



April 2020

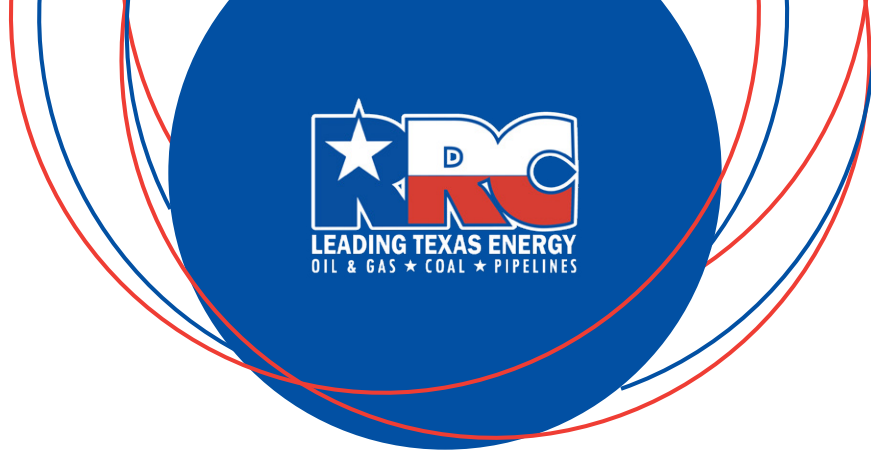
Energy News



From the Field Photo

'Bluebonnets' Freestone County

Photo by Cade Harris



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Upcoming Events

May 5, 2020	Open Meeting	Austin, TX
May 20, 2020	Open Meeting	Austin, TX

[VIEW MORE RRC EVENTS >](#)

[VIEW OPEN MEETING WEBCASTS >](#)

Life as we knew it was put on pause as people across the world have dealt with drastic changes in the face of the COVID-19 pandemic. We here at the Railroad Commission were no different, but I am proud to say that we have kept our operations running as normal with essential staff coming into offices around the state and other employees teleworking. The Railroad Commission is meeting or exceeding legislative performance measures and releasing new online resources to the public, all for continuing the best services to all Texans. This month's Energy News showcases examples of our hard work which we will continue in our daily interactions with the energy industry and the public in our mission to protect the safety of communities and the environment.

A handwritten signature in white ink, appearing to read 'Wei Wang', with a stylized flourish at the end.

Wei Wang

RRC Executive Director



To help the RRC remain fully functional during the COVID-19 pandemic, essential staff have been coming into offices around the state to perform key functions at the agency. We highlight a few of them here.

Laura Bradley comes into the office and coordinates with RRC Hearings and Operators across the state, ensuring cases for complaints, enforcement actions, and more remain active during this COVID-19 period.

Joe Menefe comes into the office as one of our Paralegals within Hearings. He presents in Commissioners' Conferences, coordinates with Admin Law Judges and Technical Examiners to review case files, and sends notices for Hearings.

Jenny Chen works in our Oil and Gas Division, as a key administrative and planning resource. Her time in the office is spent coordinating with operators and RRC district offices via mail physically and electronically.



Laura Bradley



Joe Menefe



Jenny Chen

RRC Follows Up on Recommendation to Temporarily Halt Gas Disconnections

With many Texans facing financial constraints during the current upheaval, the RRC has been working with gas utilities to help residents who may have a hard time paying utility bills.

The Commission had recommended that gas utilities temporarily suspend disconnecting residents, and utilities have taken that very important step of voluntarily suspending disconnections.

