

RRC Open Meeting August 18th

[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 August 18th, 2026. As a reminder, all persons attending today's meeting should conduct themselves with dignity, courtesy, and respect toward the commission, agency staff, and other persons in attendance.

Under our public participation policy, anyone desiring to offer public testimony on any items that are not noticed on today's agenda was required to register in advance. We had four people register in advance. The commission will consider the items on the agenda as posted on the agenda. All right. Let's start with oversight and safety, item number one.

John. Good morning, Chairman and commissioners. Morning. I'm Administrative Law Judge John Dodson with the hearings division. Agenda item one is an enforcement action against RLC Trucking LLC, a transporter of liquified petroleum gas, for violations of two LP gas safety rules. The first violation is for performing LP gas [00:01:00] activities with an expired certificate at an offloading facility in Pasadena in March 2023. The second violation is for failure to follow required reporting procedures following discovery of an unintentional ignition of LP gas.

Excuse me. The BFD was issued in May recommending the commission fine both violations and assess administrative penalties... Excuse me. Totaling \$3,500. No exceptions were filed. I'm available for questions. Thank you, John. Uh, 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. Thanks, John. Thank you. Thank you. Okay, item number two. Ryan?

Morning. Morning, Chairman, commissioners. For the record, my name is Ryan Rutledge, administrative law judge for the Hearings Division. Item number two is an application by Luminant [00:02:00] Mining Company LLC requesting phase one release for 388.3 acres within Martin Lake Liberty Mine, permit number 58A, located in Rusk County.

The approved post-mine land uses for the area, fish and wildlife, forestry, and developed water resources. Evidence in the record supports that Luminant has

satisfied all requirements for phase one release of the subject area as required by the Act and the coal mining regulations. Following public notice, no comments or requests for a hearing were received.

Luminant and staff are the only parties to the proceeding, and no exceptions were filed to the proposed order. It is recommended that the request for phase one release of reclamation obligations be approved, and that Luminant be eligible to reduce the amount of bond. Available for questions. Thank you, Ryan.

Any questions? No. 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. Aye. Motion passes. That item is [00:03:00] approved. Your three also, and your four. You can ... Are you- Three through f- five are, um, same applicant, so I can present those together if you would.

Yep, that'd be great. Thank you. Item three- Wait, we'll ... Excuse me. We'll wait, and we'll vote on each one of these individually after he's gone through all of, all those items, if that's okay with you guys. All right. Yes. As, as items, uh, three through five all involve the same applicant requesting release of phase one reclamation obligations under their permit.

Uh, specifically items three, four, and five are separate applications by the Sabine Mining Company requesting phase one release on 514.5, 313.3, and 380.3 acres respectively, all within South Paulsville Number 1 Mine, permit number 33I, located in Harrison County. Approved post-mine land uses include forestry, grazing land, and fish and wildlife habitat.[00:04:00]

Evidence in the record supports that SMC has satisfied all requirements for phase one release on the requested acreages as required by the Act and the coal mining regulations. Based on the terms of the approved permit, there is no eligible bond reduction amount for acreage approved for release of phase one reclamation requirements, given that the bonded areas within permit number 33I are bonded based upon the worst case bond estimation method.

Following public notice, no comments or requests for a hearing were received on these dockets. SMC and staff are the only parties to the proceeding. No exceptions are filed to these proposed orders, and no changes to the current bond are requested in these dockets. It is recommended that phase one release of reclamation obligations for the requested acreages be approved, and being a

worst case bond, determine that SMC is not eligible to reduce the amount of bond attributable to the approved acreages at this time.

I'm available for questions. Thank you. Any questions?[00:05:00]

All right, commissioners, uh, you don't have anything on three, four, five, right? Okay. Then we're gonna do these individually. I move that we approve on item number three, the examiner's recommendation. Is there a second? Second. Seconded by Commissioner Christian. All in favor say aye. Aye. Aye. Aye. That motion passes and item is approved.

This is for item number four. 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. Aye. Motion passes, that item is approved. And finally, item number five. 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. Aye. Motion passes, that item is approved. It looks like you're still in, Ryan. Yeah, sure am. Item number six. Item number six- Can I say something there? Sure. Now, this is just Wayne's world, okay? And I apologize for taking everybody's time, but that's Hallsville.

Hallsville had 35 years- Yeah ... of [00:06:00] reliable electric generation capacity at current technology, and a woke corporation came into the state of Texas and bought that and shut it down. Killed hundreds of jobs and 35 years of minimal reliable electrical generation. And I guess not a darn thing we can do about it, but that's...

Ladies and gentlemen, you wonder why your electric bills go up and why reliability's not there on ERCOT like you want it, that's the reason. Sorry, but I can't keep quiet. Thank you, Wayne. Ryan, go ahead. Item number six is an application by Dos Republicas Co-Partnership for a replacement collateral bond with escrow bonding for permit number 42B, Eagle Pass Mine, located in Maverick County.

The permit is currently bonded by a collateral bond totaling \$5,750,000. DRCP requests acceptance of a replacement collateral bond with escrow bonding. The proffered collateral bond will reduce the existing bond amount to 4,300,000. DRCP also requests the [00:07:00] return of 1,450,000 from existing cash deposits as collateral held by the Railroad Commission.

Staff's most recent reclamation cost estimate is \$4,251,248 and 53 cents. Acceptance of the proffered collateral bond, along with return of 1,450,000 from existing escrow funds to DRCP, will result in a bonding amount that exceeds the approved reclamation cost estimate for permit number 42B by \$48,751 and 47 cents.

Evidence has been presented that all requirements for acceptance of the collateral bond with escrow bonding have been met. DRCP and staff are the only parties to the proceeding, and no exceptions were filed to the proposed order. It is recommended the commission accept the proffered collateral bond with return of existing escrow funds in the amount of 1,450,000 to DRCP to provide a total bond amount of 4,300,000 for permit number 42B.

I'm available for [00:08:00] questions. Is there any questions? No. So Wayne, they're, they're completely shut down? They're shutting down. They're shutting down. For operation, yes. Brian Hughes fought it, everybody fought, but, uh, you know, where does law tell private corporations what they can and can't do with their property?

Mm, thanks. Good points. Thanks for bringing it up. Okay, I move that we approve the, uh, staff's recommendation. Is there a second? Second. Seconded by Commissioner Craddick. All in favor say aye. Aye. Aye. The motion passes, that item is approved. Number seven, Don. Morning. Good morning, Chairman and commissioners I'm John McAuliffe, administrative law judge with the Hearings Division.

Item number seven is the application of Jewett Mine LLC for release of phase one reclamation obligations on 430.6 acres, permit number 32I, Jewett Mine, Leon, Limestone, and Freestone County, Texas. The approved post, post-mine land uses are industrial, commercial, and developed water resources. Evidence in the record supports that Jewett has satisfied all requirements [00:09:00] for release of phase one reclamation obligations on the 430.6 acres, as required by the Texas Surface Coal Mining and Reclamation Act and the coal mining regulations.

After public notice, no comments or requests for hearing were received. Jewett and staff are the only parties to the proceeding. No exceptions to the proposed order were filed, and Jewett seeks no reduction to the bond. Because disturbed areas in permit number 32I are bonded based on the worst case calculation method, an eligible bond, eligible bond reduction amount only exists for acreage once it is approved for release of phase three reclamation obligations.

It is recommended the application for release of phase one reclamation obligations on the 430.6 acres be approved, and that Jewett not be eligible to reduce the bond by an amount attributable to the requested acres in future bond adjustments. And I'm available for questions. Thanks, John. Good work. Any questions?

Okay, I move that we approve the examiner's recommendation. Is there a second? Second. Seconded [00:10:00] by Commissioner Christian. All in favor say aye. Aye. Aye. Motion passes. That item is approved. Moving on to oil and gas, uh, Arden, item number eight. Good morning. Good morning, Chairman and commissioners. For the record, I'm Arden Elliott, technical examiner, technical examiner for the Hearings Division.

