

Unedited Transcript of the March 2026 Open Meeting of the Railroad Commission

This meeting on the Railroad Commission in Texas will come to order to consider matters, which have been duly posted with the Secretary of State for March 25th, 2026. As a reminder, all persons attend. 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 two people register in advance. The commission will consider the items on the agenda as posted on the agenda, but first, uh, we're going to start off with some service awards.

So you ready?

My thinker ain't working for.

Yeah, but you're, put your, oops. Gonna do this. It's a pretty fucking picture. Here we go.

Alright. Good morning, chairman and commissioners.

Good morning. My name's Jessica Chamberlain. I'm the Director of Human Resources. This morning I'm pleased to present our second quarter service awards for fiscal year 2026. Uh, for the second quarter of fiscal year 2026, we had a total of 19 employees celebrating a milestone anniversary, representing 200 years of combined service.

We're excited to recognize eight of those individuals today. First, celebrating five years of service is Marina Reyes from Service Mining and Reclamation.

Six, five. 1, 2, 3. Look over here. Perfect. Thank. Also celebrating five years of service is Denton Sores from the critical infrastructure division. Field operations.

Just scoot up a little bit more. Perfect. 3, 2, 1. Big smiles.

Next, celebrating 10 years of service is James Courier in the hearings division.

Jason.

Over here, six files, 1, 2, 3.

Also celebrating 10 years of service is Rowena Harrell in Information Technology Services.

Yeah.

3, 2, 1.

Next, celebrating 10 years of service is Alex Shock. From the Office of General Counsel, we're here. 3, 2, 1.

Also celebrating 10 years of service is Lisa Simpson, also from Information Technology Services.

Six files. 1, 2, 3.

Celebrating 15 years of service is Penny Semino from Information Technology Services.

There you go. Big smiles. Kind of 3, 1, 2, 3 big smiles.

Our last award for the morning is a special one, celebrating five years of service, is Chairman Jim Wright. Uh, the chairman would like to take a,

the chairman would like to take a photograph of this moment with all of you, so we invite everyone in the room to.

Uh, so join in, uh, help join us with, uh, some big Texas smiles. Yeah.

I'm gonna take a couple, the count of three. Everyone big smiles and stand. Super still. Count of three. 1, 2, 3. Big smiles. One more time. Count of three. 1, 2, 3. Excellent. Got it.

Thank you for everyone who got an award this morning. We appreciate your service to the Railroad Commission. Thank you.

Congratulations everyone.

Okay, let's start with gas utilities. Item number one, John. Good morning, chairman and commissioners. Good morning. I'm Administrative Law Judge John Dotson with the hearings division. Agenda item one is to consider motions for rehearing in a recently concluded rate case. The commission signed a final order on February 5th.

Subsequently, two motions for rehearing were filed by Interveners, A TGM, and the city of El Paso. Applicant TGS opposes both motions. The motions for rehearing raise, no new issues of fact or law not already considered by the commission and therefore the recommendation is to deny the motions. Both motions will be overruled by operation of law if no commission action is taken by May 18th.

I'm available for questions. Thank you, John. Um, I believe we have Kate Norman representing Texas Gas Service. Don Davey representing the city of El Paso and Alfred Herrera representing

the Alliance of Texas Gas. Municipal Municipalities registered to be available for questions. Anybody have questions? I can per comment.

Thank you guys. Yes. Uh, I move that we approve the examiner's recommendation is our second, second. Second. And by Commissioner Christian. All in favor say aye. Aye. Aye. Aye. Motion passes. That item is approved. Thanks, John. Thank you.

Item number two, surface mining. Beat me to the punch there, John. Good morning, chairman and commissioners. For the record, I'm John ef, administrative Law Judge with the hearings division. Item number two is an application by Dofu because cold partnership for requesting release. Phase one reclamation obligations for 256.47 acres within the Eagle Pass mine permit number four two B in Maverick County, Texas.

The approved post mine land use for the area is recreation Evidence in the record. Supports that do of de Huba has satisfied all requirements for 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 at request for a hearing were received. Do. Deas and staff are the only parties to the proceeding. No exceptions to the proposed order were filed. And Doso DEA seeks no bond reduction because disturbed areas in the permit are bonded. Based on the worst case calculation methods and eligible bond reduction amount only exists for acreage once it is approved for phase three release of reclamation obligations.

Recommended the request for phase one release of reclamation obligations on the 256.47 acres be approved and the of deus not be eligible to reduce the amount of bond attributable to the approved acreage. And I'm available for questions. Okay. Any questions? Looks like they need rain in. We all do. What is.

