

Railroad Commission of Texas Jun 2nd Open Meeting Transcript

[00:00:00] This meeting of the Railroad Commission of Texas will come to order to consider matters which have been duly posted with the Secretary of State for June 2nd, 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 on the-- 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. But first, I think we have some awards we need to give out.

Am I right? That's right. Watch your cell phone. Okay. Hey, Wayne, turn off your, your mic, sorry It's on. It's green. Green, green light means go. No, it- It's on red. It's not green ... you're, you're, um, Christine.[00:01:00]

Good morning, Chairman and Commissioners. My name is Jessica Chamberlain. I'm the Director of Human Resources. This morning, I'm pleased to present our third quarter service awards for fiscal year twenty twenty-six. For the third quarter of twenty twenty-six, we have twenty employees celebrating a milestone anniversary representing over two hundred years of combined service.

We are excited to recognize six of those employees today. First, celebrating five years of service is Miles Kirk from Pipeline Safety

Also celebrating five years of service is Chakalingam Muthumadi from Information Technology Services[00:02:00]

Next, celebrating 10 years of service is Dana Lewis from the Hearings Division

Celebrating 20 years of service is Greg Fuller in alternative fuels safety[00:03:00]

Next, celebrating 25 years of service is Richard Behall in Oil and Gas Technical Permitting

And finally, celebrating 35 years of service is Adam Rodriguez in Alternative Fuel Safety[00:04:00]

Congratulations to our award recipients

Thank you all. I was gonna say, um, we've got several other people on this list, a whole lot of good experience, so we appreciate everybody and the work they do for this agency. Yeah. Thank you, everyone. Okay, start with gas utilities, item number one. Gary, you wanna present?

Good morning, Chairmans, commissioners. For the record, my name is Gary Goodman. I'm a financial analyst in the Oversight and Safety Division. Agenda item number one is case number [00:05:00] 00030599, uh, the application of CenterPoint Energy Resources Corporation, DBA CenterPoint Energy, Intex and CenterPoint Energy Texas Gas for Test Year 2025 Annual Group Adjustment for the unincorporated areas and municipalities that have seated original jurisdiction within the Houston, Texas Coast, South Texas, and Beaumont/East Texas geographic rate areas.

This case is the second interim rate adjustment since the company's most recent rate case, docket number OS-23-00015513. This adjustment represents an incremental increase of \$61,510,927, of which \$29,385,775 is recoverable from customers subject to the order of this case. Staff recommends approval of the interim rate adjustment as revised.

I'm available at this time to answer any questions. Okay. Anybody have any questions? I move that we approve the examiner's recommendation. [00:06:00] Is there a second? Second. Seconded by Commissioner Christian. All in favor say aye. Aye. Aye. Motion passes. That item is approved. Item number two. Eric... Thanks, Gary. Thank you.

Morning, Chairman and Commissioners. For the record, my name is Eric Gardner, representing the Market Oversight section of the Oversight and Safety division. Agenda item number two is case number 00030657, application of Atmos Energy Corp., Midtex division, for their 2025 test year annual interim rate adjustment for the unincorporated Midtex division.

This case represents the first interim rate adjustment since the company's most recent rate case, docket OS2400019196. This adjustment represents an incremental increase of \$286,805,874, of which [00:07:00] \$15,634,864 is recoverable from jurisdictional customers. Staff recommends approval of the interim rate adjustment as revised.

I'm available for questions. Thank you, Eric. Any questions? No. No. I move that we approve the examiner's recommendation. Is there a second? Second. Seconded by Commissioner Craddick. All in favor say aye. Aye. Item, motion passes, that item is approved. Thank you. Next item. Item three then

Good morning, Chairman and Commission. For the record, my name is Zanu Loda. I'm representing the Market Oversight Section of the Oversight and Safety Division. Item number three is case number zero zero zero three zero six five eight, the application of Atmos Energy Corp., West Texas Division for the 15-month test year ending December 31st, 2025.

Annual interim rate adjustment for the West Texas division. [00:08:00] This case represents the first interim rate adjustment since the company's most recent rate case, docket number OS2400018879. This adjustment represents an incremental increase of \$30,552,772, of which \$4,325,204 is recoverable, is recoverable from jurisdictional customers subject to the order in this case.

But staff recommends the approval of the interim rate adjustment, and I'm available for questions. Thank you, Zanu. Any questions? Okay, I move that we approve the examiner's recommendations. Is there a second? Second. Seconded by M- Commissioner Christian. All in favor say aye. Aye. Motion passes. That item is approved.

Thank you, Zanu. Item number four, Luis.

morning Good morning, Chairman and Commissioners. [00:09:00] For the record, my name is Louise Viegas. I'm a financial analyst in the Oversight and Safety Division. Agenda item number 4 is case number 00030734, the application of Texas Gas Service company for TX steer 2025 annual interim rate adjustment for the unincorporated areas of Texas Gas Service.

This case represents the first interim rate adjustment since the company's most recent rate case, docket number OS-25-00028202. This adjustment represents an incremental increase of \$36,955,339, of which \$3,559,329 is recoverable from the customers subject to the order in this case. Staff recommends approval of the interim rate adjustment as revised.