I'll be presenting items eight and nine Item eight is the application of Republic EES LLC pursuant to Chapter four, Subchapter A, to renew and amend its permit to operate the Odessa Treatment, Recovery and Disposal Facility in Ector County, Texas. The facility is permitted to treat and dispose of non-hazardous solid oil and gas waste and reclaim oil field related hydrocarbons.

The only amendment proposed is to update the financial security requirements in compliance with commission regulations. The application is protested by numerous individuals who reside on properties east of [00:11:00] the facility, as represented by Scott Johnson, Jimmy Moody Jr., and David James. The protestants contend that the facility may impact their properties and groundwater, and ask that the application be denied.

The examiners find that the facility will not cause o- waste of oil, gas, or geothermal resources, and is protective of ground and surface water, and recommend the commission approve the application to renew and amend the permit. No exceptions were filed. I'm available for questions. Thanks, Harden. Anybody have any questions?

No. Uh, we have Maddie, and I'm gonna apologize up front, Neara representing Republic EES LLC, and Ms. Lula Rideau, landowner, available to answer any questions. Does anyone wish to ask either or the examiners any questions? No. Okay. In that case, 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. Same motion passes. That item is approved. Thanks, Harden. [00:12:00] You're

up on nine. Uh, Mr. Chairman, I'm gonna request we pass that to the next open meeting. Okay. We're gonna pass that one, Harden. Yeah.

Item number 10, Christy Good morning. Good morning, Chairman, commissioners. Good morning. Christy Reed, Administrative Law Judge with the Hearings Division. I will be presenting item numbers 10 and 11. Item number 10 is a complaint brought by the Hanke Family Limited Partnership alleging Viva Petrolia, uh, Petrol, LLC does not have a good faith claim to operate the subject lease and wells.

Sufficient evidence was provided to show the mineral lease has expired on its own terms due to non-production. It is recommended the commission find Viva does not have a good faith claim to operate the lease, order the plugging extensions canceled, and order Viva to plug and abandon the wells.

Exceptions and replies were filed. I'm available for questions. Thanks, Christy. Uh, we have Mr. Tolliver McKinney representing the Hanke Family Limited [00:13:00] Partnership available for questions. Does anyone wish to ask questions of Mr. McKinney or the LJ? No. 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. Thank you. And on to 11. Yes, sir. Item 11 is a commission called Hearing at the Request of WFI, contesting the conditions included in its Division 2 permit. WFI contends staff has changed its interpretation of the applicable rule language and added conditions that were not within the rule, thereby restricting the recycling of waste on the lease where the waste is generated.

Historically, WFI has moved its operations between various leases. WFI contends the scenario where recycling takes place on the lease where the waste is generated is not economically viable. Staff argues Division 2 permits have never authorized the waste, the [00:14:00] recycling of waste on leases other than the lease where the waste was generated.

It is recommended the commission finds staff's interpretation of statewide Rules 8 and Chapter Four, Subchapter B, Division 2, as it relates to permits to store, handle, treat, recycle, and reuse certain non-hazardous oil and gas waste is consistent with the intent and the language of the rule, and deny WFI's request, requested relief amending its permit under Division 2.

Exceptions and replies were filed. I'm available for questions. Thanks, Christy. Any questions? No. 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. Aye. Aye. Motion passes. That item is approved. Thank you, Christy.

Item number 12. Lisa. Morning. Morning

Good morning, Chairman and Commissioners. My name is Alyssa Zachary. I'm Administrative Law [00:15:00] Judge with the Hearings Division. I will be presenting items 12 through 15. Item 12 Um, the landowners complained that Tere Resources did not have a good faith claim to operate the Ryan 14810 lease, well number one.

The hearing on the merits was convened over Zoom. The complainants were unable to present their exhibits digitally. The hearing was recessed, and the parties were ordered to reappear in person. Complainants refused to appear in person. Complainants had the burden of proof to carry their complaint, and they failed to meet that burden.

A complete copy of the mineral lease was not provided, and the complainants failed to provide sufficient evidence that the mineral lease had terminated. The examiners recommend that the commission find the complainants failed to show Tere does not have a good faith claim to operate the subject well and dismiss the complaint.

No exceptions were filed. I am available for questions. Thanks, Elisa. Any questions? No. Okay, I move that we approve the examiner's recommendation. Is there a second? Second. Seconded by Commissioner Christian. All in [00:16:00] favor say aye. Aye. Motion passes. That item is approved. Thirteen, Elisa. Item 13 is the application of 3J Energy to partially supersede a final order entered by the commission in twenty twenty-three, which found 3J did not have a good faith claim to operate the Clift JD zero zero eight six eight lease, well number seven.

In twenty twenty-- The twenty twenty-three final order required 3J to plug the well. 3J did not plug the well. 3J argued that it has since signed a new mineral lease for the same well with owner Roy Langford. The mineral lease contains standardized language referencing oil production and a specific clause stating that the sole purpose of the mineral lease was to plug the well.

The preponderance of credible, credible evidence is that 3J verbally assured Mr. Langford the purpose of the mineral lease was only to plug the well. 3J does not have an active Form P5 and does not have the necessary financial assurance. 3J failed to provide sufficient evidence that waste would occur if the twenty twenty-three order remains in place.

The examiners recommend the [00:17:00] commission find that the application of 3J Energy Inc. to supersede the final order entered on May seventeenth, twenty twenty-three be denied. Exceptions and replies were filed along with a motion for additional or- oral argument. I am available for questions. Okay, we have, uh, Roy Langford representing himself available to answer questions.

Does anyone wish to ask questions of either Mr. Langford or the LOJ? No. Nope. In that case, I move that we approve the examiner's recommendation. Is there a second? Second. Seconded by Commissioner Craddick. Uh, all in favor say aye. Aye. Motion passes. That item is approved. Fourteen, Elisa. Item fourteen. SF Resources Inc.

filed a single signature Form P4 seeking to become the operator of the Can two zero nine seven five eight lease, well number one. Texron Operating LLC intervened in the hearing. SF Resources does not have a mineral lease or an assignment of mineral rights related to the well. In contrast, Texron Operating provided a signed mineral lease that it had secured for the well.

[00:18:00] SF failed to provide sufficient evidence to establish a good faith claim. The examiners recommend the commission deny SF Resources' single signature P4 application to become the regulatory responsible operator for the well. No exceptions were filed. I am available for questions. Any questions? No. Okay, I move that we approve the examiner's recommendations.

Is there a second? Second. Seconded by Commissioner Christian. All in favor say aye. Aye. Aye. Motion passes, that item is approved. Last one, 15, Lisa. Item 15 is the interim appeal of an order denying the motion to dismiss McMullen Groundwater Conservation District's complaint against ETC Texas PL Limited pursuant to Rule 46 for the Tilden GPI 14827 lease, well number one.

ETC moved to dismiss the conservation district for lack of standing, timeliness, an impermissible col- collateral attack. The conservation district responded that it had standing under the water code and that it relied on representations from the commission staff in its timing. The [00:19:00] motion to dismiss was denied.

ETC filed an interim appeal asking that the motion to dismiss be granted and the matter dismissed. The conservation district responded. This is a case of first impression. There is no renewal process under Rule 46. The required review of ETC's permit was created by a previous order issued in 2014. The briefing of both parties has referred to the rules related to applications for new facilities, however, the underlying facts of the case and initial assertions made by McMullen are a complaint that operations at the existing facility endanger groundwater.

I am available for questions. Are all you ALJs working seven days a week now? We have, uh, Mr. Curran Walker representing McMullen County Groundwater Conservation District, and Ms. Anne Kauffman representing ETC Texas, both available for questions. Does anyone have any questions for Mr. Curran or Ms. Kauffman or the ALJ?