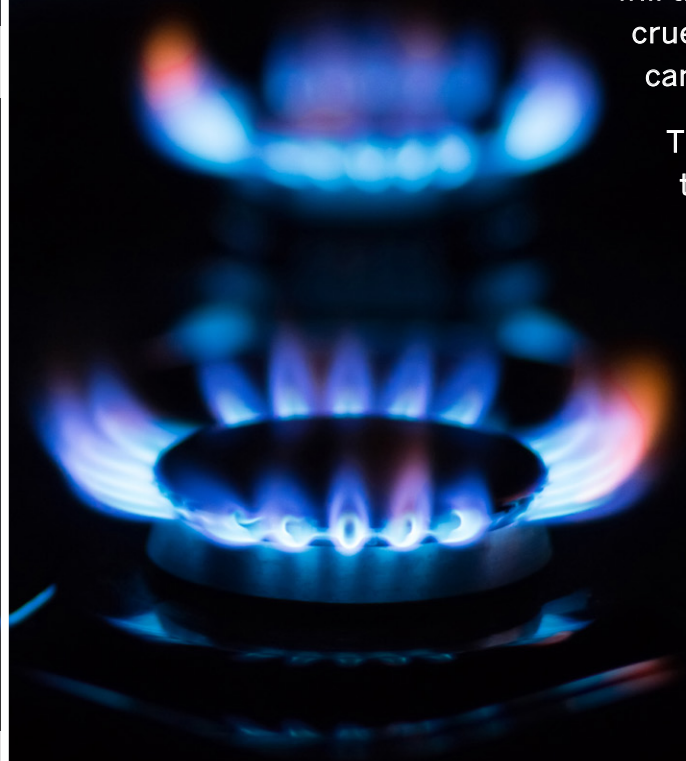
The RRC also made another announcement in the process.

In a Notice to Operators, the RRC authorized utilities to create accounting mechanisms to track COVID-19 related expenses including, but not limited to, uncollected debt, employee personal protective equipment, occupational health costs and cleaning supplies.

“We will continue to work with utilities to help provide relief to residents facing hardships across Texas,” said Mark Evarts, RRC Market Oversight Section Director. “If utilities come to the RRC for rate change hearings in the future, we will thoroughly review the accounting of expenses accrued due to COVID-19 and determine whether they can recover those costs when their rates are set.”

The notice sent to gas utilities can be found on the RRC website at https://rrc.texas.gov/media/57195/nto-state-disaster-waiver-gas-utility-asset-accounting_04-08-2020.pdf.

[VIEW GAS UTILITIES NOTICE ▶](#)





RRC Oil and Gas Inspections Exceed Expectations for Fiscal Year 2020

Even with four months remaining, oil and gas inspectors at the Railroad Commission of Texas have already surpassed annual inspection targets.

The targets are set by the Legislature in performance measures tied to agency budgeting for each state fiscal year. For Fiscal Year 2020 the target for oil and gas well and facility inspections was 189,367. As of the end of April, 225,819 have been conducted. And the RRC has also exceeded the 5-year well inspection frequency goal for the year.

“These performance measures indicate the hard effort of dedicated staff in our district offices statewide,” said Clay Woodul, RRC Oil and Gas Division Assistant Director for Field Operations. “Our work is critical to ensuring the safety of the public and the environment in Texas. We continue those important tasks even as work routines have changed during the current COVID-19 pandemic.”

Inspections include responding to incidents and complaints; conducting routine well inspections; and witnessing critical well operations including setting surface casing to protect groundwater, mechanical integrity tests and well pluggings.

The Commission has an online tool, RRC OIL, that allows the public and oil and gas operators to lookup inspection and violation data recorded during inspections of oil and gas leases, wells, facilities and other sites. RRC OIL can be found at: <https://rrc.texas.gov/about-us/resource-center/research/online-research-queries/oil-and-gas-inspections-and-violations-query/>

VIEW RRC OIL ▶

New Online Portal Further Increases Transparency in RRC Functions



The hearings process is a vital component in resolving a wide array of matters within the agency's jurisdiction, and the RRC is now providing more access to that process.

The agency launched the Case Administration Service Electronic System (RRC CASES) public portal, reaching another milestone in agency transparency.