I'm available for questions. Thank you, Louise. Any questions? No. Okay. I move that we approve the examiner's recommendation. Is there a second? [00:10:00] Second. Seconded by Commissioner Craddick. All in favor say aye. Aye. Aye. Item... M- motion passes, that item is approved. Thank you so much. Item number five, Christian Flynn

Good morning, Chairman and Commissioners. Uh, my name is Chris Anciano, Administrative Law Judge with the Hearings Division. Item five is to consider a suspension order for a new gas utility rate case filed by C Energy Gas, Pines Gas Development, and Pines Gas. For this proceeding, the Commission may suspend the operation of the proposed rates for up to 150 days from when they otherwise would become effective.

As such, the recommendation here is to issue 150-day suspension order so this case may proceed as a contested case. Um, I'm available for questions. Okay, thank you. 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. Thank you. [00:11:00] Moving on to six, John. Good morning, Chairman and Commissioners. I'm Administrative Law Judge John Dodson with the Hearings Division. Agenda item six is to consider a motion for rehearing in a recently concluded enforcement proceeding. The Commission signed a default final order on March 25th, and subsequently respondent Amplify Energy Operating filed a motion for rehearing.

Legal enforcement opposes the motion. The motion for rehearing was filed past the 25-day deadline and raises no new issues of fact or law not already considered by the Commission. Therefore, the recommendation is to deny the motion. The motion will be overruled by operation of law on July 3rd. I'm available for questions.

Thank you, John. Any questions? I 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 is approved. Thanks. You're up next too, John. Yes, sir. Agenda item seven is to consider a motion for rehearing in a recently concluded enforcement proceeding.

The Commission fo- signed a default final order on March [00:12:00] 25th, and subsequently respondent Troubadour Operating filed a motion for rehearing. Legal enforcement opposes this motion too. The motion for rehearing raises no new issues of fact or law not already considered by the Commission, and therefore the recommendation is to deny the motion.

The motion will be overruled by operation of law on July 3rd. I'm available for questions. Thanks, John. 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. Aye. And the motion passes. That item is approved.

Okay, John. Uh, John, John Good morning, chairman and commissioners. I am John Mikulff, Administrative Law Judge with the Hearing Division. Item number eight is the application of San Miguel Electric Cooperative Inc. for revision number seven of permit number 11H, San Miguel Lignite Mine, Atascosa and McMullen Counties, Texas.

San Miguel seeks to add 363.7 acres to its mine plan. Evidence in the record supports that the [00:13:00] application for revision, as supplemented, and with two proposed permit provisions, uh, meets the requirements of the Texas Surface Coal Mining and Reclamation Act and the coal mining regulations. San Miguel has a blanket bond of \$166 million approved by order on June 13, 2023.

This bond suffices to cover the cost of reclamation for all San Miguel mines. An updated reclamation cost estimate is not necessary for this application because area D associated with the proposed revision was updated in revision number six, approved by letter dated July 30, 2025. Staff recommends approving the revision of per- permit number 11H.

After public notice, no comments or requests for hearing were received. San Miguel and staff are the only parties to the proceeding. The proposed order was circulated to the parties, who filed waivers of preparing and circulating a proposal for decision. No exceptions to the proposed order were filed, and no changes to the bond are required or requested.

It is recommended the [00:14:00] revision of permit number 11H be approved as supplemented with the two proposed permit provisions, and I am available for questions. Thank you, John. Any questions? Okay. I move that we approve the examiner's recommendation. Is there a second? Second. Seconded by Commissioner Craddick.

All in favor say aye. Aye. The aye motion passes. That item is approved. Thanks, John. Moving on to oil and gas. Christie?

Nope. Name change? You're not Kristi. No, I'm not Kristi. I'm here for Jake. Okay. Come on up, Jake. All right. Good morning, Chairman and Commissioners. For the record, I'm Jake Halfhill, Technical Examiner of, for the Hearings Division. Item number nine is the application of Southwestern Electric Power Company for a Class I Injection Well Permit with the Texas

Commission on Environmental Quality to dispose of landfill leachate into the WWDW-1 well in Harrison County, Texas.

The [00:15:00] Te- the Texas Water Code, Chapter 27, and TCEQ's rules require Class I Injection Well Permit applications to have a letter from the Railroad Commission of Texas, which states that drilling or using the disposal well and injecting industrial and municipal waste into the subsurface stratum will not endanger or injure any known oil or gas reservoir.

This letter is commonly referred to as a no-harm letter. The subject well is a non-commercial well, and SWEPCO proposes to dispose of non-hazardous waste from the Perky Power Plant into the Rodessa and Pettit members of the Lower Glen Rose formation. Based upon the properties of the disposal reservoirs, SWEPCO contends that the waste plume from the subject well's disposal operations will not endanger or injure the disposal reservoirs or impair mineral rights.

Commission staff determined that the subject well's operations and the 10-year future waste plume will not injure or endanger any known oil or gas reservoirs, and issued a no-harm [00:16:00] letter to SWEPCO. The issuance of the no-harm letter was contested by Valence Operating Company. VOC operates oil and gas wells within two and a half miles of the subject well.