No. After reviewing all the [00:20:00] materials in this record, I move that we grant the interim appeal of ETC Texas and dismiss the underlying complaint pursuant to Commission Rule 1.107. Is there a second? Second. Seconded by Commissioner Craddick. All in favor say aye. Aye. Aye. Motion passes, that item is approved.

Thank you. Lisa, thank you. Thank you. Number 16. Mandy? Morning, Chairman, Commissioners. For the record, my name is Mady Patel, administrative law judge with the Hearings Division. Item 16 is a motion for rehearing. On June 19, the Hearings Division issued an order dismissing the complaint of Stephanie Porterfield D'Alessandro.

The complaint alleged that Wildfire Energy Operating LLC is in violation of Statewide Rule 37 for the Porterville B unit. A timely motion for rehearing was, was received from D'Alessandro. Wildfire filed a timely reply in opposition to the motion. None of the issues raised in the motion are new. All issues raised in the motion were already raised by [00:21:00] D'Alessandro and considered by the Hearings Division prior to issuing the order in this case.

It is recommended the motion be denied. The motion will be overruled by operation of law on September 28th, 2026, and I'm available for questions. Thank you. Are you sure you're pronouncing D'Alessandro right? Uh, yes, I am. We have Ms. Stephanie Porterfield D'Alessandro representing herself, available for questions.

Does anyone wish to ask questions of either Ms. D'Alessandro or the LJ? No. 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. Item number 17. Christian? Good morning, Chairman and commissioners.

Chris Ianniciano, uh, administrative law judge with the hearings division. Item 17 is a motion for a hearing filed by Jimmy and Amy Spencer of a good faith claim complaint that was dismissed for failure to prosecute. [00:22:00] The motion argues that the requested information was timely provided, however, this is unsupported by the record.

The motion does not meet any of the Craddock factors, as recommend- it recommended that the motion be denied. The motion will be overruled by operation of law on September 14th. I'm available for questions. Thanks, Chris. Uh, I move that we approve the examiner's recommendation. Is there a second? Second.

Seconded by Commissioner Christian and Craddock. I'm sorry. All in favor say aye. It's, it's Craddock. Yeah, I screwed up. Yeah, I'm sorry. All in favor say aye. Aye. Aye. Aye. Motion passes, that item is approved. Thank you. Travis, you got your comfortable shoes on? Yes, sir. Good. Yes, sir. Sure do. Brand new. Item number 18.

Uh, for the record, my name is Travis Stahl, administrative law judge. Item 18 is a good faith claim complaint made by Bobby Moight against Tri-Vista Operating, LLC. Bobby Moight provided sufficient evidence to show the mineral lease for the well expired under its own terms due to 60 days of consecutive non-production.[00:23:00]

The well is inactive. The examiners recommend the commission grant Bobby Moight's request of relief and order Tri-Vista to plug and abandon the well. No exceptions were filed. I'm available for questions. Okay. Any questions? I move that we approve the examiner's recommendation. Is there a second? Second.

Got it right. Okay. Thank you. Seconded by Commissioner Christian. All in favor say aye. Aye. Aye. Motion passes. That item is approved. 19, Travis. Items 19 through 23 are presented in one order requiring one vote. The items are good faith claim complaints made by Linda S. Cook Moight, Nancy K. Cook Balk, and David M.

Cook against Tri-Vista Operating, LLC. Complainants provided sufficient evidence that Tri-Vista does not have a good faith claim to operate the subject leases and wells. Order any plug and extensions canceled, and order Tri-Vista to

plug and abandon the Cook A20723, DM Cook, and Minotex Cook wells and leases.

No exceptions were filed. I'm available for questions. Okay. Any questions? No. I move that we approve the examiner's [00:24:00] recommendation. Is there a second? Second. Seconded by Commissioner Craddock. All in favor say aye. Aye. Aye. Motion passes. That item is approved. 20, Travis. Items 24 through 26 are presented in one order requiring one vote.

The items are motions to rehearing for the good faith claim complaints of David Blau and Pamela Blau against Tri-Vista Operating, LLC. Tri-Vista's motion states there has been a change in ownership and application for bankruptcy protection and steps taken toward regulatory compliance. Tri-Vista states these new develops, developments warrant further consideration.

Complainants' response states Tri-Vista fails to identify any factual or commission error, and as such, the motion should be denied as a matter of law. All substantive issues raised in the motion were raised and addressed in the hearing on the merits and the proposal for decision. It is recommended the motion be denied.

The motion will be overruled by operation of law on August 20th. I'm available for questions. Any questions? Okay, I move that we approve the examiner's recommendation. Is there a second? Second. Seconded by Mr., uh, Commissioner Christian. [00:25:00] All in favor say aye. Aye. Aye. Motion passes. That item is approved. 21, Travis Items 27- Seven, I'm sorry.

Yes, sir. Items 27 through 37 are motions to rehearing filed as, as a result of a final order denying renewal of a operator's P5 because of wells not compliant with statewide Rule 15. Item 27. In its motion, Blue Moon Operating Incorporated states it made an error in processing and has resubmitted the correct paperwork.

Staff opposes the motion, responding that two well bores remain non-compliant. It is recommended that the motion be denied. The motion will be overruled by operation of law on August 20th. 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 Craddick. All in favor say aye. Aye. Aye. Motion passes. That item is approved 28. In its motion, CR2 Energy LLC states it mistakenly believed all shutting wells were physically compliant, and

therefore no hearing was required. Staff opposes the motion, responding that [00:26:00] 15 well bores remain non-compliant.

It is recommended that the motion be denied. The motion will be overruled by operation of law on August 20th. I'm available for questions. Questions? No. Okay, I move that we approve the examiner's recommendation. Is there a second? Second. Seconded by M- Commissioner Christian. I don't wanna call you Mr.

Christian. That's okay. Mr. Christian. All in favor say aye. Aye. Aye. Aye, motion passes. That item is approved. 29, Travis. In its motion, PNF Operating LLC states it mistakenly believed all shutting wells were physically compliant. Staff opposes the motion, responding that six well bores remain non-compliant. It is recommended the motion be denied.

The motion will be overruled by operation of law on August 20th. 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 Craddock. All in favor say aye. Aye. Aye. Aye, motion passes. That item is approved. 30, Travis.

Subsequent to filing its motion for rehearing, Kesabe Energy Partners LLC has come into compliance with Statewide Rule 15. Therefore, it is recommended that the [00:27:00] motion be granted and the underlying docket dismissed as moot. The motion will be overruled by operation of law on August 20th. I'm available for questions.

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. 31, Travis. Subsequent to filing its motion for rehearing, Lucky Lad Energy 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 August 20th. I'm available for questions. Any questions? No. 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. Aye. Motion passes. That item is approved. 32. Thought you were wearing comfortable shoes, right, Travis? Yes, sir, I did. Subsequent to filing its motion for rehearing, Patton E & Oil Company

Incorporated has come into compliance with Statewide Rule 15. Therefore, it is recommended the, the motion be granted and the underlying docket dismissed as moot.

The motion will be overruled [00:28:00] by operation of law on August 20th. I'm available for questions. Any questions? Three good news. We like three good news. 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. Aye.

Motion passes. That item is approved. 33, Travis. In its motion, Vaquero Operating states it mistakenly believed all shutting wells were physically compliant. Staff opposes- opposes the motion, responding that 131 well bores remain not compliant. It is recommended the motion be denied. The motion will be overruled by operation of law on August 20th.

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. Aye. Motion passes. That item is approved. 34, Travis. In its motion, Lodestone Operating, Inc. states it has scheduled a H15 test for remaining, if not for the, for the main-remaining non-compliant well.

