



**2016 EIA Energy Conference**  
**Oil and natural gas: state-level issues**  
**and perspectives**  
July 12, 2016

# RRC Mission

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.



# History

- Established in 1891
  - Texas' oldest regulatory agency
  - Almost 100 years regulating oil and gas
- Led by 3 statewide elected officials



# Jurisdiction

- Oil and natural gas exploration and production industry
- Intrastate pipelines, natural gas and hazardous liquid pipeline industry
- Liquefied Petroleum Gas (LPG), Compressed Natural Gas (CNG), and Liquefied Natural Gas (LNG)
- Natural gas utilities
- Coal and uranium surface mining operations

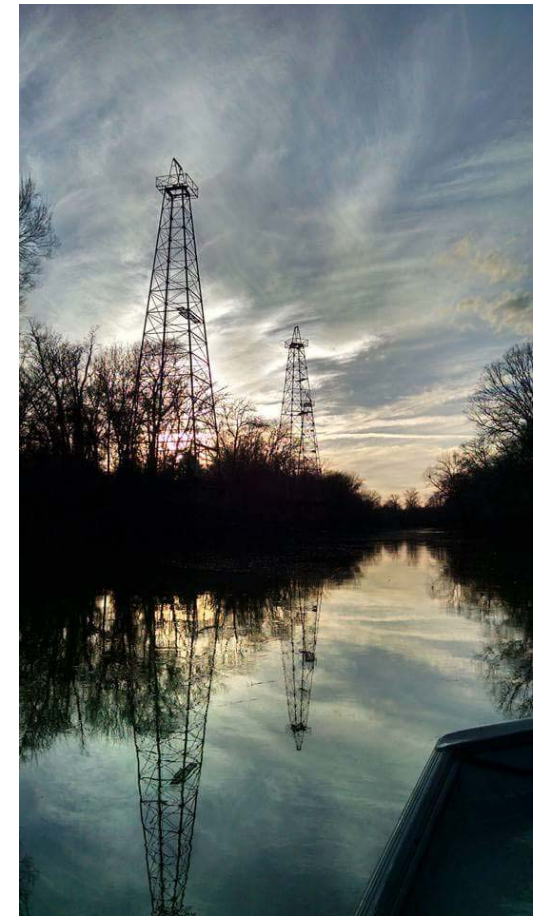




**Oil and Gas Division**

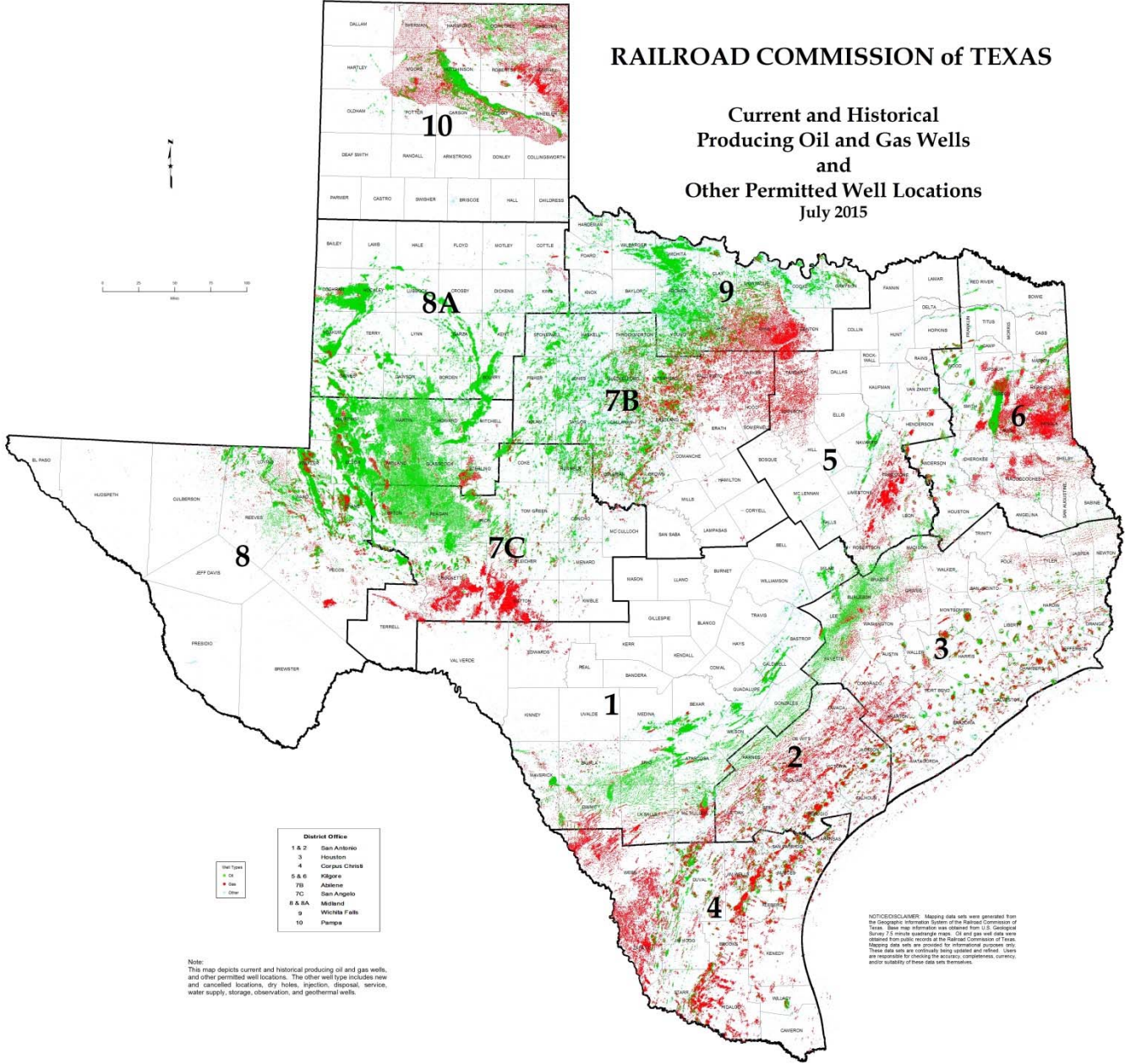
# Oil and Gas Activity

- Texas has:
  - 435,900 oil and gas wells
    - 323,500 active wells
      - 185,200 producing oil wells
      - 93,600 producing gas wells
      - 44,700 service wells
    - 112,400 inactive wells
      - 9,521 “orphan”
- Approximately 2.5 million barrels of crude oil and 20 billion cubic feet of natural gas produced daily.