VOC contends that the subject well's operations will endanger or injure the disposal reservoirs and impair VOC's mineral rights. Therefore, VOC requests that the commission rescind the no-harm letter. The examiners find that VOC failed to prove that drilling or using the subject well will endanger or injure the disposed reservoirs or cause impairment of mineral rights during the effective period of the no-harm letter.

The examiners recommend the commission deny VOC's requested relief and dismiss the complaint pursuant to Chapter 27 of the Texas Water Code. The proposal for decision issued in April contain a clerical error in the conclusions of law. The proposed final order reflects the non-substantive correction.

Exceptions and replies were filed. I'm available for questions. Thanks, [00:17:00] Jake. Any questions? No. All right. I move that we approve the examiner's recommendations. Is there a second? Wayne, is there a second? No. No. Wait, Kristy. Kristy? I, I was gonna say, I think we've got somebody here to testify, Patel. Anybody here to testify?

Did I make that up? Oh, sorry. Okay. Yeah. Say you got somebody here to testify. Okay

Bill Johnson with Southwestern Water Do we want to hear from him? Do, does anybody want to hear from Bill? Sorry about that, guys. It wasn't in my deal. Okay. Thanks, Bill. It takes a village. Now we're gonna go back here. I move that we approve the examiner's recommendation. Is there a second? Second. Seconded by Commissioner Craddock.

All in favor say aye. Aye. Aye. Motion passes, that item is approved. Thanks, Jake. [00:18:00] Hopefully it's Christy this time. It is. Uh-huh. We, we just wanted to keep you on your toes today. Good morning, Chairman and Commissioners. Christy Reeve, Administrative Law Judge with the Hearings Division. Um, item number 10 is a, um, commission-called hearing at the request of Keith Carroll, Judy Carroll, Adam Narron, and Jana Narron to show cause why they should be removed as officers of Strada Services LLC's P5.

Carroll and Narry- Narron, following the filing of original complaint by enforcement, sought to have their names removed from Strada's P5 administratively. Commission staff was unable to approve the removal, as it would leave no officers on the P5 and Strada with an outstanding permit. Evidence at the hearing showed that in August of 2023, Carroll and Narron sold Strada to Nestor Delgado, Jeffrey Griffin, and Joe Scarone, and with the new ownership beginning operations of the sole facility operated by Strada in September of [00:19:00] 2023.

Statewide r- rule one requires that an organization file an amended report within 15 days of the change of in- any information required in the report. Carroll and Narron seek to be removed from the P5, with Delgado, Griffin, and Scarone added. Carroll and Griffin appeared and participated at the hearing.

Carroll and Narron presented sufficient evidence to show Delgado, Griffin, and Scarone failed to amend the officer listing of Strada's P5 as required. It is recommended the commission find Carroll and Narron ceased to be officers of and persons of ownership or control of Strada on September 8th, 2023, and find Delgado, Griffin, and Scarone became officers of Strada in positio- persons in positions of ownership or control on September 9th, 2023.

It is recommended that Carroll and Narron's requested relief to be removed from the P5 be granted, and Delgado, Griffin, and Scarone added. No exceptions [00:20:00] were filed. I'm available for questions. Thanks, Christy. Is there

anybody here- Yes ... that could answer questions for... All right, thank you. Uh, Timothy George is here.

Does anybody have any questions of Mr. George? No. Okay. Thank you. I move that we approve the examiner's re- recommendation. Is there a second? Second. Seconded by Commissioner Christian. All in favor say aye. Aye. Aye. Motion passes. That item is approved You're just keeping me on my toes today, right, Christopher?

Okay, uh, moving on to items number 11 through 31. It's my understanding that the Hearings Division would like to pass these items. Is that correct? Yes. Okay. Okay, so we're gonna pass items 11 through 31 at the request of the Hearings Division. So moving on to [00:21:00] items number 32 to 35, uh, Lisa. That's me. Good morning, Chairman, commissioners.

Morning. My name is Lisa Zachary, and I'm an administrative law judge with the Hearings Division. I will be presenting items 32 through 35. They are presented in one order requiring one vote. Items 32 through 35 are motions for rehearing. D&D Well Service LLC filed a dual signature P4, and the Office of Ge- and the Office of General Counsel Enforcement Section requested a good faith claim review.

D&D Well Service was dismissed without prejudice for want of prosecution, and then timely filed a motion for rehearing. The motion fails to meet the elements of the Craddick test. It is recommended the motion for rehearing be denied. The motion will be overruled by operation of law on July 27th, 2026. I am available for questions.

Okay. Thank you, Lisa. Anybody have any questions? No. I move that we approve the examiner's recommendation. Is there a [00:22:00] second? Second. Seconded by Commissioner Craddick. All in favor say aye. Aye. Aye. Motion passes. That item is approved. Thank you. Thank you. Okay, items number 36 through 45, Chris Dunn Good morning again.

Chris Anciano with the Hearings Division. Uh, items thirty-six through forty-five pertain to a dismissal signed by the Hearings Division direct- director of several P4 applications for want of prosecution. Vision Oil and Gas LLC timely filed a motion for a hearing stating its failure to respond was due to being overwhelmed by good faith claim requests, that, that it now stands ready to provide the original leases and assignment chain.

