

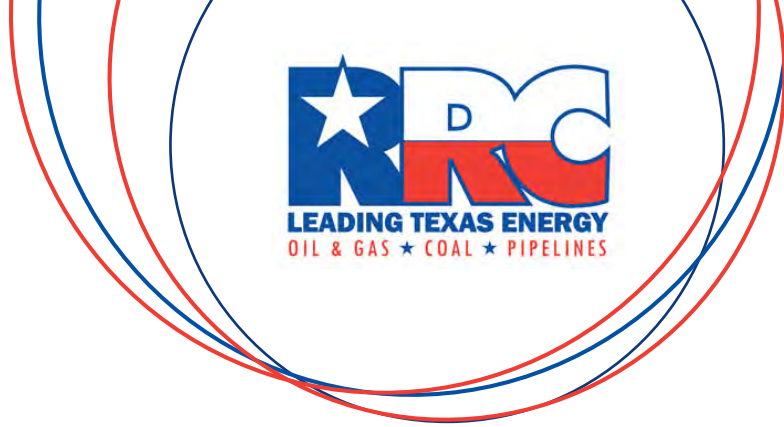


AUGUST 2022

# Energy News



**From the Field Photo**  
Storm Horizon - Hudspeth County  
Photo from Jimmy Hernandez



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## Upcoming Events

RRC Open Meeting ..... September 20, 2022

[VIEW OPEN MEETING WEBCASTS ▶](#)



# RRC Unveils New Massive Online Database of Historic Oil and Gas Production Records

The RRC earlier this month launched a new searchable database with all historic oil and gas production records at the agency – another project in which the RRC has leveraged technology for the benefit of the public and operators.

The Historical Imaged Annual Production Records database includes oil production dating back to 1931 and gas production going back to 1937. More than 1,300 rolls of microfilm containing about 2.2 million images housed in RRC's Central Records were digitized for the project.

While RRC Central Records is available for the public to research historic documents using microfilm, the digitized production records can be searched and downloaded anywhere and anytime you have an internet connection, not just when you are available to make a trip to Austin.

The move to convert historic records into digital formats is part of a broad effort to improve efficiency at the agency and to provide easy access to the vast amount of information held by the RRC, which was founded in 1891.

Production records, which are the most accessed microfilm in Central Records, are used by researchers, landowners, royalty owners, energy companies, public information requesters and others.

“We are excited to have our historic production records available on our website now,” said Matthew Herzog, Manager of Central Records. “This is a significant undertaking and a historic moment for the Commission. Not only does it give the public quick and easy access to the information, but it can also save staff time that’s spent researching for public information requests. Requesters can now get historical production information with the click of a mouse if they wish, and our staff can devote time for other tasks.”

Production information from 1993 to present were already available on RRC's website in the [Production Data Query](#).

The newly-digitized historical production records, prior to 1993 dating back to the 1930s, can be found by scrolling to the bottom of our [Imaged Records Query web page](#). It includes a User Guide and a video tutorial to help new users search for historical records.





# RRC UNDERGOING HIRING BOOM TO BETTER SERVE THE STATE

## New Critical Infrastructure Division Driving Growth

Whenever the state of Texas has had the need, the Railroad Commission has risen to the occasion.

After Winter Storm Uri in early 2021, the Texas Legislature tasked the agency with securing the flow of natural gas to electric power generators.

As part of its new regulatory responsibilities, the RRC has established rules for critical natural gas facilities, created a map of the state's electricity supply chain and associated gas facilities with the Public Utility Commission, and will administer weatherization rules of such facilities.

To accomplish these tasks, the Legislature granted the RRC with 130 full-time position equivalents, and the agency created a new Critical Infrastructure Division with inspectors in regional offices throughout the state.

“The agency is growing,” said Wendy O’Neill, RRC’s Human Resources Director. “We hired 30 employees in May, 30 in June, 16 in July, and 26 in August. In my time with the agency, we have never had this many new hires.”



*Employees from RRC’s Critical Infrastructure Division and the senior trainer from the Oil & Gas Division attended a specialized weather training course. The course covered topics on the operations, maintenance, assessment, economics and weatherization of critical infrastructure associated with the energy industry.*





The hiring boom, which also includes additional personnel to support an increase in well plugging, has seen the number of employees at the agency grow from 828 in July 2021 to 928 today. And the agency has additional open positions, with 19 currently posted.

The state's trust in the RRC to help solve problems of the day is not something new.

In fact, the very creation of the agency in 1891 was to curb the power of railways and bring stability and predictability to the state's railroad industry. The Legislature turned to the RRC to regulate the pipeline industry in 1917, the oil industry in 1919, and natural gas utilities the following year.