Okay. I move. We approve the examiner's recommendation. Is there a second? Second. Seconded by Mr. Credit. All in favor say aye. Aye. Any motion passes that I'm mis approved. Okay, thank you, John. Item number three, oil and gas. Alyssa. Uh, good morning, chairman. Commissioners. Actually, it's three to 11, right? My name is Alyssa Zachary, administrative law Judge with the hearings division, and I will be presenting items three through 11.

They're presented in one order requiring one vote. Items three to 11 are good faith claim complaints made by ACT Ranch Partners against TriVista operating for multiple wells. Act Ranch provided sufficient evidence to show that the mineral lease for the wells expired under its own terms due to 60 days of consecutive non-production.

All but one of the wells are currently inactive. Examiners recommend that the Commission Grant Act ranches requested relief and order TriVista to plug the inactive wells and bring all wells into compliance. No exceptions were filed. I'm available for questions. Okay. Thank you. Any questions? No. Okay. 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. Thanks, Alyssa. Trevor. Item number 12. Yes, sir. Good morning. My name's Trevor Hanson, administrative Law Judge with the hearings division. I'll be presenting items 12 through 14. Uh, separate motions for a hearing.

Item 12 is a motion for a hearing on February 5th, 2026. The commission signed a final order finding that Proline Energy Resources Inc. Does not have a good faith claim. Proline filed a motion for a hearing. Complainant Kenneth w Cory Limited replied stating Proline failed to provide evidence of good faith claim.

All issues raised in the motion were already raised and considered by the commission. It's recommended the motion be denied. The motion will be overruled by operational law on May 9th, 2026. Contained in the final order was a typographical error in conclusion of law number five. Regarding the lease description, it's recommended the final order be amended to correct the lease description.

I'm available for questions. Thank you. Correct. Uh, Trevor, any questions? I'm, nope. Nope. I move that we approve the examiner's recommendation. Is there a second? Second. It. Seconded by Commissioner Craddick. All in favor say aye. Aye. Aye. Motion passes that on is prove 13 Trevor. Thanks sir. Item 13 is a motion for a hearing of a February 5th, 2026 final order regarding a single signature Form P four transfer to A-M-R-W-R-L-L-C.

Lavacca Canyon Petroleum LLC filed a motion for a hearing. A-M-R-W-R filed a reply and withdrew. Its single signature Form P four application. It's recommended the motion for rehearing be granted and the docket dismissed. The motion will be overruled by operational law on May 18th, 2026. I'm available for questions.

Okay. Any questions? No. Okay. I move. Do we approve the examiner's recommendation? Is there a second? Second. Seconded by Commissioner Christian. All in favor say aye. Aye. Motion passes. That item is approved. 14? Yes sir. Item 14 is a motion for rehearing of a February 5th, 2026 final order. Regarding a single signature Form P four, transfer to A-M-R-W-R-L-L-C LA Vaca Canyon Petroleum, LLC filed a motion for a hearing.

A-M-R-W-R filed a reply and withdrew its application. It's recommended the motion for a hearing be granted and the docket dismissed. The motion will be overruled by operation of law on May 18th, 2026. I'm available for questions. Thank you, Trevor. Any questions? No. Okay. I move that we approve the examiner's recommendation.

Is there a second? Second it back to Mr. Craddick. All in favor say aye. Aye. Aye. Motion passes. That item is approved. Thank you. Thank you. You're still on stage, Trevor? Nope. Travis? No. No. Four 15 is not you. No, it's Travis on my page. It's you. That's Travis. It's me, sir. Oh. Oh. We've got two Travis. Morning Chairman ERs for the record.

My name is Travis Donald, administrative Law Judge with the hearings division. I'll be presenting items 15 through 17. 15, 16 and 17 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 15. In this motion, O-L-I-P-D-P two LLC States two wells are now compliant and they're currently working to plug and abandon the third noncompliant.

Well. Staff opposes a motion responding. That one well bore remains noncompliant. It's recommended that the motion be denied. The motion will be overruled by operation of law on May 18th. I'm available for questions. Okay. Are there 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. Motion passes that item, Ms. Travis. Item 16 in its motion. Holt Oil and Cattle LLC states That is redelivering paperwork to P five. The requirements have been performed or are in process. Staff opposes the motion responding that four well boards remain noncompliant.

It is recommended that the motion be denied. The motion be overruled by operation of law on May 18th. I'm available for questions. Any questions? No. I move that we approve the examiner's recommendations. Is there a second? Second. Second by Commissioner Christian. All in favor say aye. I'm not Commissioner Christian.

