

Via Email: rulescoordinator@rrc.texas.gov

Rules Coordinator

Railroad Commission of Texas

Office of General Counsel

Thank you for the opportunity to provide comments on revisions to SWR 8. As we all know, significant advancements have been made in oil and gas exploration in the nearly 40 years since the rule was last updated. Horizontal drilling has become the norm, with laterals reaching up to 3 miles in length and associated waste streams are now up to 5 times greater than those of conventional wells.

Milestone Environmental Services was formed in 2014 and specializes in the handling and disposal of drilling, completion and production waste. We operate commercial slurry injection wells and landfills throughout the Permian and Haynesville basins and Eagle Ford shale.

Milestone facilities are highly engineered, professionally operated and monitored 24 hours a day, 365 days a year. We believe all commercial disposal facilities in the State of Texas must be operated by financially solvent companies with regulatory, operational and safety expertise. The consequences of operational mismanagement and financial instability negatively impact landowners, Texas taxpayers and the Railroad Commission. Operators prone to cutting operational and safety corners to maintain profitability must be discouraged from opening new facilities. Therefore, an application fee, market analysis and associated statement from the commercial facility applicant, detailing the necessity for an additional facility in the market where the proposed facility is to be located, should be part of the Commission's assessment criteria for new commercial facility permits.

Accordingly, we submit the following recommendation:

Division 5 – Insert the following into §4.140 (Additional Requirements for Commercial Facilities):

- (h) An application for a commercial facility shall include a statement of need, setting forth the total disposal capacity of the proposed facility and detailing the necessity for a commercial facility in the geographical market where the property and proposed facility are located. The statement of need shall include a map showing, within a 50-mile radius around the proposed facility:
 - (1) All permitted commercial waste facilities;
 - (2) The estimated amount of waste generated; and
 - (3) All oil and/or gas wells drilled within the 12-month period prior to the date of submission of the permit application.
- (i) An application for a commercial facility shall include a one-time permit application fee in the amount of \$100,000. The permit application fee shall not be applicable to existing commercial surface facility permit holders seeking renewal or modification of permits already in effect.

Respectfully,

Gabriel Rio, CEO

Milestone Environmental Services, LLC