COMMISSION SHIFT

212 Flores Ave.
Laredo, TX 78040

April 16, 2026

Colleen Forrest
Railroad Commission of Texas
1701 N. Congress
Austin, Texas 78701

Dear Ms. Forrest,

Thank you for your attention to Commission Shift's input on the FY 2027 Oil and Gas Monitoring and Enforcement Plan. Collecting stakeholder feedback is essential to Railroad Commission of Texas' mission, which includes stewarding natural resources and the environment, and protecting personal and community safety. With this in mind, please consider incorporating the following Action Items into the FY 2027 Oil and Gas Monitoring and Enforcement Plan.

Goal 1: Accurately demonstrate the Commission's oil and gas monitoring and enforcement activities.

- Action Item 1: Conduct, track, and report RRC witnessing of well plugging and testing
- Action Item 2: Demonstrate waste prevention
- Action Item 3: Collect and publish more information on spills and leaks
- Action Item 4: Enhance reporting of complaints, inspections, and violations

Goal 2: Strategically use the oil and gas monitoring and enforcement resources of the Commission to ensure public safety and protect the environment.

- Action Item 1: Ensure that facility inspections are thorough and systematic
- Action Item 2: Scrutinize well transfers from barred operators
- Action Item 3: Expand public outreach on carbon dioxide injection
- Action Item 4: Respond promptly to leaks and issue enforcement actions in a timely manner

We greatly appreciate your attention to our comments on past Monitoring and Enforcement Plans, and your incorporation of our suggestions to those plans. Thank you for taking the time to carefully review and consider our recommendations.

Sincerely,

Virginia E. Palacios
Executive Director

Goal 1: Accurately demonstrate the Commission's oil and gas monitoring and enforcement activities.

Action Item 1: Conduct, track, and report RRC witnessing of well plugging and testing

RRC should witness more plugging operations and tests, and demonstrate that it does so by tracking and reporting such data. Track when RRC staff witness plugging operations, H-5 pressure tests, and H-15 fluid level or mechanical integrity tests and report the number of witnessed tests out of the total number of tests operators report each year. Tracking and reporting the percentage of these activities that are witnessed gives the public and the legislature a sense of whether more RRC staff are needed to improve public safety and reduce fraudulent plugging and testing.

Having RRC staff witness well plugging is very important because some landowners report that previously plugged wells were not correctly plugged. Additionally, some landowners have reported evidence that the H-5 and H-15 tests operators submitted were fraudulent. Proper plugging and well testing are necessary to protect groundwater. Although Commission Shift has heard anecdotes of the percentage of well plugging and testing that the RRC witnesses, we are not aware that the RRC tracks this data systematically.

Action Item 2: Demonstrate waste prevention

Demonstrate that enforcement of the RRC flaring rule is preventing waste. Commission Shift research has documented that the RRC approves almost all flaring rule exception requests (permits), does not enforce permit limits, and is on track to allow more flaring than ever before this decade. The RRC has a statutory duty to prevent waste that it is either not meeting or is not demonstrating.

RRC should deny flaring permits more often

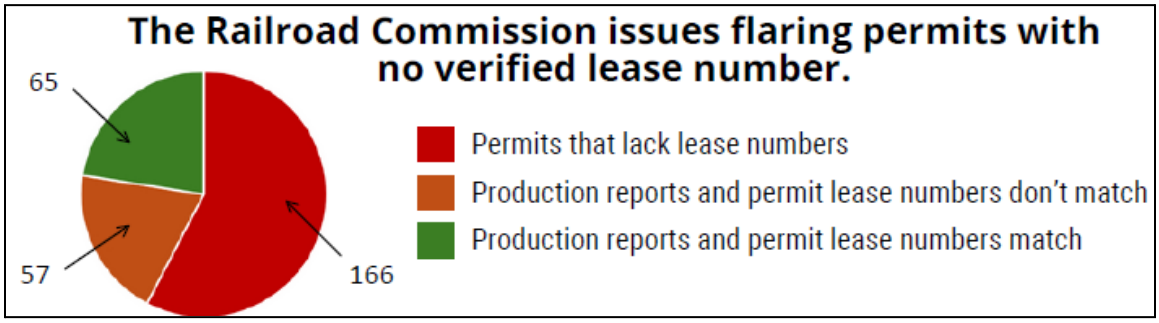
RRC denied only 32 flaring permits from May 2021 through December 2022.[1] According to Commission Shift research, "For 20 of the 32 denied permits, the Railroad Commission

