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Subject: Draft Rules Informal Comment
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General Comment

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Comment

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3.8, 3.57 and Chapter 4

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Comments concerning draft rulemakings

Select Water Solutions (Select) is a leading provider of services in the midstream produced water market in the State of Texas. As a prudent service provider who is always cognizant of the environment we work in and the communities we work around, Select would like to commend the Texas Railroad Commission for the time and effort that has been devoted to updating the oil and gas waste regulations that serve to provide environmental protection to the land, air, and water of Texas. As an entity that would fall under the scope of these regulations, Select has thoroughly reviewed this draft document and respectively provides the following comments / questions: Chapter 4 Subchapter A OIL AND GAS WASTE MANAGEMENT Division 2 - DEFINITIONS 4.110(21) – Commercial facility – There is a considerable disparity among industry as to where the dividing line is between commercial and non-commercial based on this definition (and the follow-on definition of a non-commercial facility). Many of the non-commercial facilities currently in operation in Texas are located on land either leased or owned by the oil and gas operator, but the facility was constructed and is operated by a service company under contract to the operator. The oil and gas operator did not enter into this agreement with the primary focus being to make money from this facility; however, the service company did enter into this contact with the goal of seeing a positive rate of return over the course of the contract. In addition to this, many of these facilities have seen the addition of pipelines from adjacent operators in the last several years. These pipelines allow movement of produced water from operator to operator to maximize conservation of freshwater and minimize the need for disposal via Class II UIC wells.

There is often a fee associated with the water moved from one operator to another but this fee is not added as a profit incentive but more accurately offsets costs associated with handling these off-lease fluids. These facilities are currently permitted and operated as non-commercial recycling facilities; however, the language currently included in the draft for “Commercial facility” could easily be applied to these non-commercial facilities. 4.110(24) Contact stormwater – concern with this definition (and associated definition for non-contact stormwater) is that stormwater that comes in contact with a facility that is permitted for oil and gas waste – but has yet to store oil and gas waste – would still have to be treated as the stormwater had potentially been contaminated by oil and gas waste, thus requiring expensive and non-necessary disposal. We respectfully recommend that this definition be limited to stormwater that has come in contact with an oil and gas waste facility that contains – or has contained – oil and gas waste.

4110(45) – Groundwater – The definition as given is very broad and could easily be interpreted to include brackish water as well as produced water. Additional language here is recommended to clearly define what will be considered groundwater. Division 3 – OPERATIONS AUTHORIZED BY RULE 4114(a)(5) – Language is put forth to require for registration for new pits or requiring registration of existing pits within one (1) year of the new registration system being implemented. Without having seen or actually used the currently undeveloped registration system, it is difficult for us to comment on whether or not the one (1) year requirement is feasible or not. Additionally, there is no indication as to whether industry will be given the opportunity to use and provide feedback on the registration system prior to its implementation. Division 4 – REQUIREMENTS FOR ALL PERMITTED WASTE MANAGEMENT OPERATIONS 4.131(b)(1) – In addition to the three (3) items listed (A, B, C) that the Commission would take into consideration regarding the necessity for groundwater monitoring wells, we respectfully recommend the addition of a fourth item – whether the facility has dual-lined storage pits with monitored and recorded leak detection rates. Division 9 – MISCELLANEOUS PERMITS 4.185 –

Pilot Programs – Select would like to express our appreciation of the Railroad Commission’s attention to the potential to recover some quantity of “fresh” water from produced brine. To do this in a safe and environmentally safe manner could provide benefit to the residents of Texas who live in more arid parts of the State where oil and gas is being produced. The oil and gas industry is currently evaluating this possibility and appreciates the Commission’s willingness to provide guidance for pilot projects to help define the future in this area.

Division 10 – REQUIREMENTS FOR OIL AND GAS WASTE TRANSPORTATION As the Commission considers the creation of a new electronic waste profile form (which will be required for shipments and associated with hard copy field manifests), Select and Industry would appreciate the opportunity to work with the Commission on this effort to minimize disruptions to reporting requirements and to help ensure that the process is smooth and not confusing across industry.

Chapter 4 Subchapter B COMMERCIAL RECYCLING Division 1 – GENERAL; DEFINITIONS 4.204(4) – Commercial recycling facility – As mentioned earlier in comments for subchapter A, there continues to be a fair amount of ambiguity with regards to the clarification between a commercial and non-commercial facility. To better clarify the differences in the two operations, we recommend that the “for profit” consideration be placed on the owner of the facility and not the operator of the facility. Many current non-commercial recycling facilities are constructed on land either leased or owned by the oil and gas operator, but the facilities are operated by third party companies. While the third party companies have an incentive to operate these facilities in a profitable manner, the oil and gas operator did not agree to the construction of the facility with the primary goal being profit, therefore, these facilities should be considered as non-commercial. Conversely, there are facilities that are owned and operated by third party entities with these facilities constructed primarily with a long-term profit in mind. These facilities are the ones that should fall under the Commission’s definition of a commercial recycle facility. We respectfully recommend that the current Chapter 4 wording be edited to reflect a clean separation of

the two types of facilities.

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Origin

104.151.174.128