

RAILROAD COMMISSION OF TEXAS  
Oil and Gas Division

NOTICE TO OPERATORS

**ENVIRONMENTAL REGULATORY COST-CUTTING MEASURES**

Commission Responds to Drop in Oil and Gas Prices

The Railroad Commission of Texas has adopted several measures that will provide some relief to an oil and gas industry hit by recent low oil and gas prices. These provisions allow operators to cut business costs by reducing time and paperwork required for compliance with certain environmental regulations while still maintaining environmental standards.

Briefly, the following relief measures are effective immediately:

- **Pit Permit Transfers.** There will be an automatic transfer of a non-commercial pit permit from one operator to another with an approved P-4 change of operator filing.
- **Minor Permit Term Lengthened.** Minor disposal permits issued under Statewide Rule 8 will be effective for 60 days rather than the previous 30 days.
- **Minor Permits Not Required in Certain Situations.** A minor permit will not be required for disposal of oil and gas waste at a facility licensed by another state agency, another state, or the federal government.
- **Plugging Extension for UIC Wells Failing MIT.** Upon approval, an operator may have up to 180 days before being required to plug an injection or disposal well which has failed a mechanical integrity test.

For further information, please use the contact noted in each of the following descriptions.

**PIT PERMIT TRANSFERS.** Pit permits will automatically transfer from one operator to another when the lease is transferred (when the P-4 is filed and approved by the Commission) except for those pit permits that are associated with commercial storage or disposal of oil and gas waste. Therefore, when a lease changes hands, the permit for any pit on the lease automatically transfers to the new operator when the P-4 is approved by the Commission and the new operator does not have to apply to transfer the pit permit. Contact Kevin McClary at 512-463-6805 for further information on pit permit transfers.

**MINOR PERMIT TERM LENGTHENED.** The term of a minor permit will be extended from 30 days to 60 days to eliminate the need for an operator to get an extension when 30 days is not adequate. Call Kevin McClary at 512-463-6805 or the appropriate district office for further information on the minor permit terms.

**MINOR PERMITS NOT REQUIRED IN CERTAIN SITUATIONS.** The disposal of oil and gas waste at a facility permitted by

another state agency, another state, or the federal government will be authorized if the waste generator submits to the Commission district office in the district in which the waste was generated documentation regarding the shipment of waste to such facility within 30 days after shipment. Such documentation may be in the form of a run ticket, manifest, or receipt that contains the following information: generator name, site of waste (lease name or other facility name as appropriate), county, waste hauler permit number if applicable, date of shipment, type and volume of waste, and name and location of disposal facility. This change eliminates the need for the generator to obtain a minor permit from the Commission for such management while still ensuring that the Commission has the ability to track oil and gas wastes that are managed at facilities other than those permitted by the Commission. For further information on this minor permit measure, contact Kevin McClary at 512-463-6805 or the appropriate district office.

**PLUGGING EXTENSION FOR UIC WELLS FAILING MIT.** The Commission will consider approving a period of up to 180 days (rather than the 60 days typically allowed), under certain conditions, to repair or plug an injection or disposal well that has failed a mechanical integrity test. The Commission will take a risk-based approach in determining when an extension could be granted. Any extension would be conditional on adequate isolation of

pressurized zones that could cause flow back or otherwise ensuring that pollution will not occur. Any request for an extension should be submitted as soon as possible after the failed test to Fernando DeLeon at the Commission's Austin Office and should contain the following information: well identification information (lease name and number, county and well number or gas identification number); depth of the leak (if the depth of the leak is unknown, the Commission will assume worst-case); formation at the depth of the leak; magnitude of the leak, including the starting psi, the length of the test, and the ending psi; a detailed description of any attempts made to locate the leak and to make repairs; the current status/completion of the well (downhole plugs/packers, barriers to backflow from formation, etc.); a copy of a current completion report, if there is not one on file with the Commission; and, the time extension requested. Each request will be reviewed on a case-by-case basis. Any decision to grant an extension, and the speed with which that decision can be made, will depend on the amount and quality of the information available for Commission staff to review. The well would still have to remain shut-in until a successful pressure test has been performed after necessary repairs. Contact Fernando DeLeon at 512-463-6814 for further information about this extension.

Austin, Texas

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**PLEASE FORWARD TO THE APPROPRIATE SECTION OF YOUR COMPANY**