



**Via email**

Kellie Martinec, Rules Coordinator  
Office of General Counsel  
Railroad Commission of Texas  
[rulescoordinator@rc.texas.gov](mailto:rulescoordinator@rc.texas.gov)

**Re: Rockcliff Energy Operating LLC's Comments to Proposed Statewide Rule 66**

Dear Mrs. Martinec:

Rockcliff Energy Operating LLC ("Rockcliff") appreciates the opportunity to provide comments to 16 Texas Administrative Code § 3.66 ("Statewide Rule 66" or "Rule 66"). Rockcliff is an East Texas, Haynesville Shale producer. The weatherization rules are important to Rockcliff, thus Rockcliff provides the following comments for clarity and precision in execution of the weatherization rules. Rockcliff has attached a version of Rule 66 with the changes proposed in the following comments for reference, and hereby incorporates by reference all changes set forth in that document as if fully set forth herein.

Rockcliff also finds that a change to existing 16 Texas Administrative Code § 3.65 ("Statewide Rule 65") to increase the production thresholds, and to allow exceptions to the critical designation to be administratively approved, are necessary to ensure marginal wells and/or wells that do not substantially contribute to the electricity supply chain are not, unnecessarily, subject to the weatherization requirements.

**COMMENTS**

**Subsection (a)—Applicability.**

- Subsection (a)(1)—Rockcliff recommends amending to clarify that facilities producing less gas than the minimum production volumes described in Statewide Rule 65 or facilities included on an approved Form CI-X are exempt from Statewide Rule 66.
- Subsection (a)(4)—Rockcliff recommends adding subsection (a)(4) to clarify that Statewide Rule 66 only applies to a gas supply chain facility that has received actual notice it is on the electricity supply chain map.

**Subsection (b)—Definitions.**

- Subsection (b)(4)—Rockcliff recommends amending the definition of "major weather-related forced stoppage" as follows:
  - Include an objective standard. Giving the Director of the Critical Infrastructure Division discretion to determine which weather-related forced stoppages qualify as major weather-related forced stoppages will result in an inconsistent application of this rule and is inconsistent with the intention of Senate Bill 3—increasing reliability of the electricity grid.
  - Based on an operator's intentional conduct. An operator should not be penalized if it attempts, in good faith, to produce natural gas during a weather emergency in compliance with this rule.
- Subsection (b)(5)—Rockcliff recommends amending the definition of "repeated weather-related forced stoppage" to include "major." As proposed, a minor weather-related forced stoppage may require an operator to hire a third-party engineer and incur a significant, but unnecessary expense with no added benefit to grid reliability.
- Subsection (b)(8)—Rockcliff recommends amending the definition of "weatherization" to clearly state an operator's discretion to implement weatherization standards based on the operator's own expertise and analysis regarding preparations to operate its own facilities during a weather emergency.

- Subsection (b)(9)—Rockcliff recommends amending the definition of “weather-related forced stoppage” to reference “weather emergency.” Referencing “weather emergency” will help avoid redundancy and promote consistency within Statewide Rule 66, itself, as well as Statewide Rule 65.

**Subsection (c)—Weather emergency preparedness standards for a gas supply chain facility or a gas pipeline facility.**

- Subsection (c)(1)(A)—Rockcliff recommends amending to avoid any suggestion that the RRC has jurisdiction to require producers of natural gas to operate under any conditions. Oil and gas producers are not public utilities, as that term is defined in Section 186.001 of the Texas Utilities Code, and are, therefore, not subject to the continuous and adequate service requirements outlined in Section 186.002 of the Texas Utilities Code.
- Subsection (c)(1)(B)—Rockcliff recommends amending to promote consistency with all other sections of the rule. The phrase “cold weather conditions” should be replaced with “weather emergencies” because cold weather conditions are included in the definition of “weather emergencies.”
- Subsection (c)(1)(B)—Rockcliff recommends amending to repeated weather-related forced stoppages. A single weather-related forced stoppage may be an outlier and requiring that operators correct such an anomalous stoppage may not do anything to support reliability of the grid.
- Subsection (c)(2)(A)-(B)—Rockcliff recommends amending to avoid any suggestion that the RRC has jurisdiction to require producers of natural gas to operate under any conditions, and to clarify the operator’s discretion to implement weatherization standards based on the operator’s own expertise and analysis regarding preparations to operate its own facilities during a weather emergency.
- Subsections (c)(2)(C)—Rockcliff recommends eliminating this subsection from the rule, and placing it into a guidance document, consistent with the RRC’s standard procedure. Before finalizing the guidance document, Rockcliff recommends the RRC collaborate with industry via a workgroup to ensure that only those best practices applicable to Texas are included in the RRC’s guidelines.