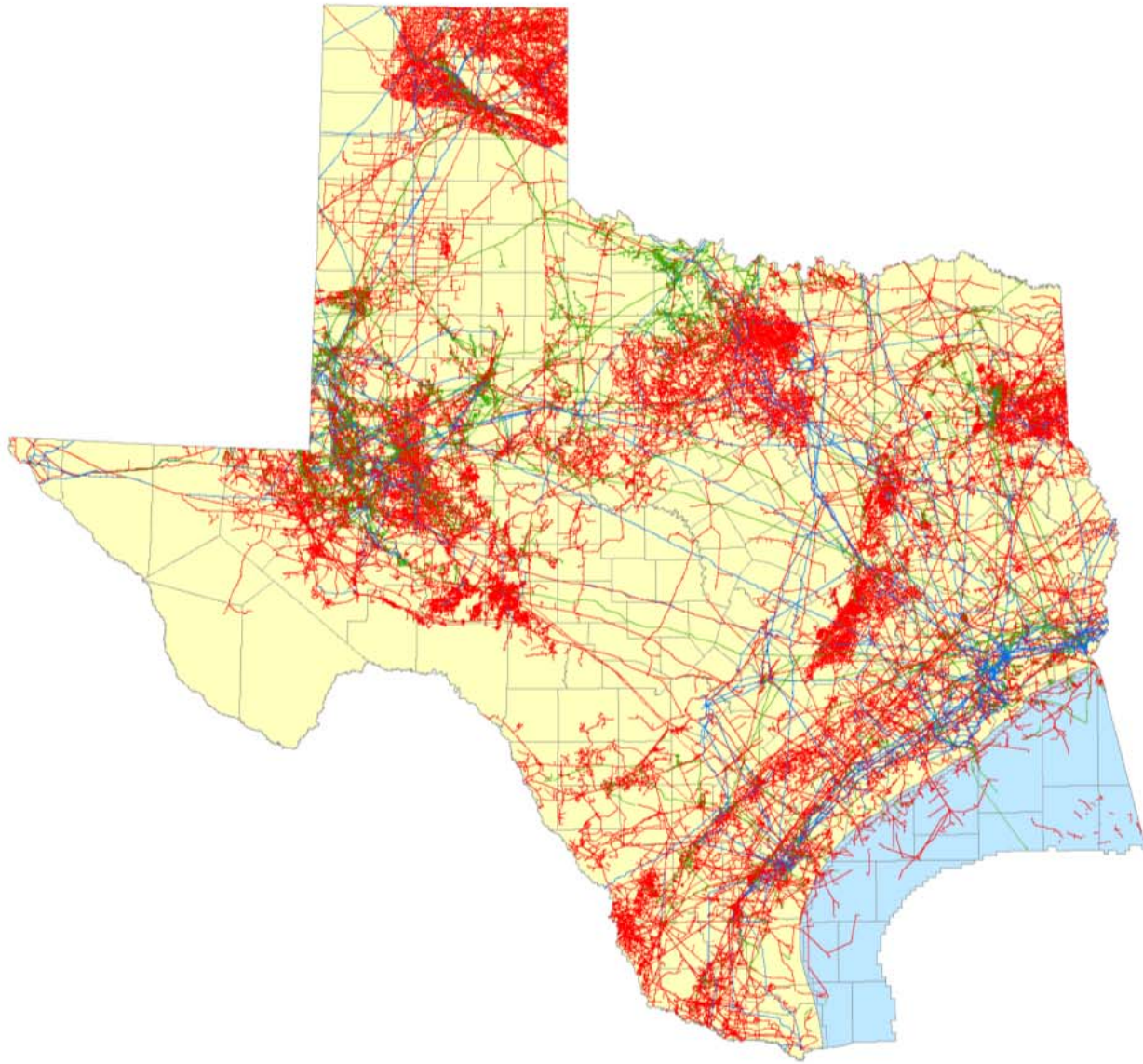
# RAILROAD COMMISSION of TEXAS

## Current and Historical Producing Oil and Gas Wells and Other Permitted Well Locations July 2015

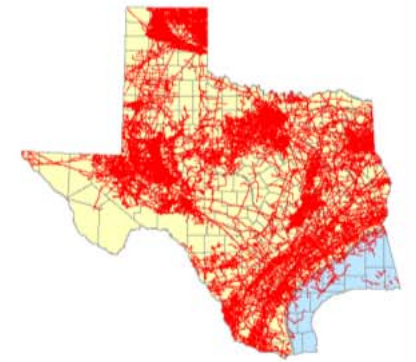


Note:  
This map depicts current and historical producing oil and gas wells, and other permitted well locations. The other well type includes new and cancelled locations, dry holes, injection, disposal, service, water supply, storage, observation, and geothermal wells.

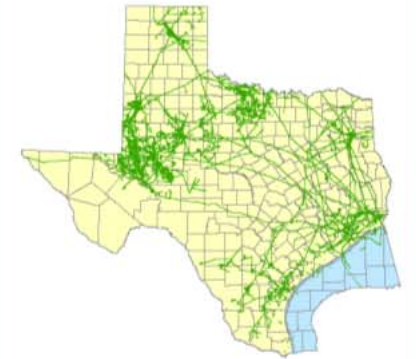
NOTICE/DISCLAIMER: Mapping data sets were generated from the Geographic Information System of the Railroad Commission of Texas. Base map information was obtained from U.S. Geological Survey 2.5 minute quadrangle maps. Oil and gas well data were obtained from public records at the Railroad Commission of Texas. Mapping data sets are provided for informational purposes only. These data sets are continually being updated and refined. Users are responsible for checking the accuracy, completeness, currency, and/or suitability of these data sets themselves.