However, the motion fails to meet the Craddick test, and no additional documentation was provided. It's recommended that the motion be denied. The motion will be overruled by operation of law on July 15th. I'm available for questions. Thanks, Chris Anciano. Anybody have any questions? No. I move that we approve the examiner's recommendation.

Is there a second? Second. Seconded by Commissioner Christian. [00:23:00] All in favor say aye. Aye. Nay. Motion passes. That item is approved. Thank you, sir. Trevor, items number forty-six through forty-seven. Sir, good morning, Chairman and Commissioners. For the record, my name is Trevor Hansen, Administrative Law Judge with the Hearings Division.

Items forty-six and forty-seven are motions for rehearing. On April 21st, 2026, the hearings director signed an order dismissing 14 complaints by SOZO Natural Resources against Solaris Water Midstream statewide rule forty-six permits. SOZO filed a motion for rehearing in these two dockets suggesting the notice provisions of statewide rule forty-six should require applicants to use certified mail.

Excuse me. Solaris timely responded, requesting denial. All issues in the motion were raised and considered. It's recommended the motion be denied. The motion will be overruled by operation of law on July 30th, 2026. I'm available for questions. Thanks, Trevor. Any questions? Okay, I move that we approve the examiner's recommendation.

Is there a second? Second. Seconded by Commissioner Craddick. All in favor [00:24:00] say aye. Aye. Nay. Motion passes. That item is approved. Thanks, Trevor. Moving on to item number forty-eight. Brad. Good morning, Chairman and Commissioners For the record, my name is Travis Donald, administrative law judge for the hearings division.

I'll be presenting items 48 through 63. Item 48 is a good faith claim complaint made by Jerry Krchniak against Tri-Vista Operating LLC. Jerry Krchniak provided sufficient evidence to show the mineral lease for the well expired under its own terms due to 90 days of consecutive non-production. The examiners recommend the commission grant Jerry Krchniak's requested relief and order Tri-Vista to plug and abandon the well.

Exceptions were filed. I'm available for questions. Thanks, Travis. Any questions? And 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 is approved. 49. Item 49 is a motion for a

hearing for unrestricted renewal of Tri-Vista's P5 and to contest the staff determination that [00:25:00] its P5 cannot be renewed because Tri-Vista has not complied with the inactive well requirements of Statewide Rule 15.

On March 31st, 2026, the director of hearings dismissed Tri-Vista's application for failure to prosecute. In its motion, Tri-Vista states it underwent a complete change in ownership and management, applied for bankruptcy protection, and taking steps toward regulatory compliance. Staff opposes the motion.

Staff's response states the new owners are not listed on any commission filings, and Tri-Vista requested, then failed, to set a hearing date. It is recommended the motion be denied. The motion will be overruled by operation of law on July 9th, 2026. I'm available for questions. Thank you, Travis. Anybody have any questions?

We've got Thank you. We have, uh, Jessica Mendoza here. Hi, Jessica. Uh, is- if anybody has any questions of her. Okay. So I move that we approve the examiner's recommendation. Is there a second? Second. Seconded by Commissioner Craddick. All in favor say aye. Aye. Motion passes. [00:26:00] That item is approved. Got a bunch of them, Travis.

Yes, sir. Items 50 to 63 are motions for rehearing filed as a result of a final order denying renewal of the operator's P5 because of wells non-compliant with statewide Rule 15. Item 50, in its motion, Beaver Oil and Gas states it mistakenly believed all shut-in wells were compliant and therefore no hearing was required, as all wells are now physically...

excuse me, physically compliant. Staff opposes the motion, responding that five well bores remain non-compliant. It is recommended the motion be denied. The motion will be overruled by operation of law on July 3rd. I'm available for questions. Thanks, Travis. 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. Motion passes. That item approved. Item 51, Travis, again. In its motion, Chandler Oil & Gas LLC states it is in the process, the process of resolving the issue and requests more time. [00:27:00] Staff opposes the motion, responding that 60 well bores remain non-compliant.

It is recommended the motion be denied. The motion will be overruled by operation of law on July 3rd. I'm available for questions. Again, any questions? Okay, I move that we approve the examiner's recommendation. Is there a

second? Is there a second? Commissioner Craddock? S- I don't know. Is it my turn? Yeah. I, I, I've gotten lost in this thing.

Second. Seconded by Commissioner Craddock. All in favor say aye. Aye. Aye. Motion passes. That item is approved. I'm usually the even numbers. You screwed me up. I'm sorry. He, he, he, uh... No, hang on a second. Had a glitch. Y'all just want to get- Had a glitch It's okay. My age, I can afford a glitch. It's okay. Travis.

I got up this morning, this coat wouldn't fit, and I don't know if I... The hell? The pants do. I'm gonna fall out of the chair. All kind of... Yes, sir. Item 52. In its motion, D&D Enterprises LLC states the re- required, [00:28:00] the required forms are in process of being reviewed by the P5 department. Staff opposes the motion, responding that one wellbore remains non-compliant.