I'm not Commissioner Christian. Oh, I'm sorry. Commissioner Raddy. That's okay. You did that to me. I did. That's right. Fair Turnabouts. Fair play. Yeah. Uh, motion passes. That item is approved. 17. Plaintiff motion three. J'S Petroleum Incorporated states it as awaiting processing of Form W three X form W three C.

Staff opposes a motion of responding that two well boards remain noncompliant. It is recommended that the motion be denied. The motion will be overruled by operation of law on May 18th. I'm available for questions. Any questions? Okay. 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. Okay. Let's move on to oil and gas consent items. Items number 18 through 82. There are 65 items on the consent agenda. Move that we approve. Items 18 through 82. Is there Second? Second. Seconded by Commissioner cre.

All in favor say aye. Aye. Motion passes. Those items are approved. Go to Rule 15 and active well items. Items number 80 through 83 through one 10. There are 28 items on the Rule 15 and active well items agenda, however. The operator in number 83 has achieved compliance, leaving only 72 items. Therefore, I move that we approve items 80 through through one 10 with the exception of number 83.

Is there a second? Second. Second. In fact, commissioner Christian, all in favor say aye. Aye. Aye. A motion passes. Those items are approved. Let's go to master default items. Items

number one, 11 through 1 49. There are 39 items. 39 items on the master default order agenda. I move that we approve items one 11 through 1 49.

Is there a second? Second? Seconded by Commissioner Cradock. All in favor say aye. Aye. Aye. Motion passes. Those items are approved. Going on to agreed enforcement orders items number one 50 through 5 71. There are 422 items on the Agreed enforcement order agenda. However enforcement staff has requested, we pass numbers 1 56.

1 74, 1 78 and leaving 419 items. Am I correct? Yes. Okay. I therefore move that we approve items one 50 through 5 71 with the exceptions of item numbers 1 56, 1 7 4 and 1 78. Is there a second? Second. Second. And by Commissioner Christian. All in favor say aye. Aye. Motion passes. Those items are approved. That concludes the hearing sections matters.

We'll now take up our administrative agenda. Operations, Theresa.

Good morning, chairman and commissioners. For the record, I'm Theresa Lopez, director of Operations. 5 72 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 13 contract amendments for well plugging and 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. Your notebooks include a summary of the amendment terms, including contract numbers and amounts, staff requests that the commission approve the amendments pursuant to the commission's delegation of authority.

I'm available for questions. Thank you. Are there any questions? No, I move that we approve staff's recommendation. Is there a second? Second. Second. And by Commissioner Craddick. All in favor say aye. Aye. Aye. Motion passes. The item is approved. Thank you. Item number 5 73 Betsy

Morning Chairman, commissioners. I'm Betsy Petcos with the Office of General Counsel, um, for item 5 73. Um, I have an update on an EPA rulemaking and some updates on some pending litigation. Excuse me, first, uh, last month, EPA finalized, its proposed rescission of the 2009 greenhouse gas endangerment binding, and EPA also rescinded its greenhouse gas emissions regulations for motor vehicles and engines.

In the endangerment binding, EPA initially concluded that greenhouse gas emissions are air pollutants under the Clean Air Act, and that formed the basis for greenhouse gas regulation throughout the country. In this action, EPA now concludes it lacks statutory authority under the Clean Air Act to prescribe such standards for greenhouse gas emissions.

The endangerment finding repeal will be effective on April 20th. Um, there have already been lawsuits filed on the repeal, and I expect we'll see, um, some additional before, uh, the filing deadline. Next, um, some updates on pending litigation. First on the methane rule. The litigation challenging the supplemental methane rule that was effective in 2024 has been held in abeyance, um, while EPA reconsidered the challenged rule in 2025, EPA proposed an interim final rule to extend several compliance deadlines.

The Railroad Commission joined the Texas Commission on Environmental Quality to comment on that rule making. That rule was then subsequently challenged in litigation and along with several other states, Texas intervened for the purpose of expressing support for the extended deadlines. I've also been updating y'all on the litigation concerning the new source performance standards for greenhouse gas emissions from fossil fuel fired electric generating units, or what we've been calling the Clean Power Plan 2.0.

That litigation has also been held in abeyance while EPA reconsidered the challenged rule in its status update filed with the court last month. EPA explained that in June, 2025, it proposed a new rule reassessing the challenge rule, and that EPA expects to send the draft final rule to the office of management and budget early this spring.