For the first time, operators can file hearing cases online and the public can go online and access documents in the RRC's hearings process. Users can search hearings dockets using a variety of criteria including case number, operator name, or RRC district.

The Hearings Division conducts hearings and prepares recommendations on issues that need resolution in oil and gas, pipeline safety, alternative fuels safety, gas utilities, and surface mining matters within the Commission's jurisdiction.

RRC CASES also will be beneficial for parties involved in hearings. Parties to a docket can request to become an authenticated user. Authenticated users can upload documents for filing in a docket, which will then be reviewed for acceptance by the Hearings Division's Docket Services.

When Docket Services approves a document for filing, it shows up in real time on the public portal for anyone to view.

"RRC CASES continues our efforts to make the agency more efficient and transparent," said Railroad Commission Chairman Wayne Christian. "I am thankful for all of the hard work our staff put in to finish this project."

"We continue to make progress to modernize this agency saving time and money for our regulated community while increasing online access to information for the broader public," said Railroad Commissioner Christi Craddick.

OF TEXAS CASE ADMINISTRATION SERVICE ELECTRONIC SYSTEM

“Texans expect our government to be responsive and transparent, and the new RRC CASES system delivers,” said Railroad Commissioner Ryan Sitton. “Texans can look up documents related to Commission hearings anytime they want, from anywhere they want, making our state government more like the private sector and fulfilling a promise I made to increase transparency at the Railroad Commission.”

Parties or their representatives will be able to file documents and download a file-stamped copy from their offices without having to use regular mail or make a trip to the RRC. The process should be more convenient and efficient for those appearing before the Hearings Division.

Another benefit the public portal provides is to improve the agency’s efficiency. For example, people requesting documents through the open records process can now

save time and see the information on RRC CASES.

More than 900 dockets for 2019 and 2020 are currently available on the online portal. As new dockets are created, they will be added to RRC CASES. Currently a portion of the oil and gas docket types are available in RRC CASES. By September 1, all newly requested hearings for all docket types should be created in RRC CASES. Orders for dockets not created in RRC CASES will remain available on the Hearings Division web page.

To view RRC CASES public portal, visit the agency’s website at <https://rrctx.force.com/s/>.

VISIT CASES ▶



Easier Filing Option for Form W-3, Plugging Record

The Commission launched yet another initiative in April to improve efficiency. Oil and gas operators can now file Form W-3, Plugging Record, online.

In accordance with 16 Texas Administrative Code §3.14, operators are required to file the Form W-3, Plugging Record, with the RRC 30 days after plugging a well.

The online filing is another phase of the agency's Texas Oilfield Relief Initiative to improve efficiencies for the agency and reduce the regulatory administrative burden on industry, while ensuring the RRC continues to protect the public and environment.

When filing the Form W-3 online, an operator can also submit attachments, including cementing reports (Form W-15) and electric log status reports (Form L-1). Operators are not required to file duplicates of the report and attachments with appropriate RRC oil and gas district offices.

When the Form W-3 is submitted online using the RRC Online System, the system will generate a print-friendly PDF. All reports will be available to view in the RRC Online System after being reviewed by the RRC.

To access the Form W-3 in the RRC Online System, the organization's designated Security Administrator must add the Well Plugging filing right to each user's RRC Online account. If your company needs to set up security administrator rights to file online, view the instructions on the RRC website at <https://rrc.texas.gov/about-us/resource-center/forms/online-filing-at-rrc/>.

[VIEW INSTRUCTIONS ▶](#)

While the RRC will continue to accept hard copy filings of the Form W-3, operators are strongly encouraged to file online for efficient and timely filing.

If an operator files a hard-copy of the report, they must mail the original and attachments to the appropriate oil and gas district office. The form is available for download from the RRC website at <http://www.rrc.texas.gov/oil-gas/forms/oil-gas-forms-library/oil-gas-forms-in-alphabetical-order/>.