Staff [00:29:00] opposes the motion, responding that eight well bores remain non-compliant. It is recommended that the motion be denied. The motion will be overruled by operation of law on August 20th. I'm available for questions. Any questions? Yes. 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. Aye. Motion passes. That item is approved. 35, Travis. In its motion, Matcha Enterprises Incorporated states it mistakenly believed all shutting wells were physically compliant. Staff opposes the motion, responding that five well bores remain not compliant.

It is recommended that the motion be denied. The motion will be overruled by operation of law on August 20th. 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. Aye.

Motion passes. That item is approved. Item 36, Travis. In its motion, Micro Operating Incorporated states it did not intend to abandon the well, but intended to return it to active production. Staff opposed the motion, responding that [00:30:00] one well bore remains non-compliant. It is recommended that the motion be denied.

The motion will be overruled by operation of law on August 20th. I'm available for questions. 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. Aye. Motion passes. That item is approved. 37, Travis.

In its motion, O'Brien Energy Resources Corporation states it mistakenly believed all shutting wells were physically compliant. Staff opposes the motion, responding that seven well bores remain non-compliant. It is recommended that the motion be denied. The motion will be overruled by operation of law on August 20th.

I'm available for questions. Thank you. Uh, any questions? No. 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. Aye. Aye. Motion passes. Those items are approved. Thanks for all the hard work. All right, let's move on to oil and gas consent items, items number 38 through 111.

There are, [00:31:00] were 74 items on the consent agenda, but it's my understanding that the hearings would like to pass items number 64, 66, 73, and 74. Is that correct? Correct. Okay. In that case, that leaves 70 items on the contested agenda. I therefore move that we approve items 38 through 111 with the exception of item 64, 66, 73, and 74.

Is there a second? Second. Seconded by Commissioner Christian. All in favor say aye. Aye. Aye. Aye. Motion passes. Those items are approved. Moving on to rule 15 inactive well items. Um, items number 112 through 145. I'd like to pass 113. Okay. Uh, Commissioner, uh, Craddock is requesting passing 113. There were 34 items on rule 15 inactive well items agenda.

However, since we'll be passing number 113, there are now a total of 33 items. I will therefore [00:32:00] move we approve items number 112 through 145 with the exception of number 113. Is there a second? Second. Seconded by Commissioner Craddock. All in favor say aye. Aye. Aye. Aye. Motion passes. Those items are approved.

You got that one right, Dana? Yes. Okay. Let's go to master default au- items, items number 146 through 225. There were 80 items on the master default order agenda, but I understand that enforcement would like to pass items number 189. There are now 79 items in the master default order agenda, and I move that we approve items 146 through 225 with the exceptions of item 189.

Is there a second? Second. Seconded by Commissioner Christian. All in favor say aye. Aye. Aye. Aye. Motion passes. Those items are approved. Moving on to agreed enforcement orders, items number 226 through 876. There are 652 items on the agreed enforcement order agenda. We have Mr. Skylar White representing [00:33:00] himself available for questions on item number 239.

Does anybody have any questions for Mr. White? No. Mm-mm. Hearing none, I move that we approve items 226 through 876. Is there a second? Second. Seconded by Commissioner Craddock. All in favor say aye. Aye. Aye. Aye. Motion passes. Those items are approved. That concludes the hearing sections on the matters. We'll now take up our administrative agenda.

Item number 877, Risa

Good morning, Chairman and Commissioners. For the record, I am Teresa Lopez, Director of Operations. Item 877 on the agenda pertains to the commissioner's approval of a contract pursuant to the commission's delegation of authority under Section 2261.254 of the Texas Government Code. The commission's internal delegation of authority and the government code require [00:34:00] commissioner approval of contracts and associated amendments greater than or equal to \$1 million.

At issue today are two contracts and four amendments for well plugging, site remediation, and IT 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 for the projects to proceed in a timely manner.

Your notes include a summary of the contracts and amendment terms, including contract numbers and amounts. Staff requests that the commission approve the contracts and amendments pursuant to the commission's delegation of authority. I'm available for questions. Thanks, Teresa. Any questions? No. Okay, I move that we approve staff re- recommendation.

Is there a second? Second. Seconded by Commissioner Christian. All in favor say aye. Aye. Aye. Aye. Motion passes. Those items are approved. Thank you. Item number 878. Pam?[00:35:00]

Good morning, Chairman, Commissioners. Good morning. I'm Pamela Darden, chief financial officer. Item 878 is the fiscal year 2027 operating budget. It is the proposed budget for FY27. The budget totals approximately \$234 million and includes 1,145.6 full-time equivalent positions. Staff prepared this operating budget based on the funding levels approved in Senate Bill 1, the General Appropriations Act, 89th le- rela- legislature, sorry, regular session 2025.

This operating budget does not include the amounts for employee benefits which are appropriated to the Comptroller of Public Accounts and the Employees' Retirement System of Texas. Staff recommends the commission adopt the proposed FY2027 operating budget and authorize staff to make any necessary conforming changes.

I'm available for questions. Thanks for all the hard work on this, guys. Thank you, Pam. Are [00:36:00] there any questions? No. Okay, I move that we approve staff's recommendation. Is there a second? Second. Seconded back to Commissioner Craddick. All in favor say aye. Aye. Aye, motion passes. That item is approved. Thank you, Pam.

And you're on 879 also. Yes, sir. Item 879 is the legislative appropriations request for fiscal years 2028-2029. The 2028-2029 legislative appropriations request will be for the baseline amount of \$376,975,578 with 1,145.6 full-time equivalent positions. This reflects the mandatory 3% reduction directive from leadership.

The baseline request includes capital budget authority to continue, authority to continue the next phases of two IT projects, the Inspection Enforcement Tracking and [00:37:00] Reporting System, and the Mainframe Transformation projects. The legislative appropriations request also includes nine exceptional items totaling one point...

I mean, \$120.6 million, sorry. 35 FTEs to continue addressing unplugged orphan wells, produced water, and staff training. Also addressed in the exceptional items is the need for additional FTEs to support the Stop Theft initiative, and funding for a new online system to track and manage T1 transporter data.

Staff recommends approval to submit the request to the Legislative Budget Board and the governor's office with the authorization to make conforming changes as necessary. I'm available for questions. Thank you, Pam. Kristy, thank you for all your hard work on this too. Thanks. It's been a real lot. It's gonna be a fun session.

Yeah. Uh, okay. Any questions on that? I move that we approve staff's recommendation. Is there a second? Second. Seconded by Commissioner Christian. All in favor [00:38:00] say aye. Aye. Aye. Aye. Motion passes, that item is approved. Thanks. Thank you. Thank you, Pam. 880. Betsy?

Good morning, Chairman, commissioners. Good morning. I'm Betsy Peticolas with the Office of General Counsel. Um, I have several updates for the commission for this item. First, some updates on some pending endangered species litigation. Um, so first an update on the dune sagebrush litigation. Um, the parties to the litigation filed a motion seeking entry of a joint stipulated settlement agreement, and that was approved by the court on July 21st.

The settlement agreement acknowledges that the United States Fish and Wildlife Service failed to properly consider habitat restoration efforts in evaluating whether the dune sagebrush lizard was endangered because of habitat loss, fragmentation, or degradation. And that accordingly, the [00:39:00] service believes it's necessary to reconsider its determination that the dune sagebrush lizard meets the statutory definition of an endangered species.

As a result of the settlement agreement, the final rule that listed, um, the lizard as an endangered species has been vacated and remanded to the service for reconsideration. The settlement agreement does not predetermine, um, the outcome of the service's reconsideration and preserves its discretion. But Fish and Wildlife anticipates, uh, excuse me, Fish and Wildlife anticipates completing a new finding within 24 months.