EPA's next status report is due on May 28th. Um, so we'll of course be watching for both Final Rule and as well as EPA's Next status update. Finally, I have an update on EPA's Good Neighbor Plan Litigation. As a reminder, this case stemmed from EPA's denial of Texas's State implementation plan, addressing the transport of ozone emissions to other states, and EPA's proposed implementation of its own good neighbor plan through a federal implementation plan.

That proposed federal implementation plan would have imposed emission limits and additional regulatory requirements for stationary engines used in pipeline, in the pipeline transportation of natural gas, and would've set up emissions budgets for fossil fuel fired electric generating units among a number of other requirements.

EPA previously indicated that it was reconsidering the scope of that rule and the states that would be included in the federal implementation plan, and the implementation of that federal implementation plan was administratively stayed by the courts. The state of Texas challenged both the disapproval of the state implementation plan and the proposed federal implementation plan.

The Fifth Circuit previously issued a decision in adverse to the state, insofar as it upheld EPA's disapproval of Texas's State implementation plan. However, the Fifth Circuit has now reversed its earlier decision and issued a replacement opinion on March 13th. The court reason that EPA raised persuasive arguments in its subsequent proposal.

To approve or reaffirm the state implementation plans of multiple states and that in the court's view indicated that the previous disapprovals relied on data that was not available to the states,

including Texas, um, when they initially submitted their state iation plans. And that concludes my updates, but may I answer any questions question.

It's nice to see some common sense going on in government, so thank you. And, and it, it's, and so at this time, CO2, for example, is no longer legally by the, recognized by the federal government as a pollutant. Is that correct? Um, that's not my understanding. Um, but. With the finalizing, the endangerment finding, um, I expect we're gonna see other similar rulemakings.

Um, but as I mentioned, there's also already pending litigation. Um, so I, I, I wish I had a crystal ball, but I think the only thing I can predict with certainty is that there will be litigation if, if I had money, I'd invest in crystal ball if you could. So, Betsy, all the dates for any of this are kinda all still up in the air.

Yes. Um, oh, well for the, um, the endangerment finding repeal will be effective on April 20th. Okay. Um, and that's also the deadline for filing conditions for judicial review. Okay. Thank you. Thank you. All right. Item number 5 74. Keith.

Good morning, chairman. Commissioners for the record. My name is Keith May with oil and gas division, and I'll be presenting items 5 74 and 5 75. 5 74 is the oil field cleanup program's first quarter SaaS report for fiscal year 2026. During the first quarter of 2026, plugging operations were completed and files were closed on 340 wells at a cost of \$15,890,560.

Of those three forty, a hundred twenty one were plugged using OGRC funds and 219 were plugged using funds from several federal, federal agencies. And this includes only wells that were plugged invoiced by the plugging contractor and approved for payment by field operations. During that same period, 198 new wells were approved for plugging a total of 528 wells were physically plugged through the end of the first quarter and state managed cleanup program.

Completed and closed 55 cleanup activities at a cost of \$1,192,835 using OGRC funds. As well as four cleanup activities, uh, completed with an expenditure of \$76,830 in federal grant funds, and during that same period, 127 new activities were authorized for cleanup funds. May I answer any questions?

Anybody have any questions? No. Thank you. Thanks, Keith. I believe you have the next item as well, correct? Yes, sir. All right. Item 5 75 is the oil food cleanup program's annual report for fiscal year 2025. Texas Natural Resource Code 81.069 C requires a commission to file an annual report to the legislator for the oil and gas regulation and cleanup fund.

This report covers a period from September 1st, 2020, 2024 through August 31st, 2025, and contains information on the state managed plugging and cleanup programs, enforcing activities and financial information related to the programs. We recommend your approval of this report for submission to the legislator may answer any questions.

Anybody have any questions? No, I'm still trying to get over the number. Any questions? No, thank you. Thanks, Steve. Alright. You'll have to approve. Did you approve the motion? No, we didn't make, because annual requires a approval on that. Okay. We didn't make a motion. We didn't make a motion. Oh, sorry. Make a motion.

Yeah, we can make a motion to make a motion. At least from my understanding, I think it does need what kind of motion you want. To approve the oil field cleanup annual report. Second. Second by Commissioner Cradock. All in favor say aye. Aye. Aye. Thank you Taxes. And you're in good shape, Keith. Thank you. What a day.

All right. Uh, let me get my hit, Kevin. Public input. I had two people registered in advance. I'll call you up. Please limit your comments to three minutes, Mr. White.

Morning Sky Wa from Gold Smith. I paid my own way to be here, not representing anybody but myself. Uh, po and G Oil Company based out of Houston. Steve Pfeiffer is the CEO, this oil company last year. In the state of Texas, they produced 918,000 barrels of oil and 760,000 MCF of gas. They're not a small fly by night company.