[1] Andrew Wheat, "Permission Granted: Texas Oil and Gas Regulators on Track to Allow More Flaring Waste Than Ever," Commission Shift, September 2024. p. 23 https://commissionshift.org/news/permission-granted-new-report-on-flaring-reveals-texas-oil-and-gas-regulators-on-track-to-allow-more-flaring-waste-than-ever/

granted the same operator another flaring permit for the very same property before the end of the year in which the denial occurred." When rule exceptions are too easy to get, the exception becomes the rule. RRC should use its monitoring and enforcement resources to provide quarterly reports of the total number of flaring permits approved, denied, and extended. Flaring enforcement staff should deny flaring permits more often, so that flaring becomes the exception it was meant to be to prevent waste and protect public health.

Verify that lease numbers are on flaring permits

Commission Shift's research found that only 23% of the flaring permits issued in four South Texas counties (Dimmit, La Salle, McMullen, and Webb) had lease numbers that matched operators' production reports.[2] The Commission should verify that lease numbers are included on all flaring permits it issues. RRC cannot verify compliance with flaring permit limits unless it can match a lease's reported disposition of gas with the lease number on the permit.



RRC should enforce permit limits

The agency needs to develop a procedure to detect when operators vent or flare without a permit, or exceed their permit volume or duration limits, and issue violations accordingly. This could be done with a data analysis procedure run routinely.

From August 2015 to December 2022, the agency issued 798 flaring violations.[3] Two-thirds of these violations involved flaring without a permit, yet the agency did not categorize any of these as "major violations." The definition of "major violation" includes "deliberate disregard of Commission rules and regulations."[4] The remaining violations were for venting

[2] Lyke, B and Wheat, A. March 2025. "Comparing Railroad Commission of Texas Flaring Permit Volumes with Satellite Observations and Company-Reported Data" Commission Shift. p. 5. https://commissionshift.org/resources/reports/#flaring

[3] Wheat. September 2024. p. 23.

[4] Railroad Commission of Texas. June 17, 2025. FY 2026 Oil & Gas Monitoring and Enforcement Plan.

without the appropriate separation and flaring equipment, generally related to hydrogen sulfide.

Commission Shift's research sample in four south Texas Counties found that 5,085 leases tied to 51 operators reported flaring and venting volumes even though they did not have a permit.[5] Three operators were responsible for releasing 15% of the volume, or nearly 900 million cubic feet (MMcf) of gas.

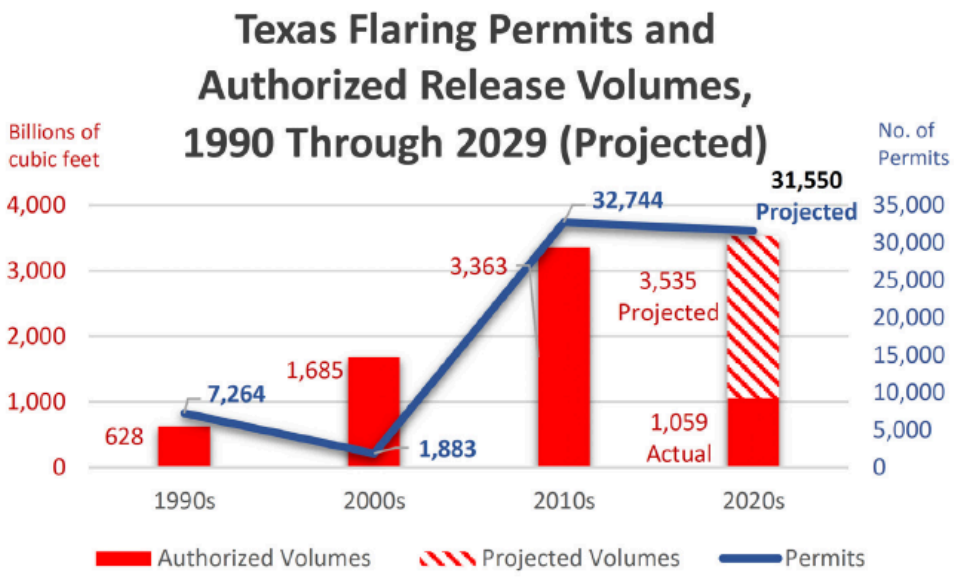
In the four counties, seven out of 65 leases in 2022 reported gas releases that exceeded their permitted volumes.[6] This figure is small because the RRC typically allows operators to vent and flare volumes of gas that are four to five times higher than what the operators actually need. Still, the agency should have a data analysis procedure set up to automatically detect when operators are exceeding the volumes allowed in their permits.