DOWNLOAD THE FORM ▶

For more information on filing the Form W-3 online, operators can view an instructional video on the RRC's YouTube channel at <https://youtu.be/XEFcp6ecoSc> or reference the Online User Guide: W-3 (Plugging Record) available on the RRC website at https://rrc.texas.gov/media/56269/w3-user-guide_v12_dec2019_010620.pdf.



VIEW W-3 USER GUIDE ▶

If operators have further questions, contact the Oil and Gas district office that serves the county where the well is located, or the Field Operations department of the Oil and Gas Division at OG_FOPS@rrc.texas.gov or 512-463-6838. For district office contact information, visit the RRC website at <https://www.rrc.state.tx.us/about-us/organization-activities/rrc-locations/#OilGasLocations>.

VIEW OIL AND GAS LOCATIONS ▶



RRC Accepting Comments on Draft Oil and Gas Division Monitoring and Enforcement Plan

Each year the RRC develops an annual plan to assess the most effective use of its resources to ensure public safety and minimize damage to the environment. This plan is required by the Texas Legislature.

The RRC has drafted its strategic priorities for the Oil and Gas Division's enforcement and monitoring efforts for the next fiscal year and encourages your input on the draft.

The plan confirms many of the Division's current priorities—to ensure public safety and protect the environment—as well as establishing direction for data collection, stakeholder input, and new priorities for fiscal year 2021.

The final monitoring and enforcement plan will be on the RRC website no later than July 1.

The draft plan can be found on the RRC website at <https://www.rrc.texas.gov/media/57364/og-me-plan-2021.pdf>.

[VIEW THE PLAN ▶](https://www.rrc.texas.gov/media/57364/og-me-plan-2021.pdf)

Comments must be submitted by 5 p.m. on Thursday, May 21, 2020.

Comments can be submitted online through this link <https://www.surveymzmo.com/s3/5538046/2020Commission-Accepting-Comments-on-Oil-and-Gas-Division-Monitorin>.

[SUBMIT A COMMENT ▶](https://www.surveymzmo.com/s3/5538046/2020Commission-Accepting-Comments-on-Oil-and-Gas-Division-Monitorin)

Alternatively, written comments can be sent to:

Oil and Gas Strategic Plan Comments/Oil and Gas Division
Railroad Commission of Texas
P.O. Box 12967
Austin, Texas 78711-2967

Comments received by mail after Thursday, May 21, 2020 may not be incorporated into the fiscal year 2021 iteration of the plan but will be reviewed.

Alternative Fuels Safety Training Webinars are a Success

Thanks to recent webinars launched by the RRC, individuals in the Liquefied Petroleum Gas (LPG) industry continue to get vital safety training without having to be in a central location.

As the COVID-19 pandemic took hold, the RRC began online training for LPG dispenser operators to receive continuing education training. More than a dozen webinars were conducted in April alone.