They're a legitimate company. They've got the means and wherewithal. So my question is, I reported this well on December 4th, and this well is still leaking. This picture was taken a couple days ago. This well still leaking. Y'all haven't done anything to. Make them get out there and fix this. Well get a rig on it.

Get this well, and control and fix it. So my question is, why? So I pulled Steve Pfeiffer's rap Sheet. These violations over the past few years got 300 violations of rules. These are actual violations. These are not inspections. And in these violations there are a lot of, I've highlighted all the. Where he's had un permitted disposal of oil and gas waste, surface control of wells, the same violations that are on this right here.

You know what I think, I think the reason why he's not getting out there, why he doesn't have a rig on that well, and why he's not trying to plug it or get control of it is because y'all won't go after him to take care of his problems. He's a big boy. He's got the money to fix this. He's got the.

Engineers. He's got the technical help, he's got all that, but somebody's gonna have to get out there and force him to get on that well and take control of it. We can't just leave these things flowing like this. My cows are watering out of this. Wells cows have an affinity for salt. They, they go and look for salt.

So the salt water's attractive to 'em and they go lick it and they try to drink it, try to eat it. I've had two cows die in this pasture. I don't know if it's 'cause of this, who knows, but, but. The problem is somebody's gonna have to force him to go out there and take control of this wealth. So what, what can I do to help you?

What, what do we need to do to give y'all the teeth to go after this guy and on all these violations that he's, that he's guilty of? There's no severance orders, there's no fines, there's no enforcement action by the railroad commission to go after him. So what, what are we gonna have to do to get him out there to fix the damn well?

Just is is, excuse me, Mr. White, is this the same? Well, that, that, uh, you brought up, I guess in the last meeting, correct? Last month. Okay. Same. Well, thank you. And it's, it's leaking. I mean, what, what do I have to do to get y'all to force him to go out there? He's a big boy. He's got the money, he's got the engineers, he's got the people.

I mean, but it, but y'all are gonna have to put some teeth into this. Becky, get out there and fix the darn thing. Thank you so much. Thank you for your time. Okay. Uh, we have, uh, Ms. Virginia Palacios.

Good morning, Virginia CIOs with commission shift. Um, so the comment period for the 2027 monitoring and enforcement plan is open. There have been a number of positive changes made to the commission's process for accepting stakeholder input on the plan, including a new email address for submitting comments to the commission, um, and previously accepting substantive recommendations on the plan, uh, from the public on the last two plans.

Commission shift is preparing comments on the plan, and I'd like to highlight one suggestion we have related to venting and flaring. That is to develop meaningful metrics and monitoring procedures to demonstrate whether flaring, rule enforcement prevents waste. Our research has shown that the railroad commission approves almost all flaring rule exception requests or permits, and is on track to allow more flaring than ever before.

Penalties have only been issued 11 times and never. For operators who exceed the volume or duration limits set in the permits. Part of the reason for this is that the commission is allowing operators to release volumes of gas that far exceed what operators actually need to vent or flare. It goes like this.

The operator asks for 10 times what they need. The railroad commission negotiates to half that, and the operator flares the same amount they would have without a permit. Meanwhile, two analyses by Environmental Defense Fund RMI and Purpose Advisors have demonstrated that operators are underreporting how much the event and flare the railroad Commission regulates, flaring under its statutory duty to prevent waste.

But these data demonstrate that the commission is enabling waste, not preventing. The commission has published a report showing the percentage of gas flared over time using all gas produced in the state as the denominator in the calculation. This statistic cannot demonstrate progress in reducing preventable waste because gas wells in the state are already connected to pipelines.

Most flaring is happening at oil wells. Therefore, rates of gas flared from oil wells would be a more useful metric to report. Commission shifts spent time in the highest flaring county in the Eagleford jail. This month we met people living next to flares who have experienced preterm birth cancer, and who have fumes inside their home that make it difficult to breathe and swallow.

The railroad commission may not have jurisdiction to examine flaring permits. From an air quality or public health perspective, but that hasn't stopped you from getting involved in lawsuits to stop federal air pollution rules. That would put an end to routine flaring. The commission has a duty not only to prevent waste, but to do right by the people of Texas.

Developing a better way to monitor flaring rule compliance is an important step. Thank you. Thank you. Thank you. Okay. Item number 5 77 is our executive session. Uh, which we will not be going in today. Are there any other duly posted matters to come before the commission? Hearing none if any other railroad commission is adjourned and see you in April and hopefully better day later.