It is recommended that the motion be denied. The motion be overruled by operation of law on July 3rd. I'm available for questions. Thanks, Travis. 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. 53, Travis. Subsequent to filing its motion for rehearing, Fossil Energy Incorporated has come into compliance with Statewide Rule 15. Therefore, it is recommended that the motion be granted and the underlying docket dismissed as moot. The motion be overruled by operation of law on July 3rd.

I'm available for questions. Okay, thanks. Uh, any questions? I move that we approve the examiner's recommendation. Is there a second? Second. Seconded by Commissioner Craddock. All in favor say aye. Aye. Motion passes. That item is approved. 54, Travis. In its motion, Jack Russell Oil LLC states it was under the [00:29:00] mistaken belief that a hearing was not necessary, but all required forms are under P5's review.

Staff opposes the motion, responding that 24 wellbores remain non-compliant. It is recommended that the motion be denied. The motion be overruled by operation of law on July 3rd. I'm available for questions. Any questions? I move that we approve the examiner's recommendations. Is there a second? Second.

Seconded by Commissioner Christian. All in favor say aye. Aye. Motion passes. That item approved. 55, Travis. Subsequent to filing its motion for rehearing, Petroleum Recovery Systems has come into compliance with Statewide Rule

15, therefore it is recommended the motion be granted and the underlying docket dismissed as moot.

The motion will be overruled by operation of law on July 3rd. I'm available for questions. Thank you. Any questions? No. I move that we approve the examiner's recommendation. Is there a second? Second. Sec- seconded by Commissioner Craddick. All in favor say aye. Aye. Any motion passes, that item is approved. 56, Travis.

In its motion, Arete Operating Company states it mistakenly believed all shutting wells were compliant and [00:30:00] therefore no hearing was required. Staff opposes the motion, responding that 21 wellbores are non-compliant. It is recommended the motion be denied. The motion will be overruled by operation of law on July 3rd.

I'm available for questions. Any questions? Mm-mm. I, 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. 57, Travis. In its motion, Rodan Incorporated states it is in the process of resolving violation in re- re- violations and requests more time.

Staff opposes the motion, stating that four wellbores are non-compliant. It is recommended the motion be denied. The motion will be overruled by operation of law on July 3rd. I'm available for questions. Thank you, Travis. Any questions? I move that we approve the examiner's recommendations. Is there a second?

Second. I don't know, I just go whenever you want. Yeah, I don't care. It's, it's... Give a second. All in favor say aye. Aye. Aye. [00:31:00] Uh, seconded by Commissioner- Uh, your turn next ... Christian. I got it. The motion passes. That item is approved. Ooh, what a day. Must have been- For Travis ... Travis' up today. Travis. In its motion, Corsair Resources LLC states it mistakenly believed all shut-in wells were compliant and therefore no hearing was required.

Staff opposes the motion, responding that four well bores remain non-compliant. It is recommended the motion be denied. The motion be overruled by operation of law on July 3rd. I'm available for questions. Thanks, Travis. Any questions? Dana, you are getting all this, right? And it- It was my fault, by the way, the last one.

So I second this one. You're back onto evens. Back on evens. Just, just getting back into track here. I move that we approve the examiner's recommendation. Is

there a second? Second. Seconded by Commissioner Craddock. All in favor say aye. Aye. Aye. Motion passes. That item is approved. Moving on to 59. Yes, sir.

In its motion, TranEnergy LLC states it is in the process of resolving violations. Staff opposes the motion, responding [00:32:00] that two well bores remain not compliant. It is recommended that the motion be denied. The motion be overruled by operation of law on July 3rd. I'm available for questions. 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. Item 60. 60, yeah. Subsequent to filing its motion for a hearing, Bustamante Oil Company LLC has come into compliance with Statewide Rule 15.

Therefore, it is recommended the motion be granted and the underlying docket dismissed as moot. The motion will be overruled by operation of law on July 3rd. I'm available for questions. Any questions? No. Anybody in here ever been to Bustamante, Texas? Yeah. It's actually a town. Yeah, there is. Okay, I move that we approve the examiner's recommendation.

Is there a second? Second. Seconded by Commissioner Craddock. All in favor say aye. Aye. Motion passes. That item is approved. 61, Travis. In its motion, Cerebrus Engineering LLC states it has conducted H-15 [00:33:00] tests, filing both the results in W3C forms in Lone Star. Staff opposes the motion, responding that one wellbore remains noncompliant.

It is recommended the motion be denied. The motion will be overruled by operation of law on July 3rd. I'm available for questions. 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. Aye. Motion passes.

That item is approved. 62, Travis. Wise Petroleum Investments LLC states it has reduced staff, resulting in a failure to request a hearing. It claims all wells are physically compliant. Staff opposes the motion, responding that five wellbores remain noncompliant. It is recommended that the motion be denied.

The motion will be overruled by operation of law on July 3rd. I'm available for questions. Any questions? I move that we approve the examiner's recommendation. Is there a second? Second. Seconded by Commissioner

Craddock. All in favor say aye. Aye. Aye. Motion passes. That item is approved. 63, Travis. Yes, sir.

In its motion, [00:34:00] Walton Producing Incorporated states it is in the process of resolving violations and requests more time. Staff opposes the motion, responding that six wellbores remain noncompliant. It is recommended that the motion be denied. The motion will be overruled by operation of law on July 3rd.

