

*Our mission is to serve Texas by our stewardship of natural resources and the environment, our concern for personal and community safety, and our support of enhanced development and economic vitality for the benefit of Texans.*

## RRC Approves Regulatory Relief for #TxEnergy Industry

In recognition of the unprecedented economic conditions affecting Texas' energy industry, the Railroad Commission took action to provide regulatory relief for the state's energy sector. May's RRC Energy Minute summarizes some of the key steps taken to assist Texas energy producers.

- Effective May 5, the Commission **approved a rule exception** that allows oil and gas operators to apply for a permit to store crude oil in an underground geological formation other than an underground salt formation. An application to store oil underground must demonstrate that the storage is confined to prevent waste or the uncontrolled escape of oil.
- The Commission **approved a one-year extension** to the plugging requirement for inactive wells. Wells reporting oil or gas production in February 2020 that are subsequently shut-in, and report no production between March 1, 2020 and March 1, 2021, must be plugged no later than two years after drilling or production operations cease.
- The Commission approved **certain fee exceptions** to incentivize the construction of additional storage facilities. These exceptions will allow operators to timely perform the required activities and file necessary forms without the burden of paying administrative fees and surcharges. These fee exceptions are effective from May 5, 2020 to December 31, 2020.
- The Commission authorized **RRC's Legal Enforcement Section** to recommend administrative penalties for violations occurring between March 1, 2020 and March 1, 2021 in an amount less than the minimum penalties prescribed by Commission rules.
- The Commission issued a **Notice to Operators** extending the deadline for the annual renewal fee for liquefied petroleum gas (propane), compressed natural gas, and liquified natural gas certifications from May 31, 2020 to August 14, 2020. Continuing education and training requirements for LP-gas certifications are extended to August 14, 2020.

### Blue Ribbon Task Force Report on Oil Economic Recovery

This month the Commission received the Blue Ribbon Task Force Report on Oil Economic Recovery. The report includes recommendations for the Commission's, Texas Legislature's, and Texas Congressional Delegation's consideration to assist Texas' energy sector during the COVID-19 pandemic and economic recovery. [A copy of the Task Force Report can be found here.](#)



### State Managed Well Plugging Update

RRC's state managed well plugging program works to eliminate the safety and environmental risks associated with abandoned wells. During the FY 2018/19 biennium, RRC plugged 3,074 abandoned wells, more than required by LBB performance measures. As of April 30th, RRC has plugged 838 abandoned wells for FY 2020. The program is on track to meet or exceed the LBB's higher performance measure of 1,400 well pluggings for FY 2020.