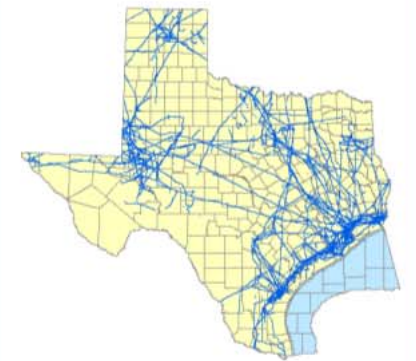
Natural Gas, Crude, and Hazardous Liquids Pipelines



Natural Gas Pipelines



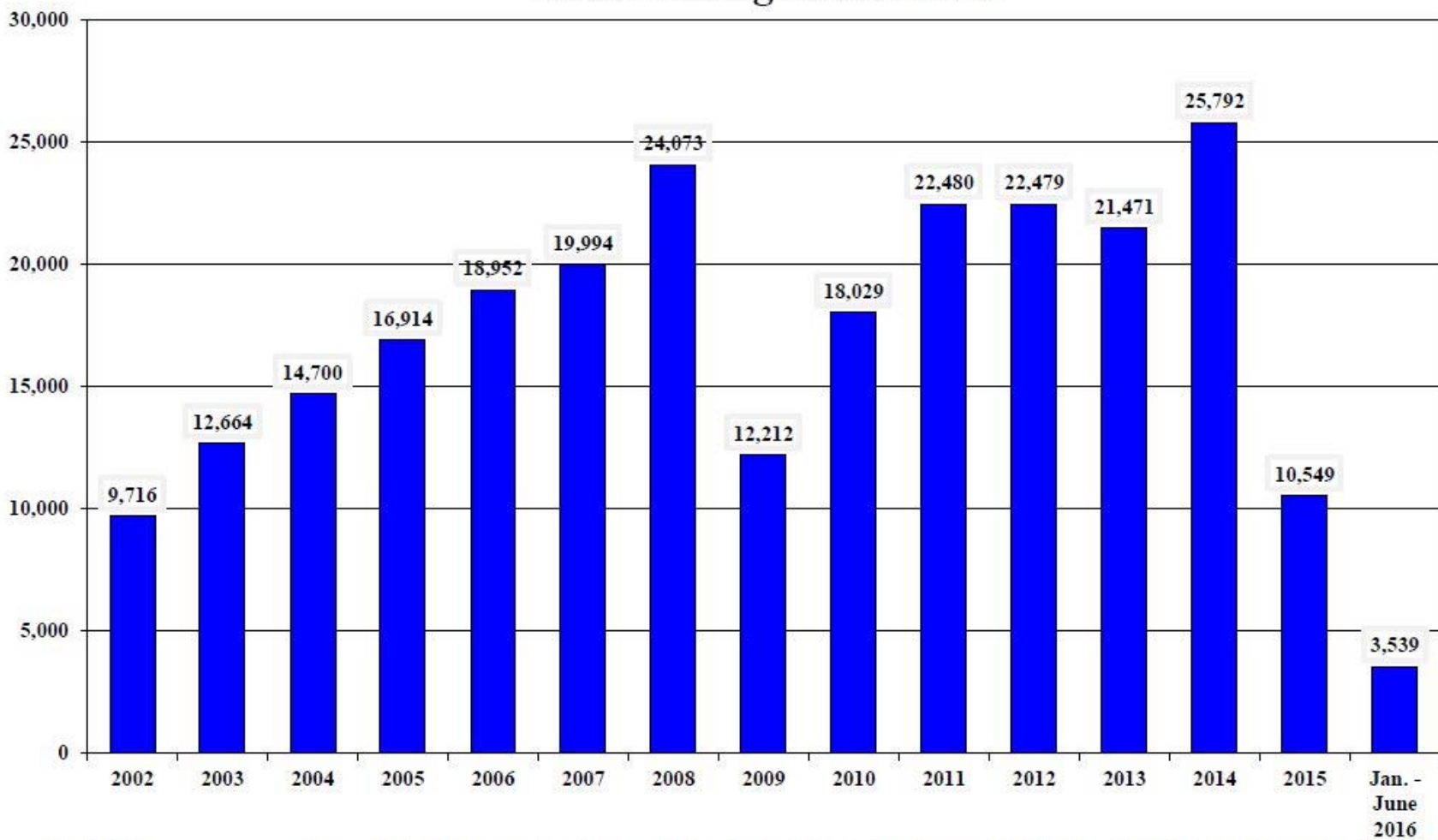
Crude Pipelines



Hazardous Liquids Pipelines