Importantly, a recent analysis from RMI and Purvis Advisors found that 40% of oil wells report no venting or flaring, a physical impossibility.[7] Consistent with Commission Shift's findings, the study estimates that operators wasted 3 – 4.5 times more gas than they reported.

RRC should reduce the number and volume of releases it permits

The average flaring permit issued by the RRC in 2022 authorized lower release volumes than in prior years. However, the high number of permits the agency issues puts RRC on track to authorize a higher volume of flaring in this decade than ever before.[8]

[5] Lyke and Wheat. March 2025. p. 5.
[6] Lyke and Wheat. March 2025. p. 6.
[7] Purvis, Dwayne, Kevin Gauthier, Deborah Gordon, Carmela Chaney, Lauren Schmeisser, and Cayla Calderwood. 2026. *Drilling Down on Methane Loss*. RMI and Purvis Advisors. https://rmi.org/drilling-down-on-methane-loss/.
[8] Wheat, A. September 2024. p. 1real-timeThe leaks at orphaned wells and include an estimate of cleanup costs leaks at orphaned wells and include an estimate of cleanup costs 4



Action Item 3: Collect and publish more information on spills and leaks

Railroad Commission publishes a compilation of data found in H-8 Loss Reports on an annual basis. This database should be available with real-time updates.
Operators have left the facility description on Form H-8 blank in many cases and have not provided adequate remarks about where the spills occurred, or they provided spill volumes in the comments instead of the correct section on the form. RRC needs to follow up with operators to complete these forms or issue violations and penalties for incomplete forms. RRC should visit spill sites and collect soil and groundwater characterization samples before and after cleanup. Additionally, the RRC needs to ensure each and every leak in reportable quantities is reported.

In a state the size of Texas, with 278,629 active producing wells as of December 31, 2025, it is apparent that not all spills are reported, if only 273 incidents are reported for the entire year. The RRC H-8 Loss Report, which should track all crude oil, gas well liquids, or associated products like produced water, indicates a summary total of 37,349 barrels spilled, with 15,002 barrels recovered, and 22,347 barrels unrecovered for all crude, produced water, gas well liquids, and combined fluid totals reported, lube oil, and oil based mud.

The RRC H-8 report does not record a single leak for midstream operations, and appears to offer no attempt to estimate volumes for known high-profile leaking wells, such as recent blowouts,[9] or the leak for which the Commission is suing the operator for $7 Million in recovery fees, largely to cover hauling costs for the multiple trunk volumes of water coming from the well.[10] There are so many known emergency wells that the legislature has designated $100 million in response and remediation costs.

This database does not appear to track spills associated with orphaned wells under the RRC's care. RRC inspectors should also file their own spill reports when they respond to reports of leaks on orphaned wells, and should include an estimate of the actual cost of cleanup in a searchable database.

