11/20/2026

Railroad Commission of Texas
Office of General Counsel
P.O. Box 12967
Austin, Texas 78711-2967

Via email: rulescoordinator@rrc.texas.gov

Re: Public Comments on Proposed Amendments to Statewide Rules 15 and 58 (SB 1150)

Chairman and Commissioners:

I appreciate the opportunity to provide comments on the Railroad Commission's proposed amendments to Statewide Rules 15 and 58 implementing Senate Bill 1150.

I am a royalty owner and a member of the Panhandle Producers and Royalty Owners Association (PPROA).

I recognize the importance of responsibly plugging inactive wells and ensuring that Texas taxpayers are not left responsible for wells abandoned by their operators. However, I am concerned that the proposed rules could create significant financial and administrative challenges for small independent producers.

Small operators are an important part of Texas's oil and gas industry. Many are family-owned businesses operating mature properties and marginal wells that larger companies have moved away from. We operate with limited resources, small staffs, and narrow profit margins. Unlike major producers, we generally do not have dedicated regulatory departments or large financial reserves.

The costs of complying with these regulations will not affect every operator equally.

For a large company, additional reporting requirements, financial documentation, or plugging obligations may be manageable. For a small producer, those same requirements can consume a substantial portion of the money available to maintain existing wells, restore production, and meet plugging obligations.

I respectfully ask the Commission to consider several important principles as it finalizes these rules.

First, financial-hardship provisions should reflect an operator's actual ability to pay. Financial calculations should recognize outstanding debts, required loan payments, and other plugging obligations. A company may appear financially healthy on paper while having very little available cash to fund additional plugging work.

Second, compliance requirements should be practical and affordable. Small operators should not be required to hire expensive outside consultants, accountants, or attorneys

simply to understand their obligations or complete routine applications. Clear guidance, predictable plugging-cost calculations, and straightforward documentation requirements would make a meaningful difference.

Third, operators should have reasonable flexibility in meeting their plugging obligations. Plugging contractors, equipment, and qualified personnel are limited resources. Requiring too much work within a short period could increase costs for everyone, particularly smaller producers. Operators should also receive credit for plugging or restoring wells ahead of schedule and have reasonable opportunities to adjust compliance plans when circumstances change.

Fourth, the rules should preserve opportunities to restore wells to production. An inactive well is not necessarily a well that has reached the end of its useful life. Changes in commodity prices, technology, or operating conditions can make previously uneconomic wells productive again. Regulations should encourage responsible restoration where feasible rather than unnecessarily forcing the permanent loss of recoverable resources.

Finally, I encourage the Commission to consider the cumulative burden of regulation on small independent producers. In recent years, our industry has faced additional requirements related to winterization, environmental compliance, and other regulatory changes. Each new requirement brings additional costs and administrative responsibilities.

Individually, these requirements may seem reasonable. Together, they can threaten the economic viability of the smallest operators.

The goal should be to get more wells responsibly plugged, not to make it harder for responsible producers to stay in business. If regulations place otherwise viable operators under unnecessary financial pressure, they could ultimately increase the number of wells that become the responsibility of the state.

I appreciate the Commission's work on this important issue and its willingness to listen to the industry.

I respectfully ask the Commission to carefully consider the formal comments submitted by the Panhandle Producers and Royalty Owners Association, as well as those submitted by other industry associations and independent producers, before adopting the final rules. These comments offer practical recommendations that would help achieve the Legislature's objectives while protecting the small businesses that remain essential to Texas's energy economy.

Thank you for your consideration and your service to the State of Texas.

Sincerely,

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