I'm available for questions. 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. Might as well just stay up there, Travis. You about got them all done. All right, moving on to item, uh, to oil and gas consent items, uh, items 64 through 96.

There are 33 items on the consent agenda. I move that we approve items 64 through 96. Is there a second? Second. Seconded by Commissioner Craddick. All in favor say aye. Aye. Motion passes. Those i- those items are approved. Going on to Rule 15, inactive well items. There's items number 97 through 119. There were originally 23 items on the [00:35:00] Rule 15 inactive well items agenda.

However, it is my understanding that the P5 department has requested that we pass item numbers 111 through 119. Yes. Considering those passed, there are now only 14 items, which are items number 97 through 110. I move that we approve items n- nine, 97 through 110. Is there a second? Second. Seconded by Commissioner Christian.

All in favor say aye. Aye. Aye. Motion passes. Those are approved. Moving on to master default, items number 120 through 135. There are 16 items on the master default order agenda. I move that we approve items 120 through 135. Is there a second? Second. Seconded by Commissioner Craddick. All in favor say aye.

Aye. Aye. Motion passes. Aye. Those items are approved. Moving on to agreed enforcement orders, items number 136 through 341. There are 206 items on the agreed enforcement order agenda. I move that we approve items 136 through [00:36:00] 341. Is there a second? Second. Seconded by Commissioner Christian. All in favor say aye.

Aye. Aye. Motion passes. Those, uh, those items are approved. That concludes the hearing sections matters. We'll now take up our administrative agenda. Item number 342. Colleen? Good morning- Morning ... chairman and commissioners. For the record, my name is Colleen Forrest. I'm the commission's director of strategic initiatives.

For your approval today is item, um, 342, the commission's strategic plan for fiscal years 2027 through 2031. The plan lays out the commission's strategic direction for the next five years and determines the commission's budget structure for fiscal years 2028 and 2029. The goals and actions laid out in this plan track the goals and strategies that provide the structure of the commission's legislative appropriations request.

The plan also defines the commission's performance measures for the coming biennium. Proposed changes to the performance measure definitions are pending approval from the governor's budget and policy division and the [00:37:00] legislative budget board. Hopefully, we'll have that shortly. Um, the plan will be submitted electronically to the governor's office, the LBB and other state officials, as well as being posted on the commission's website.

I'm available for questions. Thank you, Colleen. A lot of work and of you and everybody else. Um, okay, are there any questions? No. I move that we approve staff's recommendation. Is there a second? Second. Seconded by Commissioner Craddick. All in favor say aye. Aye. Aye. Motion passes, that item is approved. Item number 343, Colleen.

Okay, item 343 for your approval today is the commission's oil and gas monitoring and enforcement plan for fiscal year 2027. Between March 16th and April 16th, 2026, the commission accepted feedback from stakeholders as required by statute. The commission received 157 emails from stakeholders during this period.

The plan includes items that support the goals of demonstrating the commission's oil and gas monitoring and enforcement activities, and the strategic use of commission resources to [00:38:00] ensure public safety and to protect the environment. This plan must be posted to the commission's website no later than July 1st.

Um, with your approval today, we'll meet that deadline. I'm available for questions. Again, thank you for your hard work. Are there any questions? Okay, 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, that item is approved.

Thanks, Colleen. Item 344, Teresa

Good morning, Chairman and commissioners. For the record, I am Teresa Lopez, director of operations. Item 344 on the agenda pertains to the commissioners' approval of a contract pursuant to the commission's delegation of authority under Section 2261.54 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 [00:39:00] to \$1 million.

At issue today are 37 contracts and 16 amendments for information technology, well plugging, site remediation services, and interagency agreements. 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 that the projects can proceed in a timely manner.

Your notebooks include a summary of the contracts and amendment terms, including contract numbers and amounts. Staff requests that the commission's amendments... I'm sorry, that the commission approve, uh... I apologize, I cannot read today. Staff requests that the commission approve them, uh, according to the commission's delegation of authority.

I'm available for questions. Thanks, Teresa. There's no ABCs or DEIs or any of that other stuff in there, right? No, sir. Okay. Are there any questions? I move that we approve of staff's recommendation. Is there a second? Second. Seconded by [00:40:00] Commissioner Craddick. All in favor say aye. Aye. Motion passes. That item is approved.

Thank you. Marzy, 345. Thank you, Teresa

Good morning, Chair and the commissioners. For the record, my name is Marzi Bolousani. I'm presenting the market oversight section of the Oversight and Safety Division. Item number 345 is staff's request for commission approval to post the proposed new MAS form work paper for rule 7.7102 and rule 8209J, regulation asset, uh, calculations, on the commission's website for public comment until Tuesday, June 16th.

Earlier this year, the commission adopted rule 7.7102, which became effective March 16th. The proposed form supports, supports implementation of that rule

and provides [00:41:00] standardized calculations for regulatory asset, uh, addressed by commission rule 7, 7.7102 and 809J. A copy is included in your notebook material.