**Subsection (d)—Weather Emergency Readiness Attestation.**

- Subsections (d)(1)(A)(i)-(v)—Rockcliff recommends eliminating these subsections from the rule and replacing them with the standard RRC certification:

*Certificate: I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this report, that this report was prepared by me or under my supervision and direction, and that data and facts stated therein are true, correct, and complete, to the best of my knowledge.*

- Subsections (d)(1)(B)(i)-(xvi)—Rockcliff recommends eliminating these subsections from the rule and replacing it with the requirement to file an emergency operations plan or similar annual filing with a general description of the operator’s operations and weatherization procedures.

**Subsection (f)—Weather-related forced stoppages by a gas pipeline facility or gas supply chain facility.**

- Subsections (f)(1) and (f)(2)—Rockcliff recommends adding subsections (f)(1) and (f)(2) to distinguish between reporting standards applicable to gas supply chain facilities and gas pipeline facilities. Subsection (f)(3) could address repeated weather-related forced stoppages and would be applicable to both gas supply chain facilities and gas pipeline facilities.
- Subsection (f)(1)—Rockcliff recommends amending to increase the threshold for a reportable weather-related forced stoppage from >0 mcf/d to the greater of 15,000 mcf/d per lease or a forty percent (40%) reduction in lease production averaged over a three (3) month period of standard production, whichever is greater. As proposed, the rule does not take into consideration natural reductions in production that may occur during cold weather months due to thermodynamics.
- Subsection (f)(2)—Rockcliff recommends amending to clarify the following:
  - Contracting with a third-party is only required after notice and opportunity for hearing, and in accordance with a RRC final order.

- The term “qualified engineer” should be replaced with “registered professional engineer,” consistent with all other RRC regulations.
- Operators must be given the option to file the engineer’s assessment and operator’s corrective action plan as confidential in accordance with subsection (d) of the rule to protect operational trade secrets.

**Subsection (g)—Enforcement.**

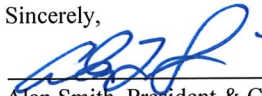
- Subsection (g)(1)—Rockliff recommends amending to clarify that an alleged violation that is not remedied in a reasonable amount of time will only be referred to the Office of the Attorney General after notice and opportunity for hearing. This will ensure enforcement of Statewide Rule 66 is consistent with all other RRC rules.
- Subsections (g)(1) and (g)(2)—Rockliff recommends amending to replace “person” with “gas supply chain facility” and “gas pipeline facility operator,” respectively, to clarify that this subsection only applies to the regulated entity, and not to an individual.

**Figure 16 TAC §3.66(g)(1)—Classification System.**

- Rockliff recommends amending the production thresholds identified in the violation factors to reflect the degradation in production (greater of 15,000 mcf per lease or a forty percent (40%) reduction in lease production averaged over a three (3) month period of standard production) discussed in the previous comment.
- Rockliff recommends amending the violation factor “Hazard to health, safety, or economic welfare of the public” to “Actual hazard to health, safety, or economic welfare of the public.”
- Rockliff recommends amending the table to include a factor value of “-4” for a producer’s good-faith attempt to produce natural gas during a weather emergency.

Please let me know if there is anything else we can provide.

Sincerely,

  
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