Um, in the meantime, the Center for Biological Diversity has appealed the district court's denial of its motion to intervene in the litigation, and that appeal is still pending. Next, I have an update on the lesser prairie chicken litigation. Um, last year the court granted Fish and Wildlife's motion to vacate and remand [00:40:00] the finding that Fish and Wildlife conceded, uh, excuse me, finding that Fish and Wildlife conceded to serious error at the foundation of its decision to list the le- lesser prairie chicken as endangered and threatened.

Similar to the dune sagebrush litigation, um, the court denied the Center for Biological Diversity's motion to intervene, and the center has appealed the

denial of that motion and also challenged, challenged the court's decision to vacate the listing decision. Oral arguments were heard on that appeal on August 4th, and we're still waiting for updates from the Office of the Attorney General on the oral arguments, um, but we'll continue working with them, um, and responding to these matters, um, as necessary.

Next, I have an update on a potential rulemaking action. On July 14th, the Fish and Wildlife Service published an announcement in the Federal Register indicating that it had completed 90-day [00:41:00] findings on 10 petitions to add species to the list of endangered and threatened wildlife, uh, under the Endangered Species Act.

The notice indicated that Fish and Wildlife is initiating a 12-month status review for seven of those ten species. Of those seven, two of the species have habitat or range in Texas, um, and those species are the diamondback terrapin and the plains spotted skunk. In its Federal Register publication, Fish and Wildlife requested, um, any scientific and commercial data and other information regarding the species, um, and factors that may affect the status of the species.

Um, during its upcoming status review, uh, Fish and Wildlife will evaluate potential threats to the species, um, and review the best scientific and commercial information available. And this review will determine whether or not [00:42:00] listing, um, those species is warranted under the Endangered Species Act.

Finally, um, I have an update on some ozone issues in the Permian Basin. Um, on July 31st, um, the Center for Biological Diversity sent EPA a notice of intent to sue under the Clean Air Act, um, for failing to meaningfully respond to its April 29th petition requesting that EPA designate the Permian Basin areas of Southeast New Mexico as non-attainment for the National Ambient Air Quality Standards for ozone.

And although the petition generally focuses on New Mexico, um, I wanted to bring it to your attention because there is a footnote in the petition, um, requesting that EPA assess whether it's necessary to include all or portions of the neighboring Texas counties that are in the Permian Basin, um, in any non-attainment area, um, and suggesting that [00:43:00] those counties contribute to high ozone in New Mexico.

Um, so of course we'll be watching, um, that matter for any developments, and we'll bring, bring them to the commission as appropriate. But may I answer any

questions? I'm sure it's New Mexico Um, yeah, I, I have one. What is the diamondback terrapin? Is that a rattlesnake? Um, it is a species of turtle- Turtle

um, that lives in lake bays and estuaries. Um, and there's- So- ... part of the species is around the Texas c- or part of its habitat, excuse me, is on the Texas coast, and could potentially coincide with some oil and gas producing areas. So, um, there's no final action on either- Okay ... the terrapin or the skunk, uh, as of this minute, but it's something we're, we'll be watching going forward.

I didn't know if that was a rattlesnake. I was gonna say they can come to my ranch. I think we have a shortage of them. Yeah. Uh, okay. Any, any questions of Betsy? No. Thank you for your work. Thanks, Betsy. Thank [00:44:00] you. All right, eight eighty one and eight eighty two, Keith

All right. Good morning, Chairman and Commissioners. For the record, my name is Keith May with the Oil and Gas Division. I'll be presenting items eight eighty-one and eight eighty-two. Item eight eighty-one is the Oil Field Cleanup Program second quarter status report for the fiscal year of twenty-twenty six.

In the second quarter of twenty-twenty six, plugging operations were completed and valves were closed on four hundred and seventy wells at a cost of twenty-four million five hundred and one thousand two hundred and sixty-four dollars. Of those four seventy, one hundred and eighty-one were plugged using OGRC funds and two hundred and eighty-nine were plugged using other funding sources.

And this includes only wells that were plugged, invoiced by the plugging contractor, and approved for payment by field operations. During the same period, four hundred and seventy-three new wells were approved for plugging. A total of eight hundred and ten wells were physically plugged through the end of the second quarter.[00:45:00]

Uh, the state-managed cleanup program completed and closed sixty-seven cleanup activities at a cost of three million five hundred and nineteen thousand seven six-- seven hundred and seventy-six, uh dollars using OGRC funds, as well as eleven cleanup activities, um, using federal grant funds. During that same period, a hundred and eleven new activities were authorized for cleanup using state funds.

May I answer any questions? Any questions? No. Okay. Thanks, Keith. Move to eight eighty-two. Eight eighty-two. Item eight eighty-two is the Oil Field Cleanup Program's third quarter status report for fiscal year twenty-twenty six.

Uh, during the third quarter of twenty-twenty six, uh, plugging operations were completed and files were closed on five hundred and fifty-eight wells at a cost of thirty-two million nine hundred and forty-seven thousand six hundred and fifteen dollars.

Of those five fifty-eight, a hundred and ninety-three were plugged using OGRC funds and three hundred and sixty-five were plugged using other funding sources. And this includes only wells that were plugged, invoiced [00:46:00] by the plugging contractor, and approved for payment by field operations. And during the same period, four hundred and twelve new wells were approved for plugging.

A total of one thousand three hundred and sixty-eight wells were physically plugged through the end of the third quarter Uh, the state managed cleanup program completed and closed 57 cleanup activities at a cost of \$1,294,536 using OGRC funds, as well as 50 cleanup activities at a cost of \$1,431,000 in federal grant funds.

And during the same period, 145 new activities were authorized for the cleanup estate funds. I may answer any questions. Thanks for the update. Keith, any questions? No. I was told by an operator, small operator, they can't find a plugger 'cause we're using them all. We are using a lot of pluggers, that is correct.

So that's not a bad thing. Thank you. Sure. Thank you again. Thanks, Keith. Okay. Item number 883. Uh, Wayne, this is your item. I believe you're, you requested this. Yes, sir. [00:47:00] So go ahead. Thank you, Chairman Wright. I'd like to call up Scott, uh, Sharof. Uh, Scott Sharof, if you'd come and... I've got you. Uh, update the, us on the Office of Public Engagement.

I, I think we need to hear what work you're doing. I was very proud to hear the report. Good morning, Chairman and commissioners. For the record, my name is Scott Sharof. I serve as the Director of the Office of Pub- Public Engagement here at the Railroad Commission. I am here this morning to bri- provide you with an update of the activities of the Office of Public Engagement throughout fiscal year 2026.

Over the past year, our three-member team has traveled extensively throughout the state, east to west from Beaumont to Do- Dumas, and north to south from B-Bert Burnett to Harlingen. These efforts reflect our commitment to serving as a liaison to the citizens of Texas, answering their questions, addressing concerns, and educating all of our stakeholders about the commission's jurisdiction, our

rules and processes, as well as the contributions to the Texas energy [00:48:00] industry to the state, US, and global economies During fiscal year 2026, the Office of Public Engagement represented the commission in 48 different outreach activities across 45 unique Texas communities.

These efforts included 32 speaking engagements with civic organizations, municipal leaders, students and families, as well as 16 opportunities to serve as exhibitors at trade shows, conferences, and other public facing events. In total, we have reached over 1,500 attendees through speaking engagements and over 23,650 individuals at exhibiting events.

This year, we also launched a new initiative to hear directly from members of the public through listening sessions. These virtual sessions include a brief presentation of the agency's jurisdic- jurisdictional role, followed by an open forum for members of the public to voice their comments and concerns.

Each session features subject matter experts from across the [00:49:00] agency to address our stakeholders' concerns and provide real time feedback. During the past fiscal year, we've hosted four of these events, reaching 175 registered attendees. In addition to these outreach efforts, the Office of Public Engagement team worked alongside the oil and gas division, the off- over- oversight and safety division, and the executive office to host the 2026 regulatory conference.

