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Comments Form for Proposed Rulemakings

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§§3.9 and 3.46: Amend to incorporate requirements related to seismic events for disposal wells

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"Time To Act on Induced Seismicity"

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September 29, 2014
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The Lone Star Chapter of the Sierra Club appreciates the opportunity to submit these brief comments on the proposed rule that would add additional requirements for those companies seeking disposal permits for injected waste from oil and gas operations. We support the intent of the rule – to acknowledge the potential for such operations to lead to induced seismic activity. That being said, we believe the proposal does not go far enough, are concerned that comments submitted by the US EPA and USGS suggest the information available and required

may not be sufficient to assure protection of the public, and that other important issues – notice, permit fees, annulus pressures – are being ignored in this rulemaking.

First, as many other states have done, Texas can and should take action on the issue of induced seismicity. We believe that the Railroad Commission of Texas is the appropriate agency to handle this issue, and unless RRC action is insufficient, statutory changes are not necessary. Recognizing that induced seismic activity is real is an important step taken by the Commission, in addition to previous actions such as hiring a seismologist. The Sierra Club supports the Commission taking these initial steps. That being said, if RRC proposals are insufficient, we believe the Legislature can and should be ready to act. The proposed rulemaking do not go far enough.

We would also note that the need to regulate disposal of oil and gas wastes – including those slated for underground injection will continue for many years. That being said, the more research, efforts and appropriate regulation to encourage operators to move away from underground injection the better for Texans. For one these wastes may contain valuable resources, including of course, water. Once contaminated freshwater is injected underground – hopefully never to mingle with other water resources – it is lost to the hydrological cycle and therefore reduces the amount of available water that could have been used for municipal, agricultural or indeed oil and gas production needs.

The proposed rules do have some good aspects. As mentioned, the first step is to admit you have a problem with induced seismic activity, and these rules do just that. They require an upfront analysis – relying upon USGS available information – on new permits. Second, they allow the Commission to require additional studies and information of the applicant on a case-by-case basis. Finally, they give explicit authorization for the Commission to mitigate, suspend, or terminate the wastewater discharge permit if problems arise. While not stated, the fact that RRC is now including seismic issues in its permits, means in essence the public has the right to now raise these in public meetings and contested case hearings before the Commission. Induced seismic activity is a legitimate concern that can be raised by the public, groundwater conservation districts, municipalities and others.

While we support these changes, they are not enough. For one, as raised by the USGS, the actual information available may not be sufficient, and the distance assumed in the analysis may be too small.

Among the additional details and requirements that the Sierra Club would like to see added in the proposed rule on seismic induction include:

- a. Detailing the types of information needed such as Radioactive Tracer or spinner surveys, well logs specified, geological investigation of potential faulting, etc
- b. Requiring a seismic monitoring plan, such as pre-and post-monitoring of the region for earthquakes
- c. Requiring monitoring before injection and testing and recording of original bottomhole injection interval pressure
- d. Requiring a shut-off device installed on the injection pump set to the maximum allowable injection pressure so that the Commission and operators can assure safe disposal.

In addition, while we support the idea that the Commission can modify, suspend or terminate the license, perhaps some details should be included in the rule, such as the right of the Commission to implement graduated maximum allowable injection pressure.

Moreover, the rule unfortunately is missing significant issues that were the subject of a previous draft rule for informal comments. This previous proposed rulemaking – released by the Commission in 2012 and again in 2013 – included important issues such as:

- o Requirements for continuous monitoring of injection and annulus pressures
- o Mechanical integrity requirements
- o Casing and cementing requirements
- o Notice and public hearing requirements
- o Coordination of information from groundwater conservation districts and letter from groundwater protection unit before drilling begins.

We believe that before moving forward on the proposed induced seismicity rulemaking, RRC must address these other issues. We would suggest that before adopting any version of the present rule, these additional issues be incorporated into the rulemaking. To do so would essentially be only addressing one of many modernizations needed with RRC's rules.

Moreover, RRC should also develop a seismic monitoring plan for assessing induced seismicity with its current permits that are not meeting these new proposed rules. Essentially, the rulemaking needs to address how to bring these other permits into this new rulemaking regime.

Finally, the permit fee should be increased given the additional work required of RRC. While many programs have increased permit fees to more adequately fund the agency, this particular fee was not included in the Legislature's decision to allow enhanced permit fees. The RRC should address the appropriate permit fee in the present rulemaking.

The Lone Star Chapter of the Sierra Club appreciates the opportunity to comment on the proposed rulemaking on induced seismicity from disposal of underground injection of wastewater from oil and gas activities.

Sincerely,

Cyrus Reed
Conservation Director

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