



September 12, 2013

Ms. Leslie Savage
Railroad Commission of Texas
1701 N. Congress Avenue
P.O. Box 12967
Austin, Texas 78711

Dear Ms. Savage:

The Permian Basin Petroleum Association (PBPA) appreciates the opportunity to comment on Commission proposed Rules 9, 36, and 46. The PBPA is a oil and gas trade association representing approximately 1,000 member companies involved in all aspects of the oil and gas industry in the Permian Basin. PBPA's membership consists of some of the industry's largest operators as well as small businesses that support oil and gas development, and benefit from a thriving energy industry in the Permian Basin.

Approximately two-thirds of the oil produced in Texas comes from the Permian basin region and these proposed rules are extremely important to us.

1. It is questionable that Groundwater Conservation Districts can be given standing in a RRC hearing by rule. It may require a statutory change. We ask the agency to conduct additional analysis on this subject.
2. There is a significant difference between commercial disposal wells, and other two primary types of injection wells, lease disposal wells and enhanced oil recovery (EOR) project wells. While all must be engineered to protect fresh water and be confined to the permitted zone, the differences include daily operations, facility foot print, injection volumes, depths, engineering, and injection pressures.

Differences also extend to areas outside of RRC jurisdiction, but that are still important differences for the public and the regulated industries. These include concerns like traffic, noise, dust, road repair, etc.

Therefore, while expanding rules for permitting and operating requirements may be appropriate for commercial wells, they are not as applicable to the low volume , low pressure lease disposal wells nor are they applicable to many EOR projects .

Specifically, Established EOR projects should be exempt from extended notification requirements exceeding the current ¼ mile AOR. New drills or well conversions are common in EOR projects, and previous notices should suffice for additional activities that are part of the development process.

Likewise, lease disposal wells of limited volumes, pressures, and depths should be exempt for the extended notice requirements because they have much less of an impact on subsurface pressures

fluids. We recommend a threshold of 500 bbls of fluid injection per day as a threshold that would trigger additional notices.

3. Requiring logging of the entire well bore, including porosity logs, for a lease disposal well or an EOR injection well is expensive, burdensome, and unnecessary in many parts of the state where subsurface control from previous drilling exists. This requirement should be eliminated, or only apply to commercial injection wells. Lease disposal wells and EOR wells are not wildcats. If specific areas need additional information to grant a permit, the Commission should make that part of the permitting process on a case by case basis, if at all.

4. Lease development activities and EOR projects frequently include long range plans, including technical engineering and geological studies, legal reviews, lease acquisitions, and financial concerns that may require an extended time to complete, with permitting only a part of the overall process. Please consider extending the permit life for lease disposal and EOR wells to 5 years.

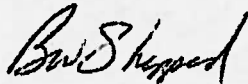
5. Operators should not have regulatory liability for unknown wells. The RRC should maintain a list of orphaned wells and make that list available in an updated format to operators to reference, if identifying and evaluating orphaned wells is now the responsibility of the operator applying for an injection permit. This is similar to the RRC's SWR 13 identification of potential flow zones and corrosive zones.

6. Dual notice requirements by regular and some type of certified mail is duplicative, and should not be required.

7. The Commission should establish by rule a permitting time frame and deadline for the RRC GAU regarding its determinations of USDW and UQW so permittees can plan accordingly. In addition, the rule should include the ability for operators to request expedited determinations, similar to drilling permits, for these portions of the permits.

Thank you again for the opportunity to comment on these proposed rules. PBPA looks forward to working with Commission staff on any questions you may have.

Regards,



Ben Shepperd
President