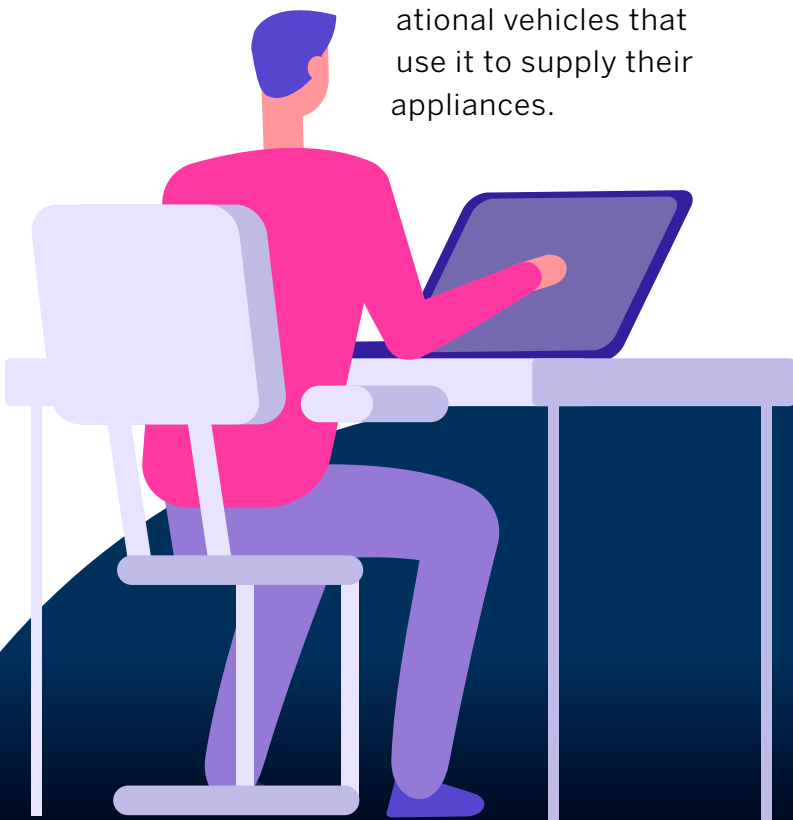
The individuals who received the training perform services for a variety of activities Texans are involved in. They fill propane cylinders used for barbecue pits and deep fryers, as well as cylinders used for forklifts and industrial equipment. They also fill propane tanks used in vehicles as an alternative to gasoline, and in recreational vehicles that use it to supply their appliances.

In addition to its value where large gatherings may be prohibitive, such as the current health crisis, the online training is an easy way for the agency to reach a large audience across the state at one time and save individuals the time and money they would have spent travelling to Austin for the training.

More continuing education safety training webinars are scheduled in May, with additional classes to be scheduled. The webinars are posted on the agency's Calendar of Events on the RRC website at https://rrc.texas.gov/all-events_

[VIEW AVAILABLE WEBINARS ▶](#)

Individuals seeking a new certification are still required to take their initial training in person.



Chairman Christian

COMMISSIONERS' CORNER



Chairman Wayne Christian joined CNBC's The Exchange on April 22 to discuss the keys to an oil industry comeback. He talked about the continued conversation on proration and his call for the industry to establish a Blue Ribbon Task Force for oil economic recovery. You can view the interview on CNBC's Twitter.

[VIEW THE INTERVIEW ▶](#)

Christian and host Kelly Evans began by discussing Commissioner Ryan Sitton's potential motion to put in place proration contingent on a number of factors, including the actions of other states.

"We are working to find a solution as fast as possible because we don't need the markets to continue to have uncertainty about what is going on with the regulation of oil and gas," said Chairman Christian. "Texas will rise to the occasion — a hundred percent of the time we have faced hardship, America comes back stronger and so does Texas."

Christian emphasized the importance of ensuring solutions come from listening to

producers and business owners, rather than simply relying on government mandated cuts. It is with this in mind that he announced the formation of the Blue Ribbon Task Force for oil economic recovery. Learn more about the task force [here](#).

"Our task force brings industry together, large and small, from across various sectors to tell our agency how we can best assist the free market industry — rather than the government, big brother, telling them what to do," continued Christian. "America has built the most successful energy sector in the history of the world, why should we doubt those who made this possible during a time of crisis?"

Before closing out the interview, Evans mentioned the Saudi flotilla making its way to the U.S. Gulf Coast, as reported by the Wall Street Journal.

"I have visited with Senator Ted Cruz and will visit with Senator John Cornyn tomorrow about my concerns with this flotilla that is against the intent of the OPEC agreement to cut production," said Christian.

Commissioner Craddick

COMMISSIONER'S CORNER



Commissioner Craddick issued a published opinion on the Railroad Commission's response to the coronavirus pandemic.

