From: rrcwebcontact
To: Rules Coordinator
Subject: Rule comment email
Date: Wednesday, November 18, 2026 6:22:26 PM

Rule comment email

Choose Rule
Amend §§3.15 and 3.58 (Senate Bill 1150)
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No, I request my e-mail address to remain confidential
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Comments concerning proposed rulemakings

Rules Coordinator,
Burk Royalty Co., Ltd. operates and actively acquires mature oil and gas properties across Texas, with a focus on the Permian Basin and other established producing regions. We are a member of the Texas Alliance of Energy Producers, and we support the comments the Alliance has submitted on this rulemaking.
Acquisition operators like Burk play a direct role in shrinking Texas's inactive well count. When we purchase a property, we evaluate every well on it — returning viable ones to production, converting others to injection or disposal service, and plugging those that have no future. Many wells we acquire were shut in deliberately by the previous operator due to low commodity prices, capital constraints, or pending infrastructure — not because they are without value. Plugging those wells before a buyer has a chance to evaluate and invest in them strands recoverable resources and removes the market incentive to acquire and clean up older properties.
The transfer provisions in the proposed rule are our most serious concern. Under proposed §3.58(a)(6), prior-history and hardship extensions do not carry over to a new operator, and nothing in the rule provides the buyer any window to pursue its own extension. In practice, a 15/25 well transfers out of compliance on the day the P-4 is approved. Faced with that exposure, buyers will discount those wells to full plugging cost — or decline the acquisition entirely. The result will be more wells stranded with sellers who cannot or will not plug them, and ultimately more orphaned wells, not fewer.
We support the Alliance's recommendation for a one-year evaluation window after P-4 approval, during which transferred 15/25 wells are treated as in compliance (with all other safety rules still in force), and the buyer's own extension application is due by the end of that window or its first P-5 renewal, whichever is later.

We also support splitting the joint affirmation in §3.58(a)(5): the seller should affirm compliance as of the transfer date, and the buyer should affirm good faith and future compliance. Requiring a buyer to attest to the compliance history of wells it has never operated is unreasonable. The rule should also explicitly allow compliance plans and bonds to transfer to the new owner — that saves RRC staff time and keeps protections in place through the transition without a gap.

These are targeted fixes that fit within the Commission's existing framework. They would keep capital moving to the operators best positioned to put inactive wells back to productive use, while still delivering on SB 1150's objectives by 2042.

Respectfully,

Nick White

Senior Engineering Analyst, Burk Royalty Co. LTD

Verification

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