This year's event was a record-breaking in several ways, including our highest registration count to date at 1,196 registrations and a total attendance on site of 1,114 attendees. The conference featured over 80 educational breakout sessions, 64 exhibitors, drawing attendees from 13 states, Washington DC, Mexico and Canada.

We are very thankful for the support of our executive staff and you, our commissioners, in making this event such a success. I wanna personally thank you for allowing me [00:50:00] and the Office of Public Engagement the privilege of serving this agency and our great state throughout our offer-outreach efforts.

Looking ahead, we are excited to continue expanding listening sessions, participating in public events, collaborating with other agency divisions and departments, providing daily customer service through calls, emails and inquiries may received via public assist and our website. We look forward to the new opportunities of the new coming fiscal year.

We remain dedicated to upholding our tradition of availability, accessibility and transparency in all we do. Thank you, and I'm available for any questions. Thank you, Scott. Um, Matthew? I was gonna say, can I just say- Sure ... I was... Thank you, Scott. When, when I first got here, we had nothing like this, so I'm very glad that we, this is, we, y'all, what you're doing, and it's continued to grow.

We're, we're very pleased to serve. And I appreciate y'all getting out there and doing- Yes. And doing all this. You and your team have done a great job. Thank you for everything you are doing Yeah. Thank you, Scott. I appreciate you [00:51:00] and, and your team, just as the other commissioners do. And I think this is evidence the fact that it's very valuable that the public, that the people, that legislators, that everybody know what we do.

We've got, uh, you know, uh, the most qualified, wonderful staff. I, I, I... Of course, I'm slightly prejudiced. I think the Railroad Commission is the finest example of a governmental agency that assists the public and assists producers to do the right thing. Uh, we allow the free market to operate as much as possible, and I think it's evidenced by, uh, we are quoted in The World as the top regulatory agency for oil and gas on planet Earth, and I think that's something that we should be proud of.

And it's, it's the offices across the state, it's the many workers across the state, it's the qualified people in this room and in this building that are being commended for that. And I think the problem I've seen in my, uh, decade of having been here is the fact that a lot of folks out there don't know what the heck we do.

I can go to any place, any club, any organization, and I guarantee you half the folks [00:52:00] don't know what the punk the Railroad Commission does. And I get all kinds of letters, as do you, all over this building, of fixing the railroad trestle at somebody's place that's broke down, and I think that's a very big danger to us as a public, as to a state.

'Cause I've been to Washington, D.C. going to Texas congressman's office, and their staff has no clue what the Railroad Commission is. I go over to the state capital, and I stand with students that are given positions all over the capital to receive and to, uh, frankly, in Washington and the capital, they're the ones that screen whether you get through to talk to the senator, the representative, the secretary of, of energy or anything else in this nation and state.

And those people that are screening have no clue, and whenever you say, "I'm from the Railroad Commission," bubba, you don't get in the door to see the boss, and that's a big danger. Thirdly, we are a nation that, uh, our state, unlike most other agencies, we're not government, government-appointed. We're [00:53:00] elected by millions of Texans across this state.

And when they go to the poll and they're not informed of what the heck they're voting on, I think that's a big disservice to the voters of this state. And so, with that, commissioners, I have a proposal to update the commission's public engagement policy. It's not been updated since 2005. And, uh, commissioners, I'd like to share my proposal with you now.

This... That's gonna... I'm gonna put that on a new item. Okay. We'll call that item 8, 884. All right. And, um, you, you can go ahead. Go ahead? Okay. Officially, I've got a new item now. Yes. Okay. Do I, do I get a new second on this? Is that smooth? From what there was no, no new numbers. Yeah. Okay. Here is the, the draft of my proposal for you to review.

Um- And while you're considering that, I, I believe our current public engagement and participation policy favors availability over accessibility, and that's been testified many times before our body, that we're just not accessible. And when we limit testimony [00:54:00] time through the other matters at hand require people to physically come all the way here, as the commission, we're unfairly limiting who can participate and what can be said.

And I've seen many times people drive up here a jillion miles, which if you're in Texas, you drive a jillion miles. But they come here, and we limit them to three minutes, and the red light comes on and sorry, it- you're it. And driving three miles coming and g- I mean, hours coming and going, I think is just unfair in many situations.

Texas is a big state, and we should not expect someone to drive those miles in Austin, take time off work, put their family responsibilities on hold just to have their voice heard for th- those three minutes. And with modern technology, why not take advantage? I mean, you know, one thing COVID did good, I think, is Zoom calls.

I think it really changed the world, and there's very few things COVID did that was good, believe me. That one thing had us relying on technology for Zooming calls that are a tremendous opportunity. The success of the Office of Public Engagement shows there's a [00:55:00] better way. We can take what is working and expand it.

At the end of the day, this is about making the Railroad Commission more accessible and making sure more of the people we serve can participate. I have a motion whenever you're finished, commissioners- Well, uh, yeah ... reviewing to take a look. This that you passed out, do you have any questions about this at all?

Well, I guess my question, what is this new? What's new in it, Wayne, or, or what are we looking at differently of what the current policy is? 'Cause I don't have the current policy in front of me. Right. Well, this, this will allow us to, uh, expand the amount of time that people can testify. They can call in at a separate day, a separate location here in, in, in the building, and people to be able to call in from all over the state whenever they want to register to speak.

We'd allow them time to present on Zoom calls from across the state of Texas to be able to testify and bring their petition here. That way, they don't have to drive to our building. Where, where does it- Owners and people all across this state can be able to testify. Where, where does it say that? Well, it's, [00:56:00] um- I'm trying to clarify what you're trying to do, so I can understand.

Right. Well, it just allows that. That's the policy that I've had them draw up and, and relate and become familiar with so that they can present from our office of the policy of public engagement, what they felt would be the best way to expand that, and that's what we're presenting here. So if you need a month to consider that, I'll withdraw my...

Well, I haven't even made the motion yet. I've presented that, so I can just have it for your observation and review for this next month if you feel you need more time. Then we can come back and consider this at a later date. But that's what it is. It's just expanding the exposure is my intent, because I just think it's unfair for three minutes people come all over the state and not be able to present what they want.

And it's been presented in the testimony here almost every month that people do not have the opportunity to come here. And rather than us send people out across the state, which our Office of Public Petition Pa- Participation does that, but you'll never reach everybody in Texas. It's an impossible [00:57:00] task.

And the nearest opportunity we have to do that is by allowing modern technology, people to call in, Zoom in, whatever they can use in technology to communicate their views and their values. I've been doing DOGE calls across the state to industry, and it's proved very successful at people expressing to our staff on operational activities.

This would expand those DOGE opportunities to recommend to the Railroad Commission their, their desires, their suggestions, their complaints. They'll be able to do that to a much larger capacity across the state

Well, I, I like what you're trying to do here, Wayne. Um, I think it gives people a better opportunity to, to bring their concerns and have a, you know, ample amount of time to really dive in on what those concerns are. But before you make a motion, it... Christy, unless you want Wayne to do this. Well, I... Look, I have a concern mainly...

'Cause I think we've been doing a bunch of this, and I'm, I'm [00:58:00] happy for that, and so I thank Scott in, and how we've expanded that. I, I am... I have a concern that, um, this... It says that we're getting rid of our posting, our normal posting for public h- uh, public, uh, participation in our meeting, in our, in our open meeting, 'cause I...

Look, I... While I may not disagree that some people have abused the issue and co- But I do believe some people wanna talk to us as commissioners and as elected official. I think that's something we ought to be open to. And- Well, it doesn't dissuade that. It allows you as a commissioner can recognize, can request of the chairman recognition of anybody that, that you desire, such as, you know, if we had a county commissioner, if we had a...