Texas, oil industry will get through pandemic

These are unprecedented times for the oil and gas industry. COVID-19 is substantially reducing Americans' demand for fuel as they follow sound advice to stay in and limit their potential exposure. Simultaneously, Russia and Saudi Arabia have committed to flooding the world market with discounted crude oil, further exacerbating already low prices. If we cannot persevere, American consumers will once again become dependent on foreign oil. All that we have gained over the past ten years to set America on a path to energy independence will be lost threatening the thriving manufacturing base returning to this country.

COVID-19 and the price wars are a global conversation, not just a Texas one. I have been talking with operators in this state constantly but also regulators in other states and provinces to talk about what they are experiencing and if a coordinated effort can be made to help our domestic operators. Where we see good solutions, I am actively pushing to replicate them in this state.

[READ MORE ▶](#)

Commissioner Sitton

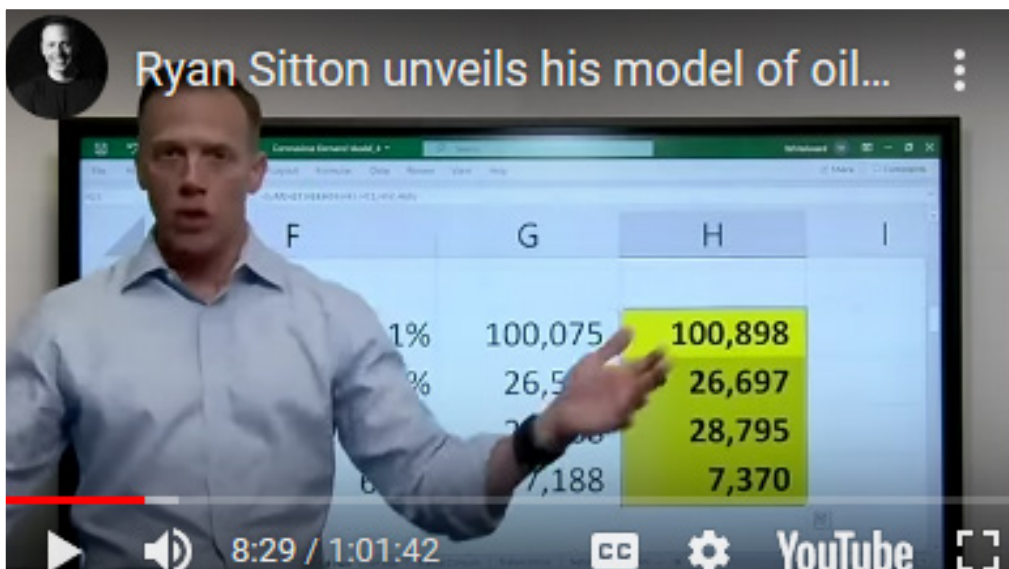
COMMISSIONER'S CORNER



Energy demand dropped through the floor due to COVID-19 and the breakdown of the Saudi/Russia oil production alliance is flooding the global oil market with supply. These two factors have led to the oil market being oversupplied by at least 16 million BPD (likely higher).

What does this mean for the U.S. energy industry and the national economy -- now and over the next few months? Commissioner Sitton discussed his real-time COVID-19 demand model to a live virtual audience -- showing the greatest oversupply in the history of the oil and gas industry.

His presentation is in the video below or at <https://rrc.texas.gov/about-us/commissioners/sitton/>.



Oil and Gas Production Statistics

View monthly production totals of crude oil, condensate and total oil; and of gas well gas, casinghead gas, and total natural gas.

[VIEW PRODUCTION STATISTICS ▶](#)

Enforcement Actions

The Commission has primary oversight and enforcement of the state's oil and gas industry and intrastate pipeline safety. View RRC's Latest Enforcement Actions here.

[VIEW ENFORCEMENT ACTIONS ▶](#)

Public GIS Viewer

The Public GIS Viewer allows users to view oil, gas and pipeline data in a map view.

[LAUNCH THE PUBLIC GIS VIEWER ▶](#)