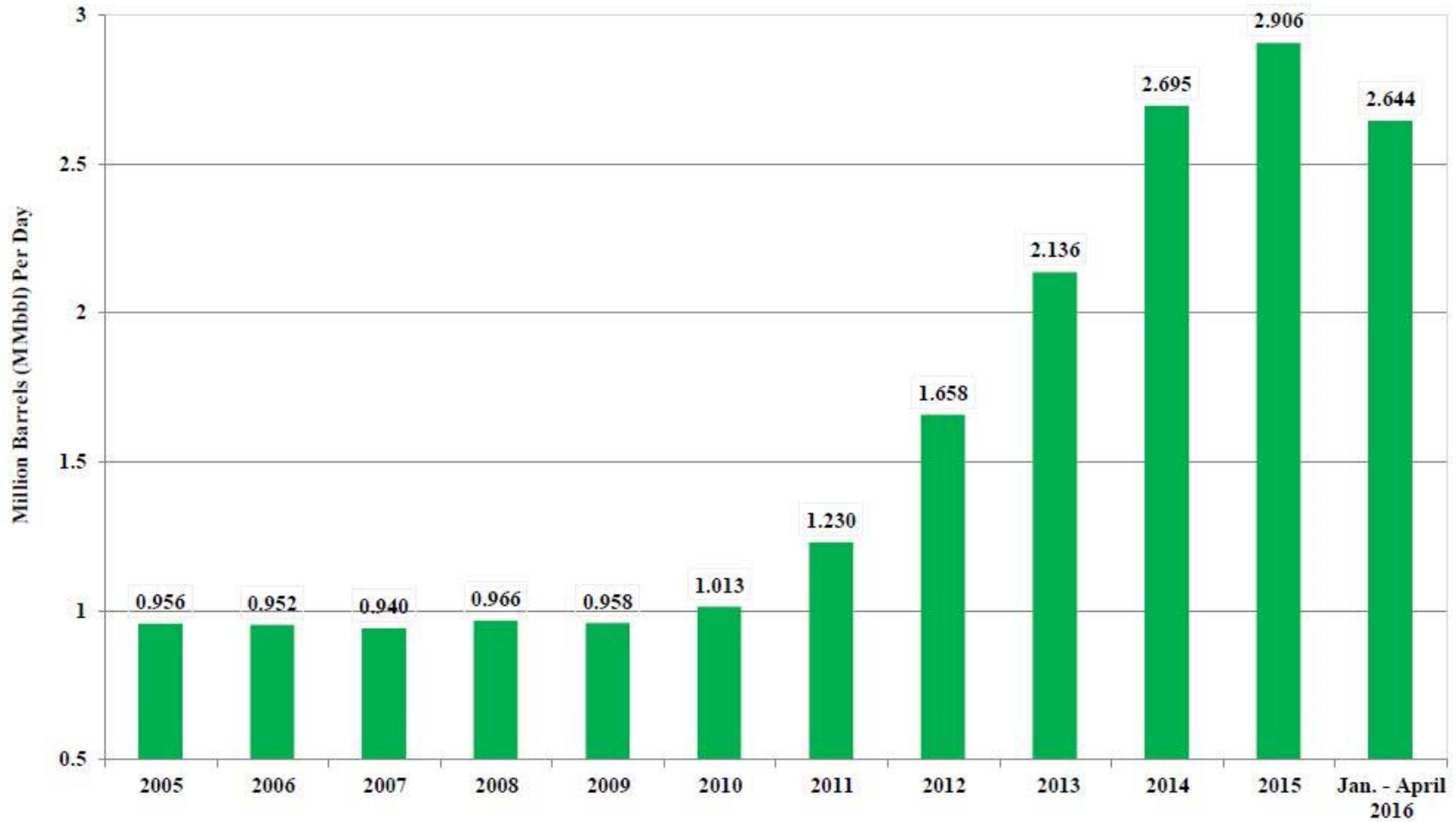
## Texas Drilling Permits Issued 2002 Through June 2016



07/07/2016

Source: Railroad Commission of Texas Drilling Permit Online Query System (Includes New Drill, ReEnter&RecompletePermits)