Comparatively, New Mexico, which had approximately 49,200 active oil and gas wells as of January 2026, documented significantly more material losses even though they have a well count that is approximately 20% the size of Texas'.[11] New Mexico OCD provides a searchable database to track spill materials, spill causes, spill sources, and whether spills will or are expected to reach watercourses or impact groundwater.[12] The database also allows spills to be filtered by operator or facility, by location, and provides latitude and longitude information, as well as impacted townships. In 2025, New Mexico recorded 932 produced water spills, with 163,061 barrels spilled and 104,071 barrels recovered, for a total of 75,870 barrels unrecovered. They also recorded 393 crude oil spills with a total of 16,577 barrels spilled, 10,057 barrels recovered, and 6,520 barrels unrecovered. They also track spills, each with its own respective total spill volumes, of motor oil, diesel, condensate, hydrogen sulfide, drilling mud fluids, gelled brine (fracturing fluids), flared natural gas, and more.

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[9] Martinez, C. N. R., Alejandra. (2024, October 10). "Should we be worried?": Another well blowout in West Texas has a town smelling of rotten eggs. *The Texas Tribune*. https://www.texastribune.org/2024/10/10/west-texas-well-blowout-oil-gas-railroad-commission/

[10] *$7M Texas oil well blowout sparks unique fight with Houston company*. (n.d.). Retrieved April 13, 2026, from https://www.houstonchronicle.com/business/energy/article/railroad-commission-waterbridge-toxic-well-blowout-21955215.php

[11] ShaleXP. (n.d.). *New Mexico Oil and Gas Data Summary*. Retrieved April 13, 2026, from https://www.shalexp.com/new-mexico

[12] New Mexico Energy, Minerals, and Natural Resources. (n.d.). *OCD Permitting—Spills*. OCD Permitting Spill Search. Retrieved April 13, 2026, from https://wwwapps.emnrd.nm.gov/ocd/ocdpermitting/data/spills/Spills.aspx

Even a decade ago, the RRC better documented spills and leaks, with a total of 1595 reported incidents. RRC must set the expectation that each and every leak of reportable quantities is reported. Importantly, the RRC should follow the lead of New Mexico and have the form indicate if the spill has reached watercourse or impacted ground water.

Action Item 4: Enhance reporting of complaints, inspections, and violations

Improve the public complaints database

RRC currently maintains a database of inspections and violations, but it does not link those to complaints. RRC should publish a database of complaints, linked to the relevant facility, including a description of the complaint, and the facility's history of violations, as does the Texas Commission on Environmental Quality (TCEQ).[13] Notably, the TCEQ's WACI Tracker includes the following features, among others:

- Ability to search by one attribute, such as County, returning a full list of complaints applicable to that attribute.
- Narrative descriptions of the complaint received.
- Whether the complaint is open or closed, and the priority of the complaint
- Investigation data and a list of violations associated with the complaint and investigation

Map rule section changes for waste management

Additionally, the commission continues to issue violations for groundwater protection and waste management rules in Chapter 3 that have since been moved to Chapter 4. It would be helpful for RRC to prepare a table mapping how these chapters compare to one another in the FY 2027 Monitoring and Enforcement Plan for the purposes of reporting the number of rule violations for each section. An update on the progress of implementing the new waste management rules would also be a helpful addition to the Plan.

Send a copy of complaints to the complainant

Please update the General Complaint Form so that submitters can receive an emailed copy of their complaint.

[13] Texas Commission on Environmental Quality. Track Status of Complaints (WACI Tracker). Retrieved from: https://www.tceq.texas.gov/compliance/complaints/waci

Goal 2: Strategically use the oil and gas monitoring and enforcement resources of the Commission to ensure public safety and protect the environment.

Action Item 1: Ensure that facility inspections are thorough and systematic

The RRC's goal was to complete over 460,000 inspections at 88,000 facilities in 2025 with less than 200 inspectors. Simple math demonstrates that inspectors would likely have less than an hour for each inspection. This is not enough time to complete a rigorous inspection. RRC should explain what it counts as an inspection, and how it is that inspection times can be so short. If some inspections are simply paperwork inspections and not field inspections, the number of inspections in each category should be reported in the Annual Monitoring and Enforcement Plan.

The agency should develop processes to ensure that field inspectors are consistently and systematically checking all components at a facility for compliance. The RRC must communicate shortfalls in inspector capacity to the legislature. Many community members feel that inspecting wells on a 5-year cycle is insufficient. RRC should aim to conduct inspections more frequently.

