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From: Cyrus Reed, Legislative and Conservation Director, Lone Star Chapter, Sierra Club, cyrus.reed@sierraclub.org, 512-888-9411

Re: Proposed amendments to rules §§ 3.15 and 3.58, related to Senate Bill 1150 (89th Legislative Session, 2025).

November 20, 2026

The Lone Star Chapter of the Sierra Club is the Texas chapter of the Sierra Club, the nation's largest and oldest conservation organization. In Texas, we have operated as a chapter since 1965, and have some 20,000 members and 100,000 supporters. We have long maintained in an interest in the proper regulation and management of oil and gas production, and wells, including low-producing and inactive wells. We and our membrers, along with many Texans, have been concerned with the failure to plug many abandoned and orphaned wells, but also with the thousands of wells that have been in existence for decades as "inactive" wells without final action. In practice, the Commission has often extended the life of wells that are no longer operating, leading in some cases to local water and land contamination, safety issues, and the release of methane and associated gases, impacting local communities. During the 89th Legislative Session, the Sierra Club was actively engaged in discussions around inactive and abandoned wells and did provide input during the passage of SB 1150. While we did not ultimately support the bill - we believed it should have been strengthened mainly by reducing the timelines in the bill - we recognize that passage of the bill is an improvement over oil and gas regulation and are pleased to offer brief comments on the proposed rules to implement SB 1150 We believe that strong implementation of SB 1150 will decrease the proliferation of abandoned and orphaned wells – which then have the potential to contaminate our waters, lands and air, and can also create real safety concerns for Texans and wildlife.

There is good in the proposed rule, but more should be done to meet the intent of SB 1150

We do recognize the hard work that RRC staff has put into development of the rule, and appreciate the extension of time to review the proposal, as well as the public meeting that was

held on November 20th. We do echo comments of other organizations that the RRC could have increased opportunities for public comments by having more stakeholder engagement, or even regional hearings. We again appreciate that the RRC has opened up a new Office of Public Engagement, and believe more could have been done to reach out to potentially affected communities.

While the law does allow for up to 15 years past the 10 year time period, the RRC should work to close wells earlier that have not been active produced in many years

The RRC should not assume that producers have the right to extend the time to plug a well - it is a privilege if they meet certain standards, not a right. The statute uses the permissive word "may" to indicate that the RRC is not required to grant any plugging extensions. Tex. Nat. Res. Code 89.023(c). The RRC must exercise its authority to deny extensions that put health, safety, or the environment at risk. A strong rulemaking will incorporate rules to limit plugging extensions to better protect the public and environment from the risks posed by unplugged wells, including to taxpayer's pocketbooks and landowners ability to enjoy their land.

That is, in adopting these rules, the RRC "shall consider: the risk to public safety, health, and the environment; wellbore and wellhead integrity, including the ability to monitor casing pressure; and regional risk considerations, including penetration of corrosive or over-pressured formations and completion in zones containing hydrogen sulfide." Tex. Nat. Res. Code 89.051(b).

Our view is that the proposed rules are not specific enough on considering these risks to public safety, health and the environment. At the end of the day, operators should be directed to either bring inactive wells back into production or plug them, not continually asking for extensions.

For SB 1150 to achieve its goals, the Railroad Commission needs to strengthen the rule. We would note that several other organizations such as EDF and Commission Shift have provide more detailed comments and we are in general supporting these comments, and specific changes in language in the rule suggested by those organizations. To be more specific, the Sierra Club recommends making the following changes into the rule:

- **Limiting extensions so wells get plugged quickly, shutting down loopholes and setting tough penalties to ensure operators are plugging the wells properly and in a timely manner. (We recognize there are statutory limits to the maximum penalties that can be assessed and are hopeful the legislature considers making changes to those penalties next session)**

At the very least, the rule must establish administrative penalties for rule violations and false affirmations for transfers as required by SB 1150, with bigger penalties for falsification and repeat offenses.

Setting stricter well integrity standards & monitoring of casing pressure; banning extensions in high-risk zones and requiring annual mechanical integrity testing of these wells.

Assuring that any extension of well plugging requirements include a required public notice and public input process for nearby neighbors and landowners, including groundwater conservation districts;

For Texas landowners, farmers, and ranchers, inactive and orphaned wells can adversely impact their property rights, values, safety and health. These wells can interfere with agricultural operations, limit productive land use, threaten groundwater and surface water resources, and impose significant costs on landowners. Protecting private property, water resources, and agricultural productivity requires ensuring that operators remain responsible for the wells they own. We also believe adjacent landowners should be considered. Mineral and royalty owners may have interests impacted by the decision to grant a plugging extension for a nearby well. In addition, groundwater districts, counties, and municipalities all likely have at least public health, safety, and environmental protection interests that are implicated by the decision to grant a plugging extension. Therefore notice should go at least to:

- Each surface owner of the tract on which the inactive well is located;
- Any adjacent landowner to the property on which the inactive well is located;
- Impacted mineral and royalty owners;
- The county in which the well is located, with notice provided to the county clerk;
- Any municipality within whose boundaries the well is located, with notice provided to the city clerk or other appropriate official; and
- Any groundwater conservation district with jurisdiction over the location of the well.