Whatever the tasks, RRC's employees have taken on the challenges and done the jobs asked of them.

"Working for the state of Texas provides a sense of pride not found anywhere else," O'Neill says. "While someone may be loyal to their company, it feels different to think you are being loyal to the great state of Texas."

From a human resource perspective, undergoing a major expansion, including creating completely new jobs for a completely new section of the agency, poses unique challenges.

"Creating a new division is no easy task. The overall recruiting strategy was developed early in

the process, but as with any new venture, things change," O'Neill said. "The HR team had to adjust quickly to changes in positions posted and the number of each position. We also had to shift work throughout the team to ensure that we were able to support the recruiting efforts. New managers were hired to lead the new division, and those managers had to be trained on HR processes."

The hiring climate, as seen throughout the country, has changed since the pandemic. Fewer applicants are available for open positions.

"In the past, we may have had 100 applicants for one job posting," O'Neill said. "Today, we are seeing about 20 applicants for those same positions, and many may lack the education or experience required for the position."

And, she added, the agency is competing with private industry and other state agencies for top candidates.

"With the agency growing and the current recruiting climate, we are in somewhat uncharted territory," O'Neill said. "In years past, we have had an exorbitant number of applicants to choose from, so we have had to be more creative with our job postings."

While private businesses may be able to offer larger salaries, serving the state and providing much-needed work for fellow Texans has its own advantages.





Employees from RRC's Critical Infrastructure Division and the senior trainer from the Oil & Gas Division attended a specialized weather training course. The course covered topics on the operations, maintenance, assessment, economics and weatherization of critical infrastructure associated with the energy industry.

“Before joining the RRC, I worked in private industry, so I can say from personal experience that working for state government and the RRC is very rewarding,” O’Neill said. “The ability to balance your work life with your home life is unheard of in private industry, and with the state and the RRC, you can easily balance the two. The benefits offered are second to none, which includes generous time off and a pension plan.”

To ensure candidates understand what the agency has to offer, including job benefits, Human Resources updated its [careers page on the RRC website](#). The team also created [a flyer to summarize the benefits](#).

Another strategy to fill open positions has been to address the language in the job postings.

“HR is working with hiring managers to ensure that our job postings clearly state what is required of the position,” O’Neill said. “There is a big difference between what is required in the job versus a nice to have. In addition, we have updated our job postings to ensure that applicants know the outstanding benefits package that the RRC and the state offer.”

HR has also worked to broaden the pool of candidates by posting positions on industry-specific websites.

With a hiring frenzy and a growing workforce, Human Resources staff have had their workload increase.

“The increased headcount impacts every person on the HR team. We may be a small team, but we are mighty,” O’Neill said. “More employees means more calls to HR regarding benefits, time reporting, employee relations, FMLA, pandemic-related questions, to name a few. The HR team has had to be resilient and take on responsibilities that they may not otherwise have to do.”

For O’Neill, a growing workforce is better than other types of challenges human resources departments often face.

“In my 20-plus years in human resources, I have had the pleasure to work for a variety of industries, and in most cases, we had to let employees go due to restructuring and downsizing,” she said. “Our growth and rate of hiring, albeit a huge task, is exciting and reinvigorates my love for human resources and creating a positive and engaging work environment for employees.”





# CHANGE TO COMMINGLE PERMIT NUMBER LENGTH COMING TO MONTHLY PRODUCTION REPORT

The RRC will be adopting a revision to the reporting of the commingle permit number on Form PR, Monthly Production Report soon.

The revision will expand the commingle permit number from a maximum of four digits to a maximum of five digits. This change is necessitated because the RRC has issued most of the available four-digit numbers in District 08.

The structure of Form PR has not changed. The only change is to the acceptable length of Commingle Permit Number. For now, District 08 is the only district where a five-digit Commingle Permit Number is necessary.

At some future date, the RRC will issue five-digit numbers for other districts as they run out of four-digit numbers. The changes described in this notice will accommodate a five-digit commingle permit number issued in the future for other districts.

An implementation date has not been set but is anticipated to be in September 2022. This will provide operators and the RRC time to make changes to their production reporting systems. Operators will continue to report a four-digit commingle permit number on their monthly production report until the changes have been implemented.

[READ THE NOTICE TO OPERATORS](#)







# ONLINE REGISTRATION, PAYMENT SYSTEM IMPROVES RRC EXPERIENCE FOR LPG, CNG, LNG INDUSTRIES

When the covid pandemic swept the country and Texas in early 2020, the Railroad Commission seized upon opportunities to improve the way it does business.