Following the public comments period, uh, market oversight staff will review any comments and make any necessary changes. If none are received, or if they are solely in support of the form as posted, staff request that it be adopted without further commission consideration. Otherwise, the staff will request adoption of the form at a future conference.

Thank you so much, Marzi. Anybody have any questions about that? Okay, I move that we approve staff's recommendation. Is there a second? Second. Seconded by Commissioner Christian. All in favor say aye. Aye. Motion passes. That item is approved. Thank you so much. Thank you. Okay, item number 346 is our [00:42:00] public input.

Uh, we had two people register in advance. We have four people register in advance. And, um, I will call you up to give your input. Please limit your comments to three minutes. Uh, Mr. Skylar White

Morning. Morning. I'm Skyler White. I'm here representing myself. Made my own way to be here. On, uh, February 12th, I sent a, an email to the Midland district office about this well. Uh, this well is in Pecos County. It's not plugged. They sent me a letter back on this well on February 25th. Uh, they stated that this well was plugged, was, uh, drilled by Anadarko and plugged in accordance with Railroad Commission rules at the time.

Uh, it's pretty obvious that this, even just a casual [00:43:00] look at this, this well's not plugged. It's got salt around it. It's got salty fluid at surface. We dropped a, a, uh, tape into this well 500 feet deep. Uh, so it's not plugged. So I did a little digging on this. I, I hired a, a lady here in the Austin office to look up the records on this well.

Paid her \$127 to look up the records, and I found out that this well was, in fact, in- indeed drilled by Anadarko in 1957. Uh, they P&A'd it in '72. In 1978, that well was reentered by s- a little company called Six S Properties out of Midland. And so I contacted the, uh, district office and gave them what I found, gave them the records and everything, and, and they looked it up and they said, "Yeah, indeed, this well was reentered by Six S, and it was not plugged at the time." [00:44:00]

So now this well's on the orphan well list. So there's a couple questions about this that, that kind of brings up, and, and I'm not being mean about this, but, but just a couple of questions. One is, why should landowners have to pay to look up records in the Railroad Commission system? Y'all's, y'all's system is so antiquated that you can't...

Y'all ought to have this information at your fingertips. I mean, it oughta. If... And it, it just is really weird that a, a landowner has to pay to go look up the information so that, so that they can get a well on the plugging list. Another question is, this well, it's gonna come loose at some point, and it's gonna be a mess, uh, before y'all get to it to plug it.

Hole in the ground. Looks like they pulled the casing. It's gonna be real fun when they plug because it's just a dadgum hole in the ground. Not anything in it. Is it pulling fresh water right now? Yeah, it's, it's got produced water at the surface. [00:45:00] But it's, but it's not fresh. It's, it's produced water. Yeah, it's produced water.

So it just kind of- You know, it brings up other questions. Why don't y'all have a rig on this plugin as well? I know the answer to that one, and the answer is that y'all are big- busy plugging wells for the Baptist. So it's, you know, I know you're behind, but, but just couple of things to think about that, you know, maybe y'all need to kind of work on your records so that you have this stuff at your fingertips for your people in your offices, so the landowners don't have to go to this extreme to get wells on the list.

But also y'all are, y'all are so damn far behind on these orphan wells. It's, it's, uh, it's unbelievable. Thank you, Mr. White. Okay, uh, next is Miss, uh, Virginia Palacios

Morning Morning Virginia [00:46:00] Palacios with Commission Shift. Last week after heavy rains, the two-acre Kelton Ranch sinkhole in Upton County overflowed. The ranch manager discovered oil-coating vegetation up to a mile away from the sinkhole and produced water flowing over the ground. We're glad that the Railroad Commission finally has a small underground injection investigation team, and we hope that they'll be utilized to look into incidents like these.

We want the commission to have more staff and more funds to prevent disasters like this in the future. The Railroad Commission has known about the Kelton Ranch sinkhole for decades and has not taken sufficient action to control

cross-flow from nearby injection wells. Peer-reviewed studies have linked underground injection to sinkholes forming in this area.

To my knowledge, the wells in the sinkhole intersect with the San Andres formation. You've continued to permit injection wells into the San Andres formation, even the first Class VI carbon dioxide disposal wells permitted in Texas, [00:47:00] despite knowing that the San Andres is the source of gushing radioactive salt water that has formed Beamer Lake.

Considering the number of emergency incidents taking place in the Permian Basin, we recommend the following solutions. First, identify the most dangerous areas, such as those with high corrosivity, sinkholes or high pressure, and consider banning underground injection and plugging extensions for inactive wells in those zones.

Second, require disposal well operators to use tracers in their injection stream so that you can identify the source of produced water breakouts. Then issue enforcement actions and penalties against the companies whose injection operations cause contamination. Third, before issuing drilling permits or well transfers, require companies to demonstrate that they're solvent and can pay for well plugging.

This will free up the oil and gas regulation and cleanup fund to be spent on emergencies rather than routine plugging of the ever-growing [00:48:00] orphaned wells list. Lastly, the inactive wells rulemaking is a significant opportunity to quell some of the problems our state is facing with respect to leaking wells.

We know that the commission will need more funding and more staff to be able to effectively implement the rule, but the first step will be passing a serious rule that retains the commission's authority to say no to plugging extensions when it needs to. In April, Commission Shift shared our recommendations for the inactive well rulemaking with Railroad Commission staff.