The Commission should require operators to send notice of the application to these persons and provide at least 30 days to file a protest before the hearing. An affected person who timely protests should be entitled to participate in the hearing and present evidence relevant to whether the requested extension is warranted.

While SB1150 allows the Commission's delegate to approve an extension based on a compliance plan, the Commission has the authority to include a right for affected persons to participate in an evidentiary hearing before the extension is granted. Specifically, SB1150 requires that prior to approving a compliance plan extension, the Commission "shall consider" factors such as "(5) the well operator's record of compliance;" . . . "(7) any potential hazards to the health and safety of the public or the environment posed by the inactive well;" and "(8) any good faith demonstrated by the well operator." The Commission should improve the proposal by specifically requiring notice and an opportunity to participate to the landowner, adjacent landowner and local groundwater conservation district, municipality and county, thus allowing affected persons to provide evidence as to these factors that the Commission must consider. Sierra Club recommends that notice and the opportunity to protest be provided to the same group as described above whenever an operator seeks a compliance-plan extension.

Requiring robust compliance plans that assures the work will be performed by qualified, safe, well-trained workers, and that those compliance plans should include reporting of contractor OSHA violations records, required proof of OSHA safety training and specific hazard training for this type of work.

Compliance plans should detail the type of workers, OSHA violation history, training and other factors so that there is an expectation that only qualified, safe and well-trained workers perform the work.

Addressing offshore and bay/estuary wells

SB1150 did not specifically address offshore and bay wells, but these wells should be incorporated into the rulemaking. These wells are by their nature the most expensive to plug in general and can create significant risks to public safety and the environment. The Commission should take the opportunity to update its rules on these wells as part of this rulemaking. The Commission should pay special attention to monitoring and inspecting offshore wells, given the difficulties of detecting and repairing leaks and spills at these sites. Due to the integrity, corrosion, risk considerations, the dangerous conditions, and complications that often occur as these wells and platforms decay, and the catastrophic costs associated with offshore well failure, the Commission should scrutinize well conditions before granting any additional extensions for offshore and bay wells.

Inactive wells with high hydrogen sulfide levels must be prioritized for plugging, not extensions

Last legislative session the Commission was tasked with creating a map showing areas with high concentrations of hydrogen sulfide through a budget rider. We look forward to seeing the results of this analysis, but hope that one useful outcome will be identifying orphaned and abandoned wells and inactive wells with high hydrogen sulfide levels. We agree with EDF's recommendation that no extensions be granted for wells that are located in H2S fields, as defined in Rule 36. However, we would note that the Commission's definition of sour gas, and levels that are considered to be high for H2S differ from OSHA and NIOSH thresholds. The Commission should consider using the OSHA and NIOSH thresholds instead, and any wells with hydrogen sulfide levels higher than those thresholds should be prioritized for plugging.

Making sure inactive wells are tested frequently for leaks, with enough oversight to ensure operators are not faking tests, and requiring immediate plugging of leaking wells.

The Commission should improve its proposal by incorporating more specific requirements on testing wells for leaks, and when leaking is found, immediately requiring plugging. The rule is an opportunity to assure proper oversight of leaking wells, and the Commission must not lose sight that wells that are leaking right now should be required to plug, and not be granted continual extensions, compounding the issue.

As an example, the rule should require measurement of leaking gases that pose health risks and may indicate a failure of mechanical integrity. Measurements outside wellbores of gases such as VOCs (benzene, toluene), methane, and H2S may indicate wellbore failure. The RRC should require the use of IR cameras to detect gases emanating from wells.

The program must be funded, with the oil and gas industry paying for the needed staff and ultimately the plugging itself

Importantly, we need to make sure taxpayers are not paying to plug orphan oil wells. Oil and gas operators must be required to establish and follow a compliance plan for plugging the inactive wells they operate and not adding to the orphan well crisis. The authors of the bill - including Senator Middleton and also Senator Sparks - have been clear in their statements that one of the goals of the legislation is to make sure that inactive oil and gas wells do not fall through the cracks and ultimately become a ward of the state. Last session, lawmakers provided an extra $100 million from state coffers to plug abandoned wells from general revenue, and already the Texas Railroad Commission is requesting an EIR in the 28-29 LAR for another $100 million to help plug abandoned and orphaned oil and gas wells. This is not sustainable and we need to make sure that the oil and gas industry is putting up the monies to plug these wells, not leaving them to the general public to clean up. Part of the rationale of SB 1150 was precisely to help mitigate this continual issue.

We would also note that that same LAR did not specifically call out the need to provide the staff to implement SB 1150 in its base, and we believe that a significant EIR will be required to fully fund implementation of SB 1150. We look forward to working with the legislature to assure that there is a funding source to staff the RRC adequately to assure that the law and spirit of SB 1150 are implemented.

I hope to see these suggestions meaningfully incorporated into the rulemaking. The Sierra Club looks forward to working with all stakeholders to plug inactive wells that are no longer productive and assure that Texas makes real progress in reducing the number of inactive, abandoned and orphan wells in a way that is fair to taxpayers and beneficial to the environment.