In one example, during the pandemic's telework period the RRC's Alternative Fuels Safety program started providing online instruction, a major change for the agency. Previously, the only options for training would be for RRC instructors to travel to all parts of the state to provide critical coursework for an industry that handles propane or other liquefied petroleum gas, compressed natural gas, or liquefied natural gas, or those regulated workers traveled to Austin to take classes.

Instead of waiting for the pandemic to ease enough to revert back to the way things used to be, the RRC continued to analyze how it operates and seek ways to better serve the public and adjust to a time period in which people rely on various mobile computing devices and, of course, the internet.

In yet another improvement on its processes, the RRC earlier this year launched its Certification Exam Registration and Training System or CERTS, which allows people to register and pay for classes and other events online.

Before the new system took effect, industry would visit an older version of RRC's website and fill out a request form for a spot in a class or in an exam.

"They could put in information for an event that did not exist because there was not a direct relationship between what they were filling out and what we were offering," said April Richardson, Director of Alternative Fuels Safety. "Also, we may have been full between the time they submitted their request, and we processed it. So, people would make their request and find there's no room and start the process over again. That was very frustrating for them."

With the new system, industry can only register for an existing class that has availability.

"For us, it was a manual process tracking with spreadsheets on who's in what class and how much room is left and going back and forth via email on requests," Richardson said. "We were looking to automate that process as much as possible."





Under the old system, instructors would typically take payment for classes right before they taught them, or if industry workers paid beforehand, the instructor would verify the receipt.

This meant, Richardson said, that instructors were having to play the role of accountants.

“Sometimes, it would cause friction between the instructor and the student because the first interaction they had was the instructor saying, ‘You don’t have your stuff. If you don’t have it by 8:15, you’re not going to get into class.’ And so this person would scramble with their office trying to find out where the paperwork was. Now, you’re on the list, or you are not.”

When AFS started offering online classes toward the beginning of the pandemic, Richardson said that her group started requiring industry to have to pay for their classes ahead of time; however, all of the payments still needed to be accounted for manually. With CERTS, it’s all automated.

With more than 80,000 locations in the state handling LPG, CNG and LNG and fewer than 40 AFS staff, including four instructors, becoming as efficient as possible has been important.

“Before we had online classes, it was the pony express,” Richardson said. “We were sending instructors to all corners of the state.”

The entire registration and payment process has not been fully automated, and the RRC is continuing its efforts to ensure the process is much smoother than it had been before.

And beyond that, AFS is continuing to work to make all of their processes and systems seamless. An ongoing project will eventually eliminate the need for the submission of any paper forms.





# RRC FINALIZES RULE TO PROTECT FLOW OF NATURAL GAS DURING WEATHER EMERGENCIES

In order to help ensure Texans have the electricity they need during weather emergencies, RRC's commissioners on Aug. 30 adopted a weatherization rule to protect the flow of natural gas to power generators during such emergencies.

The new Weather Emergency Preparedness Standards rule (Statewide Rule 3.66) implements provisions in Senate Bill 3, which was passed by the Texas Legislature and signed by Governor Abbott in 2021 following the Winter Storm Uri.

The new rule requires critical gas facilities on the state's Electricity Supply Chain Map to weatherize, based on facility-specific factors, to ensure sustained operation during a weather emergency; correct known issues that caused weather-related forced stoppages occurred before Dec. 1, 2022; and contact the RRC if they sustain a weather-related forced stoppage during a weather emergency.

Types of critical facilities include natural gas wells and oil leases that contain natural gas wells, saltwater disposal wells, gas processing plants, all intrastate underground natural gas facilities, and gas pipelines that directly serve electricity generation on the electricity supply chain map.

The RRC's Critical Infrastructure Division inspectors based in regional offices across the state will begin inspections December 1. Inspections will begin by prioritizing wells and other natural gas infrastructure that produce, store, process, or transport large volumes of natural gas. The RRC will further prioritize inspections in descending order in accordance with a facility's production volume or storage, processing, or transportation capacity.

"These new rules ensure our state's natural gas supply chain is prepared for extreme heat and freezing cold," said RRC Chairman Wayne Christian. "These rules will ensure that the natural gas facilities Texans rely on for reliable energy are operational when we need it most," continued Christian. "However, as Texas adds 1,000 new residents a day, the long-term solution to meeting our state's energy needs must include building more reliable and affordable natural gas-fired electric generation. Our current facilities are prepared for the next weather emergency, but we must make sure there are enough of them to meet the energy demands of our growing state."





“The adoption of Statewide Rule 3.66 today represents the culmination of countless hours of work by agency staff, industry leaders, and stakeholder groups,” said RRC Commissioner Christi Craddick. “This rule provides regulatory certainty to the natural gas industry and peace of mind to Texans who rely on this important natural resource. I am especially grateful to agency staff for their tireless efforts on this important accomplishment.”