This rulemaking is an opportunity for you to preserve and remediate Texas' landscape for the benefit of future generations. It's an opportunity for you to correct the system that has damaged Texas land and waters and left the agency with a list of leaking wells too long to keep up with. Please don't waste it.

Thank you. Um, you getting rain in Laredo? Yes. Yeah, we got about two inches last week. Thanks to Carolina Bustos[00:49:00]

Good morning, Chairman, committees-- com- commissioners. My name is Carolina Bustos, and I'm a community organizer with the RAICES Collaborative, and I am also a community leader. The Railroad Commission of Texas mission is to serve by 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 Texas.

Serve Texas by stewardship of natural resources and the environment. Stewardship, the careful and responsible management of something entrusted to one's care. In January twenty twenty-six, Texas orphan well was exceeding eleven thousand wells. This morning, I [00:50:00] accessed the Excel ver- version of the entire list of orphan wells, and the number is surpassing twelve thousand three hundred and forty.

Current state law allows operators to defer plugging inactive wells indefinitely. Operators are not allowed to post bonds that cover the full cost to plug wells, and operators also allow to transfer wells and plugging responsibilities to smaller operators who cannot afford to plug the wells. Concern for personal and community safety.

Safety, the condition of being safe from undergoing or causing hurt, injury, or loss. Orphaned oil and gas wells lack active operators are a significant environmental concern as the wells deteriorate, deteriorate, posing risks like water contamination, harmful fluid [00:51:00] leaks affecting livestock, wildlife, and agriculture, and last but not least, methane emissions contributing to global warming.

As the number of orphan wells grow, the dangers to soil and groundwater intensify due to the delay of well plugging. Support of enhanced development and economic vitality for the benefit of Texas. E-economic vitality refers to the ability of a population or community to sustain and grow its economy through productive activities, innovations, and the efficient use of resources.

Each year, the Railroad Commission of Texas typically plugs about thirteen hundred orphan wells. The Railroad Commission-- the Texas Railroad Commission typically pays for well plugging using surcharges and fees paid by the oil [00:52:00] and gas industry. Both bonds and fees have not increased to keep up with the need of to plug the skyrocketing amount of orphan wells.

Thus, having the cost to plug orphan wells falls on the taxpayers while letting industry off of the hook. As Texas expands on carbon capture and storage build-out, the agency should not move forward without clear transparency, such

as emergency response planning, funding, training, and coordination with local first responders.

Thank you so much. Thank you, Ms. Bustos. Okay, next up is Mr. Alexander Spike.[00:53:00]

Good morning. Good morning, commissioners and chairman. My name is Alexander Spike. I serve on the climate team at Air Alliance Houston. We are a Houston-based environmental air pollution not-for-profit. We're also members of the Texas CCS Advocacy Coalition, focused exclusively on the development of CCS and making sure that what projects do pass through are the best possible, most responsible projects.

As the Railroad Commission, uh, considers the expansion of carbon capture and storage, I urge the commission to con- to prioritize public safety, groundwater protection, and long-term accountability before approving large scale development. Over the past several days, my colleagues and I have met with state legislators in the Texas House and Senate to discuss carbon capture and storage.

What stood out was how many legislators, including some with proposed CCS projects in their districts, were unsure when... uh, were unsure, unsure, uh, where to direct constituents with concerns about pipelines, siting decisions, and emergency response planning. [00:54:00] The elected officials accountable to their constituent communities are not being given the information they need to evaluate the sudden technological deployment and its impacts on the people they represent.

I've visited with communities outside of Beaumont, Texas, who are now hosting two proposed CCS projects. Carbon dioxide is a colorless odor- odorless gas that's heavier than air. In the event of a release, it can con... it can accumulate in low-lying areas, displace oxygen, uh, impair breathing and disable vehicle engines, and complicate evacuation efforts.

When Denbury's pipeline ruptured, forty members of the driving public were hospitalized, many with permanent memory loss. Many rural Texas communities rely on volunteer fire departments that lack the specialized equipment to respond effectively, specifically electric fire trucks. Texans deserve transparent risk assessment, meaningful public engagement, robust emergency response, uh, going into planning for the CCS developments in these districts.

If we're going to do it right, or if we're going to do it, let's do [00:55:00] it right. Thank you for the opportunity to speak. Have a good day, all. Thank you, Mr. Spike. Okay, that wraps up our public participation item. Moving on to items, uh, three forty-seven, three forty-eight are our executive session items. And today we'll be going into executive session.

So having convened in a duly noticed open meeting, the Railroad Commission of Texas will now at nine twenty-eight, or ten twenty-eight AM, June second, twenty-six, hold a closed door, uh, closed meeting In the Kathy Way, uh, conference room on the 12th floor of the William B. Travis State Office Building pursuant to Texas Government Code Chapter 551.

The commission will discuss pending and/or contemplated litigation matters with the Office of General Counsel pursuant to the Section 551.071 of the, of the code. The commission will [00:56:00] reconvene in the open meeting in the Kathy Way conference room to complete the agenda. Thank you, everybody