I'll call you up and you can give your input. Please limit your comments to three minutes. Uh. I may not announce this correctly, so I apologize. Front Mela, Bustos.

Good morning. Good morning. Good morning. My name is Mala Bustos. Mala. Real quick, are you an A or is it Aronde? Yes. Alright, are y'all here with the same association? Yes. Okay, thank you. Okay, sorry. Uh, okay. My name is ELA Bustos. I am a volunteer with Rises Collaborative and resident of Southeast Houston. My community is home of the largest petrochemical industrial complex in the country.

After years of realizing that my health and my health and the health my family has suffered due to the how close we are to the industry, I grow more frustrated knowing that my community doesn't see the benefits of our sacrifice. 40% of Houston Houstonians today live with food insecurity and our city has the highest property rate of any mayor city in the country.

That make, that makes this even worse is that our property taxes are also some of the highest in the country. We suffer these challenges not because we are lazy. Our city has somewhat of the hardest working people. I continue to work hard by providing services to other people who suffer with the their health, and I am present for my family.

I don't say that this to complain. I say this because we need for our taxes to be used in a smarter way. We're doing, doing our parts and our best, and we need those who have the power to make choices that impact impact us to do their best by us too. Right now, expensive and risky carbon capture projects are being proposal for our area taxpayers paying for this project.

To get started, we are also going to pay if something goes wrong, we'll have to pay for emergency services, if any, when there is any accident, and we will pay with our health after already paying for the 45 Q tax suicide with our federal taxes if the rural commission has to step in our state dollar pay for that too.

Please consider that concern when looking at carbon capture private permit application because I do not believe it will be a solution to the pollution of our city. That is just a lie to allow companies to make more money from us. This is one new way in which a risk keep kept richer, getting richer, and the powerful keep getting poor, poorer.

Please stand for the people of Texas. Thank you Ms. Bisto. So I have one question. You said you're from Southeast Houston, correct? Yes. Is that like Deer Park or is that like the Deer Park area or Baytown or, it's uh, close to going to Galveston is the southeast area. Okay. Alright. Thank you so much for your testimony.

I appreciate it. Thank you. Thank you. Yeah. May I say I, I totally agree with your testimony. This is, this is the new carbon, uh, green new scam coming to Texas and. Texas Industry, Texas organizations are supporting this. And frankly, it's, it's sad that we turned a socialized intake of economy, uh, for, yeah, it's equivalent to taking, uh, my car, driving it outside where carbon dioxide is handled, 0.004% of the environment.

Then you pull it in the garage, which says ques is exactly this. Shut the door and expect there's no problem with exhaust that's inside. Thank you for your comment. Um, okay. Is it ae? Yes, sir. Vinno.

Good morning. Good morning.

Yes. My name is Andy Tino and I'm the director of the RAs Collaborative and manager of the Texas C. The advocacy coalition. I want to highlight my concern with regard to carbon capture projects and to acknowledge the great power and responsibility that the Railroad Commission now carries with regard to permitting these projects in Texas.

When I first started learning about carbon capture, I found out about the technology's failures as seen in this state with Petro Nova and Fort Bend, and with bigger failures outside the state with examples such as atar, Mississippi, where a leak of carbon brought emergency vehicles to a standstill. And cause longstanding health impacts on surrounding residents.

45 Q. The massive federal tax credit that has now incentivized companies to invest over a billion dollars in lobbying alone for carbon capture was introduced by the Inflation Reduction Act. What may seem like a steep investment some companies have seen as an easy bet because 45 Q could provide them \$1 billion over a 12 year, uh, span for just one single class.

Six well. Some companies are planning multiple wells, which means another billion dollars per each additional well per each 12 year period. If in a given year they don't make a profit, they receive a check for their credits. The IRA was proposed as a massively funded law that could bring climate solutions and community benefits by oil and gas operations, though incentives such as 45 q.

Through incentives such as 45 Q. It is also a proposed, it also proposed massive funding for projects such as carbon capture at the time of its passage. Several years ago, an energy trader told me that his firm, one of the largest in the world, would make much more money from this law than communities would ever see, and I didn't yet understand the full picture, so I didn't quite click at the time.

But when I started to engage with federal agencies, I, I began to understand that perhaps the components of the IRA that promised to provide resources for communities like mine were a type of buyout, because now we were being strong armed to accept these projects that most people reject. Once they start to learn more about the cost and risk to their property safety and pockets.

Two years ago, I, along with colleagues, began to confront the Biden administration on this issue at the federal level, and were turned told to not be concerned that the technology was foolproof and that it was the solution we needed for a climate crisis. Ironically, under the Trump administration, all the parts of the act that would provide funding for communities were taken away.

And yet 45 Q was expanded to include, um, enhanced soil recovery. So far at the federal level, we have seen a multim administration effort to force carbon capture projects onto us without giving the people a say in making us fund them. Injury plus insult. Now, I come in front of you to please ask you to step in where the F Federal government has failed us.