“The natural gas supply chain is comprised of many individual pieces, each with their own unique challenges and vulnerabilities in the face of extreme weather,” said RRC Commissioner Jim Wright. “Today’s rule is focused on preparation, planning, and communication and requires those critical facilities on the Electricity Supply Chain Map to review their operations, identify potential vulnerabilities, and have plans and procedures in place to fortify assets and maintain operations during extreme weather.”

Fines for administrative violations could reach up to \$1 million. Operators who intentionally disregard the weatherization rule will not get away with paying a low penalty. The penalty structure in the rule places a stiff enforcement action for those who do not properly prepare their facilities for weather emergencies.

Statewide Rule 3.66 requires facilities representing a large portion of daily natural gas supply in Texas to be prepared to operate during weather emergencies. The final rule adopted today took into account public comments on the proposed rule; the Commission responded to the comments in the preamble.

[READ THE WEATHERIZATION RULE](#)



# Chairman Christian

COMMISSIONERS' CORNER



In August, Chairman Wayne Christian had several media releases and an opinion editorial. You can check them out below:

**On Aug. 3**, Chairman Christian put out [a press release applauding the Texas oil and gas industry](#) following the Texas Comptroller of Public Accounts' announcement of continuous record-breaking tax revenues from the industry.

"I hope all Texans are paying attention to the fact that it's oil and gas – not wind and solar – that are bringing home the 'bacon,' providing reliability for our state's budget, economy and electricity," said Chairman Christian. "As Texans battle the endless summer heat and sweat rising energy costs, it's important to note that our houses could be cooler and our electric bills could be lower, if Texas were building out more reliable energy generation, like natural gas, and relying less on unreliaables, like wind and solar."

**On Aug, 5**, Chairman Christian put out [an opinion editorial](#) critical of the Biden Administration and Congressional Democrats for revival of the Build Back Better agenda through the Inflation Reduction Act.



**On Aug. 9**, the chairman put out [a follow-up release critical of the Inflation Reduction Act](#).

“President Biden is slowly achieving his Green New Deal dream of killing cheap, plentiful, and reliable fossil fuels and the Orwellian-named Inflation Reduction Act puts him one step closer,” said Chairman Christian. “This bill spends \$369 billion on green energy programs and creates a \$6.5 billion natural gas tax. Ultimately, this bill will lead to less investment in oil and gas production, making everything more expensive from the gas pump to the grocery store.”

**On Aug. 25**, the chairman [put out a separate release championing state leaders on their stance against Environmental, Social and Governance \(ESG\) investments](#). Chairman Bryan Hughes of the Texas Senate Committee on State Affairs sent investigatory letters to four major Wall Street firms (BlackRock, State Street Global Advisors, the Vanguard Group and Institutional Shareholder Services) to determine whether these firms are using ESG principles that impact state retirement funds.

Additionally, Texas Comptroller Glenn Hegar released his list of financial companies that boycott energy companies, and Texas Attorney General Ken Paxton launched the first investigation by a state attorneys general into an ESG ratings company for alleged consumer fraud and unfair trade practices.

“I’m thrilled to see my conservative colleagues join the defense against ‘woke’ Wall Street bankers,” said Christian. “Rally the troops: Here in Texas is where we will draw the line against ESG’s detrimental impact on oil and gas.”



# Commissioner Craddick

COMMISSIONERS' CORNER



In August, Commissioner Craddick focused on Statewide Rule 3.65 and 3.66. Responding to and incorporating all possible feedback has been keenly important. From reading comments to meeting with stakeholders, Craddick has dedicated herself to ensuring that the final adopted versions of these rules provide a meaningful response to SB 3, while also providing regulatory certainty to industry participants.







# Commissioner Wright

COMMISSIONERS' CORNER

In August, Commissioner Wright discussed the importance of finding long-term, sustainable solutions to the vast amounts of water produced alongside oil in the Permian Basin. Speaking to the Produced Water Society Conference in Midland, Commissioner Wright urged attendees to consider alternatives to disposal and to consider applying for pilot or demonstration projects through the Railroad Commission.

Also in August, Commissioner Wright penned an op-ed in the Dallas Morning News detailing the Railroad Commission's work to plug orphaned and abandoned wells and how newly available federal funds could help our state, so long as the funds do not come with additional strings attached or are administered in an overly prescriptive manner.

[READ COMMISSIONER WRIGHT'S COMMENTS](#)



# Oil & 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 CURRENT 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 LATEST 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 ▶](#)