Action Item 2: Scrutinize well transfers from barred operators

The commission should exercise additional scrutiny and use all discretion in the agency's power when considering well transfers to companies owned or controlled by family members of barred operators. If facilities are being transferred to family members in name only, barred operators may evade their duty to pay penalties or remediate pollution by illegally continuing to operate under a family member's name. The commission should do everything in its power to prevent this fraudulent activity.

Action Item 3: Expand public outreach on carbon dioxide injection

Continue to conduct public outreach in locations where Class VI carbon injection wells and pipelines are proposed, making sure to include local elected officials, and emergency responders. Education about carbon dioxide injection wells and pipelines is still needed. As a part of the RRC's outreach efforts, the agency should allow the public to subscribe to an email list to get more information about public educational events, permit activities, and safety information. RRC should develop training materials for the public to learn how to identify warning signs of CO2 leaks from pipelines or subsurface plumes and how to respond.

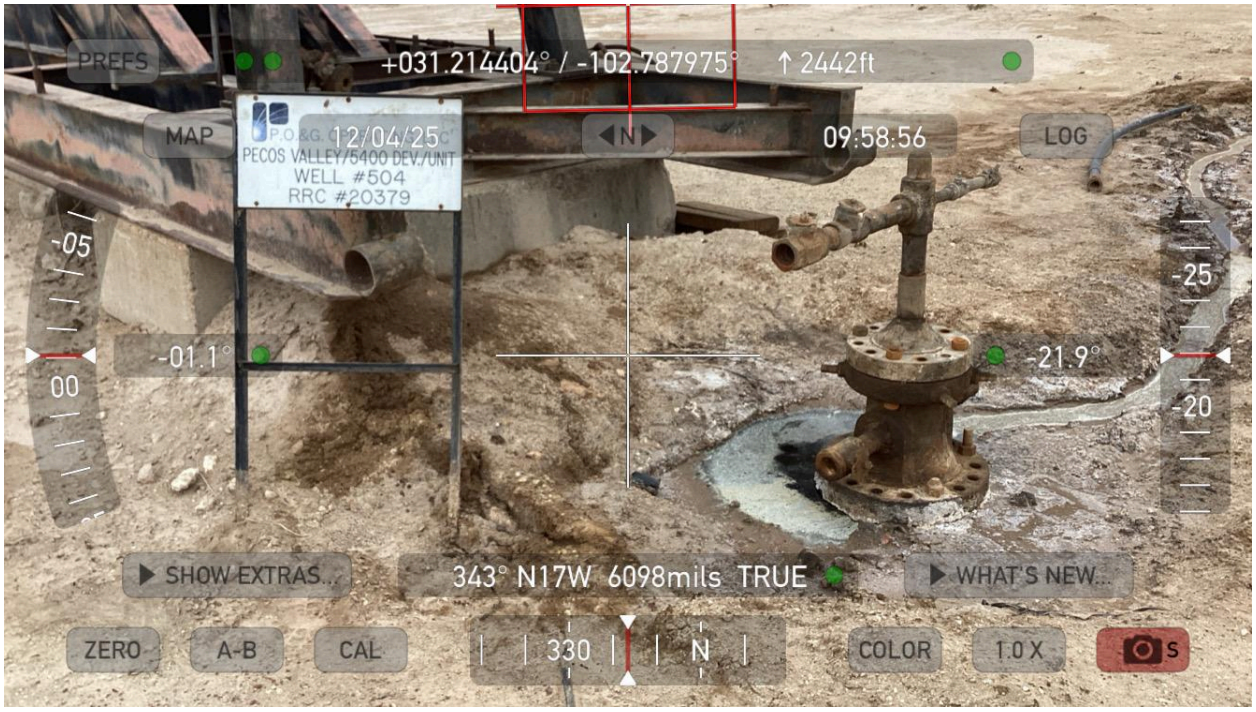
Action Item 4: Respond promptly to leaks and issue enforcement actions in a timely manner