Or anybody. If Governor Perry decided he wanted to come and talk, uh, you would have the opportunity as a commissioner to allow that and request it, or at least ask the chairman, M- Madam Chairman, may I, you know, allow the, uh, to speak for me. [00:59:00] And that would be at the discretion of the commissioners at each meeting.

So you have the opportunity. Nothing is limited here that's not already limited by the will of the commissioners. So that control does not leave. Well, it says you... I, I would have to post it myself then. Yeah, you, you would individually take care of it. So we just wouldn't have a normal posting for- That's right.

You'd be... That would be done at the separate meeting, which would allow statewide or anybody in the- Well, I think we ought to do both, I guess is my point. I think we ought to do both. I think we ought to... I mean, I, I like that we've been doing this with these open meetings and, and, or having people call in and, and give us feedback, but I think we ought to do both.

Well, I think it's, I, I just think- And that's, I think that's the challenge I have with- Right ... with the way I read this. Well, I, I disagree because I just feel it's

an insult for that red light to come on, and shut up and sit down. I mean, that's just impolite. To me in that situation, I know it's done appropriate places, but I'm just uncomfortable with that, and that's why I think this is a better direction. But before, before you go on with your motion, Wayne, just so both of you know, we have, uh, Ms. Virginia Palacios representing herself and commission shift available for questions on this item.

If you guys have any questions of Ms. Palacios, uh... And if not, then Commissioner Christian, if you wanna make the motion, feel free. Yes. I move the Railroad Commission of Texas adopt as presented here this revised Railroad Commission of Texas Public Engagement and Participation Policy effective upon conclusion of this open meeting.

Okay. I second that motion. All in favor say aye. Aye. Aye. Motion passes. Ad item is approved.

Okay, item ei- 85. Okay, I, I requested this item. It's a big day for us. We're Partly my fault this thing's so th- thick, Dana, so apologies. Uh, but before I make my motion, I wanna take a few moments to express my deepest gratitude to everyone in this room and throughout the Railroad Commission. It has been an honor and a privilege to serve alongside such a dedicated team of public servants, agency staff, and industry take- stakeholders who work tirelessly every day to keep Texas energy moving forward.

I also wanna express my sincere appreciation and respect for my fellow commissioners. Working alongside both Wayne and Christie has been a true highlight of my time here. We may not always see eye to eye on every detail, but our shared commitment to responsible regulation, energy leadership, and the people of Texas has never, ever wavered.

So thank you for your teamwork, leadership, and partnership over the years. With that, as we look to the future and ensure a seamless continuity of leadership for this agency, I move to nominate Commissioner Craddick to serve as the next chairman of the Railroad Commission of Texas. Commissioner Craddick brings unmatched tenure, deep institutional knowledge, and a steadfast dedication to Commission's core mission.

Her proven track record makes her exceptionally qualified to lead this agency going forward. I have full confidence that under her guidance as chairman, the Commission will continue to thrive and serve the state of Texas with distinction. I yield the floor and welcome a second on my motion. Second.

Seconded by Commissioner Christian. All in favor say aye. Aye. Aye. Motion passes. That item is approved, uh, congratulations, Chairman Craddick. Thank you. Thank you very much. Uh, I... Let's- Before we can leave it, can I say something? Yeah, sure. Um, so one, thank you, Commissioner Wright and Commissioner Christian for the, uh, for the belief that we...

And when you said unmatched tenure, that makes me feel old, so thanks. Um, but I wanna say thank you for both your c- both of y'all for your confidence and your support. I'm really honored and humbled by your vote and, and the continued support to, to be chairman again. Um, and look, I wanna take a minute to recognize Chairman Wright and your leadership.

You've done a very great, good job here. You've guided this agency with integrity, professionalism, and, and really a steady hand, and I appreciate that. That's been, um, a nice thing as, as this agency continues to move, and we've got a lot of things in front of us. So, um, thank you for your service as chairman.

You've done a great job. I appreciate that. And, and Wayne, thank you too. I appreciate it. Um, we don't al- all of us, as Wayne is, Jim said, we don't always agree 100%, but I think this agency's been in a great place and is continuing to move forward, and I look forward to continuing to work with you as well.

And, um, like, you know, I value the relationship we've, we've all got, and so thank you very much for the, for the opportunity again. Thank you for those kind words. Um, can I say something? Sure. Well, I, you're taking criticism next. Yeah. Yeah, take it. No, Jim, uh, Commissioner Wright, we appreciate so much your, your service.

You've been a, a reliable resource to me personally. Uh, you're, you're a fellow that started with grassroots. Uh, you started as a kid struggling with his family, trying to get something done. You've proven yourself a man of unblemished character with your stance by your family, your wife, and what you've stood by.

You've been a great example for me personally. Uh, you've been a great example of somebody that does what he feels is right, and you've gone through a heck of a lot of criticism and, and, and, uh, castigation, is that the right word? But had a lot of, uh, negatives casted against you for some of the decisions you were bold enough, uh, to take a stand for, and I respect you tremendously for the example you've been as a leader.

So thank you for what you've done. Thank you very much. I appreciate that. Let me see if I can get my big head up and switch chairs with our new chairman. Oh, no. Thanks. Thank you

20 percent. Okay

Back to the real business, right? Um, thank you, Jim. So item 866 is our public participation item, and four people registered in advance. And I want to remind you that this item is reserved for items that were not noticed on today's agenda. So if you're coming to testify, reco- remind, remember about that.

You'll each have three minutes. And, um, let's see. We've got Melanie Oldham. If you'd please come up, state your name for the record.

Good morning

Um, oh, good morning, commissioners. Um, as a member of the public, I wanna thank the three- Please state your name. Oh. Thank you. My name is Melanie Oldham from Freeport, Texas. Thank you. As a member of the public, I wanna thank all three of y'all for in- uh, continuing to improve public engagement, and I wanna thank Virginia Palacios with Commission Shift, who heads up one of our organizations, the Texas CCS Community Advocacy Coalition, which represents hundreds of communities.

So again, I wanna thank you. I didn't know this would happen, but it's great news. Um, again, I'm Melanie Oldham. I'm from Freeport, Texas, Brazoria County. My state rep is Cody Bassoot. My senator is Joan Huffman. I'm a retired healthcare professional, and I'm now director of Citizens for Clean Air, Clean Water in Brazoria County.

Again, I mention that I'm a member of the Texas CCS Community Advocacy Coalition that meets weekly. We are organized community members, uh, advisors, petrochemical engineers, geologists, chemists, et cetera. Um, as you know, Texas is a major industrial area, corridors along the Gulf Coast that has geological, geological formations for possible CCS permits. However, um, I became interested in carbon storage back in 2021 when Michael Smith, the owner of Freeport LNG, which is three miles from where I live, bragged that he would be- have the first carbon capture storage area in our salt domes.

But then in 2022, the Freeport LNG exploded. They were down for nine months, lost a lot of money, and then he announced that, "Oh, um, CCS is just too expensive and too experimental," and lots of excuses. But that's how I

became interested, uh, regarding carbon capture. So, um, also, you know, we... I could tell you, I could read off the number of reasons that community members are concerned about having proposed, um, CCS hubs near them or in their community, but the thing is water.

Water in Texas is liquid gold. It is so important. My friends in Corpus Christi are experiencing a water crisis. Again, I live near Houston. The th- same thing is beginning to happen. So water, protect our water. CCUS is, again, is experimental. I've talked to experts, te- you know, uh, geologists, uh, petrochemical engineers, and there's a gigantic risk that it could get down into our aquifers in Texas and our, um, our water.

So, um, there, there seems to be an abundance of proposed, um, CCS units, especially in Beaumont area. There's at least six proposed not that far from where I live. We just can't keep up with it all. I know Wayne Christian has said that it, it could be a danger. CCS needs to be studied more. Florida, um, the Louisiana governor has put a moratorium on approving CCS hubs, and I ask that you all consider, um, and talk to the governor and the legislature.

