From: T. Grant Johnson
To: Rules Coordinator
Subject: Comments on Proposed Amendments to 16 TAC §3.15 and §3.58
Date: Friday, November 13, 2026 4:58:04 PM
Attachments: image001.png

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Dear Rules Coordinator:

Lone Star Production Company is a non-operator in over 250 wells in the Permian Basin. We are made up of 12 employees; geologists, engineer, landmen, attorney, accountant and support staff. Lone Star is an active member of TIPRO and supports the formal comments it is providing under separate cover. We ask the commission to give TIPRO's recommendation the Commission's full consideration.

One particular item we thought we would address in this email relates to the non-operator identification provided for in the draft regulations. We believe that requiring operators seeking inactive-well plugging extensions through financial hardship or compliance plans to furnish the Commission with the names and, addresses, and ownership percentages of non-operating working interest owners is unnecessary, impractical, and potentially counterproductive.

In many instances, the ownership information associated with these long-inactive wells is decades old and cannot be reliably verified without substantial title research. Furthermore, working interest ownership percentages do not necessarily reflect contractual obligations for plugging expenses, prior contributions toward those expenses, or the ability of a non-operator to influence or direct plugging operations.

Requiring operators to furnish this information would impose additional financial and administrative burdens on operators, non-operators, and the Commission itself. It could also create disputes regarding ownership, financial responsibility, and the accuracy of information maintained in public regulatory records.

Most importantly, these additional requirements would do little, if anything, to accomplish the principal objective of SB 1150: ensuring that inactive wells are plugged in a timely and responsible manner. We therefore recommend that the Commission eliminate the proposed non-operator ownership reporting requirement from the regulations implementing SB 1150. Existing statutory provisions governing responsibility for plugging expenses should remain available to the Commission when appropriate, with determinations of responsibility made on a case-by-case basis and supported by reliable ownership information and applicable law.

The Commission's limited resources, and those of Texas oil and gas operators, should be directed toward plugging inactive wells rather than creating and maintaining an extensive ownership reporting system that SB 1150 did not expressly require.

Please know that Lone Star Production Company appreciates the RRC's consideration of these comments.

Best regards.

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LONE STAR
PRODUCTION COMPANY