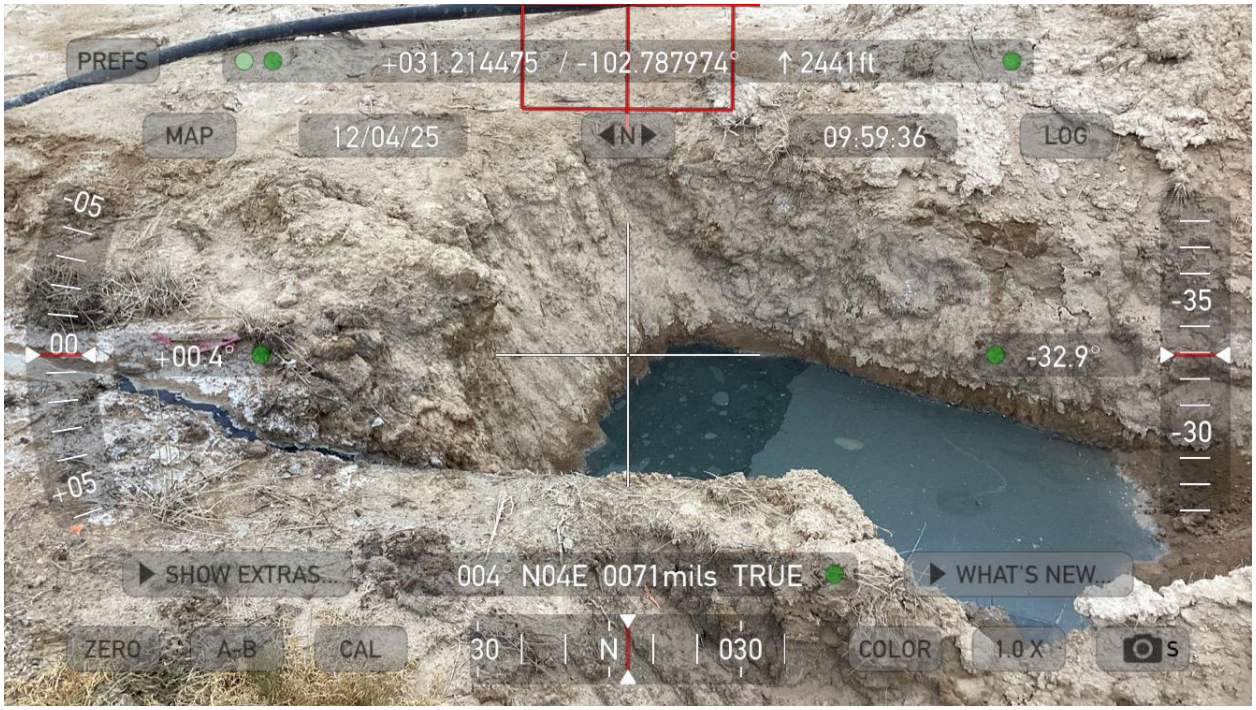
The Railroad Commission gives operators too much time after receiving a Notice of Violation to come into compliance. The agency should use a consistent timeframe and not allow operators to continue to make excuses before escalating the violation to an enforcement action.

As an example, a December 4, 2025 complaint made by a Pecos County landowner was still not inspected by December 31, 2025 (see photos below). This eventually resulted in a notice of violation to P.O.&G. Operating LLC on January 7, 2026 (see attachment). This included soil contamination with chlorides affected by a produced water leak measuring "approximately 25 feet by 25 feet by an unknown depth" according to the RRC's investigation report. This spill was not reported on the 2025 H8 database. Another violation at the site indicated a subsurface produced water leak. Nearly four months after the initial complaint, an inspection conducted on March 30, 2026 revealed that the company had not come into compliance with any of its violations, yet the follow-up letter sent to the company was identical to the January 7th letter, but noted a date of reinspection scheduled for May 2026. The operator's failure to reach compliance after the first reinspection on March 30, 2026 should have resulted in an Enforcement Action, not a repeated reinspection.

Direct pollution of soil and subsurface leaks pose a threat to groundwater supplies and should be considered the highest-priority violations for RRC to respond to. RRC must clean

up the sites and issue enforcement actions and penalties as soon as possible in situations like these.

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