Maybe we need a moratorium on these CCUS hubs that are, um, popping up all over Texas, especially on the Gulf Coast where I live. Thank you. So thank you for listening. Thank you for being here. Skyler White

Morning. Morning. I'm Skyler White from Goldsmith. I paid my own way to be here. I'm not representing anybody but myself. Uh, I've got a, a lot of questions about this Oxy thing. Uh, Oxy, as I understand it, is part of my... the investigation into that well in that North County unit that, uh, y'all discovered that Oxy had a pattern of filing false tests, and that, uh- Excuse me.

You wanna borrow these? No, I got these right here. I just use half of them so they last longer.

They, uh... Anyway, the... Oxy has a, a pattern of filing these false tests, and, uh, they weren't calling the Railroad Commission to schedule these tests. Uh, they were... This was not the only well they were filing false tests on. So my question on this is, you know, you fine them, but how much of the fine does the landowner get?

Landowner has a stake in that. Landowners... This mechanical integrity test is supposed to protect our groundwater. This is a private property issue. This is our, our property. Don't we get to participate in this fine? If somebody breaks

into your house and steals your stuff, do you get your stuff back? Does Oxy get to clean up the water that they pollute?

Do we get paid? Do we get compensated for the groundwater that we pollute? No. All that money goes to the state. Why do you leave the landowner out of this process? Since I started in working on Oxy, Oxy plugged over 100 wells on the ranch. Many of these wells would probably have failed the MIT, but we'll never know because they never tested them.

They plugged the wells before you could get out there and test the darn things. A lot of these wells were drilled before World War II. They don't have surface casing. Back then, there wasn't a requirement to put surface casing in those wells, so there was no protection to the groundwater. They were allowed to operate for years with wells that wouldn't pass an MIT.

How... Why do you ignore the landowners on this? The H-10 filings. The H-10 filings that these companies turn in are supposed to... are, are designed, among other things, to pull up red flags that show which wells need to be paid attention to, how much water they're injecting. These wells have, uh... supposed to monitor the casing pressure on the, on the annulus, and, um, they're supposed to catch these problems before they happen.

Why does your system not have a set of checks and balances in, in there to draw attention to those red flags and pull those wells out that need to be tested, that need to be watched? You know, a lot of companies that operate under Railroad Commission's jurisdiction are on a must-witness list. Is Oxy on that list?

As I said, I've got a lot of questions about this. This fiasco ought to bring attention to the fact that companies large and small are filing false forms with the Bureau of Minerals. It's not just the little companies, the big companies are doing it too. Landowners need to be in the loop on this so that they can witness these tests.

This is a private property issue, pure and simple. Landowners need to be in the loop. Thank you for your time. Thank you. Thank you Julie Wrint

Hello. Julie Range with Commission Shift. Um, so the Railroad Commission is on the precipice of a rulemaking that will have far-reaching impacts on our groundwater, air quality, and the operators' and taxpayers' pocketbooks. It is needed because we have an aging population of unplugged inactive wells that are rusting away and that, with time, are more complex and costly to plug.

These wells may also become pathways for pressurized produced water to flow to the surface or worse, to unknow-knowingly pollute our precious freshwater aquifers. Emergency flowing wells are also expensive to plug, as you all know. The legislature through SB 1150 attempted to address these problems by requiring operators to plug wells over twenty-five years old and fifteen years inactive.

However, the bill allows exceptions, such as giving operators a reasonable timeframe to achieve compliance. But we urge the Railroad Commission to carefully consider two of these exceptions when crafting the rules. To prevent indefinite loopholes, Commission Staff encourages the commission to set clear criteria for what qualifies for a plugging exception.

Operators should produce and pay in quantities and meet other metrics to qualify as return to operation. Similarly, companies claiming a financial, financial hardship should be able to demonstrate with reported detailed financial information that they have a viable path to eventually plug their wells and are contributing toward decommissioning costs.

Furthermore, the commission should establish caps on the number of extensions allowed for operators claiming financial hardship or a history of returning wells to operation. Extending plugging deadlines for old wells indefinitely puts groundwater at risk. These recommendations and more were developed with a working group we assembled of landowners, groundwater conservation districts, oil and gas attorneys, and many who work in the oil and gas industry.

Our group stresses that the legislature stated that the Railroad Commission shall consider the rest of public safety, health and the environment, well bore integrity, casing pressure, and regional risk considerations, including penetration of corrosive or overpressure formations and zones containing hydrogen sulfide.

And we stress that extensions are a privilege, not a right. Statute uses a permissive may to indicate that the Railroad Commission is not required to grant extensions. Some areas of the state and well conditions may warrant denying extensions. Furthermore, under the statutory language, such extension denials can extend to wells inactive for under fifteen years whenever these risks arise.

As you build the rules, we encourage the commission to engage in the public meaningfully through in-district public hearings, public comments, and, and to build a strong protective role with clear metrics that safeguard human health and

the environment. And we are also concerned that the Railroad Commission called, um, for eighty-six FTEs, uh, to implement SB eleven fifty.

However, we're concerned that we only heard, um, that you called for thirty-five additional FTEs to address orphan wells and produce water. Um, so I haven't had a chance to look at the, the, um, budget, but I'm hopeful [00:16:00] these are still in your request and just not mentioned this morning. So thank you. Thank you.

Thank you. Virginia Palacios

Good morning, Virginia Palacios with Commission Shift. Y'all know me. I've been coming here for five years now. Um, I'm a fourth-generation land and mineral owner in Webb County. The decisions you make here affect me. I have a gas well on my property. I've experienced a leaking, uh, gathering pipeline on my property.

There's a drilling rig within view of my house. I breathe in the air from that drilling rig. I breathe in the air from the gathering station just upwind of me. It affects the people in my community. I come here to you because the decisions you make affect me. They affect landowners across the state that live in oil and gas-producing regions, that live among the air pollution, among potential groundwater contamination and pipeline leaks, people who need you to make the right decisions on their behalf. Open meetings should be open.

Open meetings should include decision-makers hearing from members of the public, letting people speak on their agenda items, whether you wanna hear it or not, and whether or not you wanna sit in this meeting room longer or not. People deserve to speak to you about the issues that affect their health, that affect their land, their water quality, and their daily life.

You just approved an agenda item on public participation- So, I- ... without allowing public participation. Yes, ma'am, and thank you very much. That is our right, and so that is what the public participation policy is. I stated at the beginning before we started testimony today that you weren't to speak about things we've heard that were posted, so if you'll please stick to that, I appreciate it.

Thank you. I wanted to point out the irony. Um, you know, we've come and asked for a public, remote public input policy before. We would like remote public input to take place at the open meetings. It sounded like that's not the case anymore. It almost sounded like y'all are eliminating public input. Um,

that's the lack of clarity that just happened in the last agenda item, and I know I'm not supposed to talk about it, but open meetings should be open.

I think we all agree that there should not be censorship at these meetings. People should be allowed to speak their mind and, and talk about what's going on, especially if it affects them

You know, the other thing that we've been asking for repeatedly is, uh, having in-district public hearings for rulemakings. I recently reached out to, uh, railroad commission staff to provide feedback on what could be in the legislative appropriations request. I've been told repeatedly the Office of Public Engagement doesn't do that, that's the Hearings Division.

Um, and I was denied the ability to have a meeting with the Hearings Division before the LAR came out. There's no public comment process to allow the public to influence what kind of money the agency asks for to allow our problems to be solved. So that's another thing that this agency needs to consider addressing.

There's simple things that the railroad commissioners can do to allow for more public engagement, and we shouldn't be taking the hard route. Thank you. Thank you.

All right. And item 887 is our executive session item, which we won't be going into today. Are there any other duly posted matters to be brought before the commission? Hearing none, this meeting of the Road Commission is adjourned. Thank you all