Please give communities a fair shot at rejecting these projects that do not serve us, but rather cost us. The people of Texas are relying on all of you to do the right thing. Thank you Mr. Vinno. Thank you. Interesting. I was at the Petro Nova Ribbon cutting. Me and Rick Perry and Greg Abbott. Uh, it was the first largest carbon capture project in history.

It went broke in two years. Bankrupt. Guess what? Opened. Back up with the Inflation Reduction Act. Guess who's paying for it? Me and you. My grandkids. Scam. Thank you. Okay, uh, Ms. Julie Range.

Good morning. I'm Julie Range with commission. Um, what assures us that the practice of injecting produced water from hydrocarbon extraction into class two salt water disposal wells is safe. And at what point do we change course when it becomes apparent something is wrong? I've been wondering this since I saw the SNU study that linked a 2022 vintage geyser to saltwater disposal fluids from 12 miles away.

I expect many share these concerns as leaking wells continue to appear. To get a better handle on this, the Railroad Commission is investing in better IT infrastructure that will allow it to track produced water, and you have assembled an underground injection while investigation. Team, thank you for taking these steps.

I'm hopeful that they will help us understand the my, and understand and mitigate the problems. Please make the teams work and the data collected readily available to the general public. Justin Noble recently published a story in Smog and Rolling Stone that uncovers early concerns that prove prescient about wastewater injection at a 1971 symposium in Houston, USGS hydrologist.

Robert Stallman was concerned that injecting large amounts of liquid waste underground would result in pollution of groundwater surface water changes to the permeability of rocks. CAS earthquakes and contamination of underground oil and gas deposits. We are seeing all of these detrimental impacts today.

Some say treatment and beneficial reuse are the solution, but safe scale up is too slow and we don't wanna trade one problem for another. We are witnessing today the results of a slow building phenomenon we set in motion by pumping billions of gallons of toxic contaminated water underground and pressurizing the subsurface at that same symposium.

USGS hydrologist, John Ferris noted that eventually. That the water eventually escapes the injection zone and engulfs everything in its inexorable path. Mi inexorable migration towards the

discharge boundaries of the flow system, which might be faulty old oil, gas, or water wells. He believed contamination would become apparent at ever increasing distances from the injection site.

So what are we going to do about the pollution filled plumes we've injected that, uh, may eventually become apparent? And I don't know the answer to that, but I propose it's time to update the rules for all class two injection wells. Mm-hmm. You created stronger permitting guidelines for the Northern Delaware basin in response to local negative impacts.

But current injection rules are inadequate to protect groundwater and it's time to, uh, base our billion per year to ensure study, uh, studies apply of fresh water. It's past time. We ensure our injection rules protect the fresh groundwater we have. Thank you so much, Jill. Appreciate. Okay, uh, Mr. Skyler White.

Good morning. Morning. Skylar White from Goldsmith. I paid my own way to be here. I'm not representing anybody but myself. On, uh, December 4th, I sent an email to the Midland district office about this. Well, this is PONG operating. 5 0 4 that when I found this, well, it had been leaking for quite some time. Uh, a few days later, the fishing staff came out and inspected this.

Well, uh, they found un permitted disposal of oil, gas waste, un permitted pit, uh, well control issues. Uh, this well had been leaking for quite some time, wrote up a report, sent me a letter, and then nothing happened. So. The way I look at this, this is pollution period. This is pollution. This is no different than if somebody's coming by your yard throwing trash in your yard, and they come by there every day.

You call the sheriff and you know who it is. You said, oh, Johnny down the street. He's throwing trash in my yard. He comes by here every day and throws trash in my yard. Sheriff says, okay, I'll come out. And look at it. Sheriff comes out, write up, writes up a report. A few days later, oh, Johnny's still coming by, dumping trash in your yard.

And you call the sheriff up and say, sheriff, he's still dumping trash in my yard. We know who it is. Why don't you come do something? Why don't you come arrest him? Stop him. Do something. Sheriff doesn't do anything. You know, at some point if that's happening in your yard, you would say, you know what? I think we need a new sheriff in this town.

It's no different than. Y'all allowing these companies to do this and not get out there and make them clean this stuff up and stop this. It's been going on for going on 90 days now, and they, and nothing, I mean, it's just, it's, it's a ridiculous situation and I understand that y'all are short staffed, you have a lot to take care of, and it's, it's, it's a lot.

But, but this should not be allowed to go on. Operators like this give the. Good operator's a bad name. And it's not good for the industry. It's not good for Texas. The pollution's not good for us. It's, y'all wouldn't put up with it in your yard. The CEO of this company wouldn't put up with it in his yard, and I don't think anybody in this room would put up with it.

It's pastime to make these, hold these companies accountable and make 'em clean up their messes. Thank you. Thank you, Mr. White. Uh, just to let you know. Here's a file that's opened on that. Well, right now, there should have been somebody out there this week that stopped the flow, uh, replaced the valve and, and starting remediation on the contamination you're seeing on the ground.

Yeah. I appreciate your attention to that. You bet. Thank you. Okay. All right. Item number 3 97 is our executive session, uh, which we will not be going into today. Are there any other duly posted matters to come before the commission? Hearing none the meeting of the railroad commission and adjourn. See you guys next month.