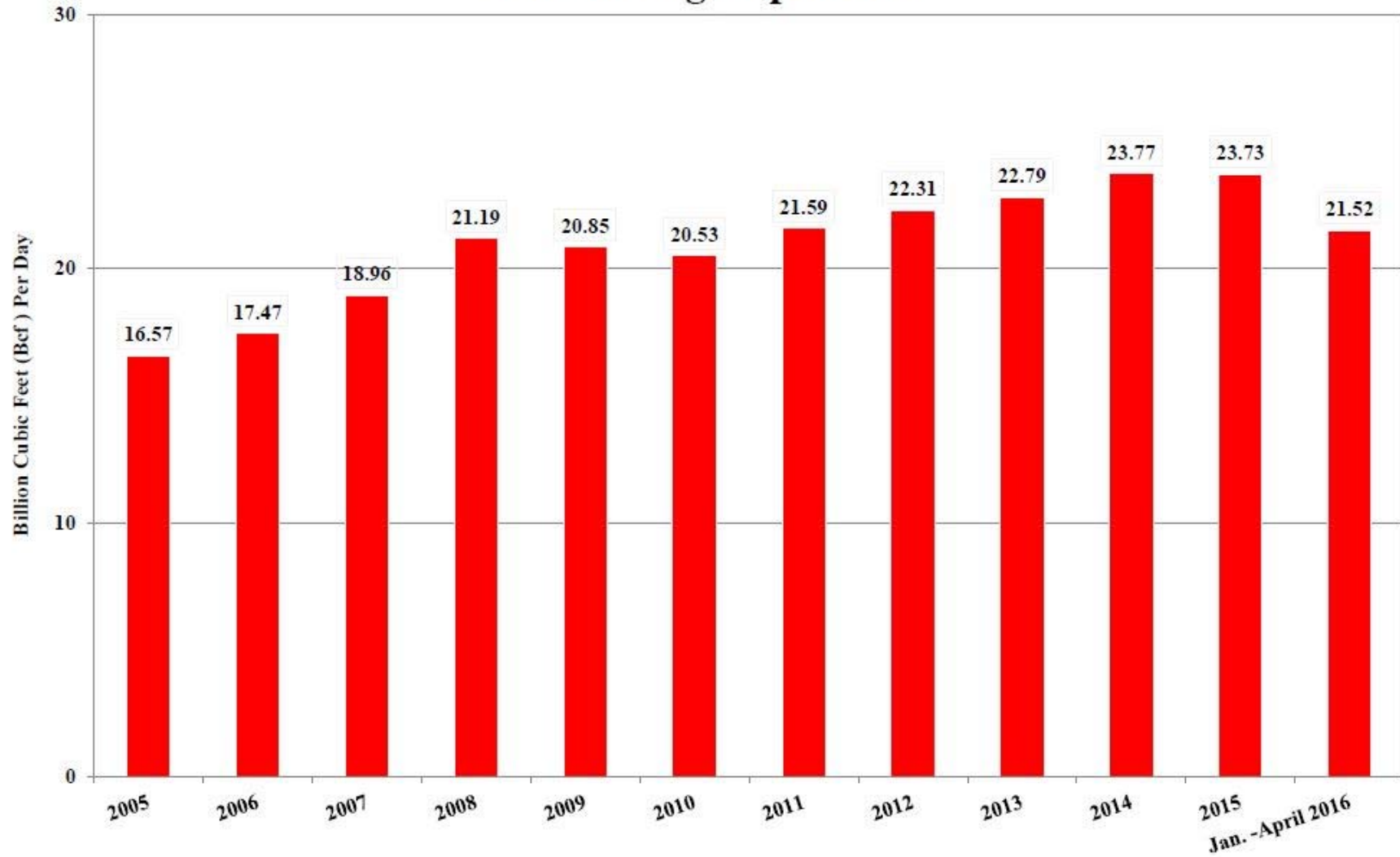
## Texas Oil Production 2005 through April 2016



06/21/2016

Source: Railroad Commission of Texas Production Data Query System (PDQ)

## Texas Total Natural Gas Production 2005 through April 2016



06/20/2016

Source: Railroad Commission of Texas Production Data Query System (PDQ)

# Jurisdiction

- Activities associated with oil and gas exploration and production
  - drilling and production at well sites
  - transportation of crude, natural gas and produced water by pipeline
  - gas processing
  - underground hydrocarbon storage
  - oil and gas waste management
- Water protection, public safety, waste prevention



# Jurisdiction

What does not fall under RRC jurisdiction?

- Roads and traffic
- Noise, odors and lighting
- Air quality
- Mineral interests/leases
- Pipeline siting
- Property damages
- Railroads



# Water Protection

- Casing and cementing of wells
- Prevention and cleanup of spills
- Management of wastes
- Well plugging/site remediation



# Public Safety

- Well control and spill prevention
- Hydrogen sulfide safety

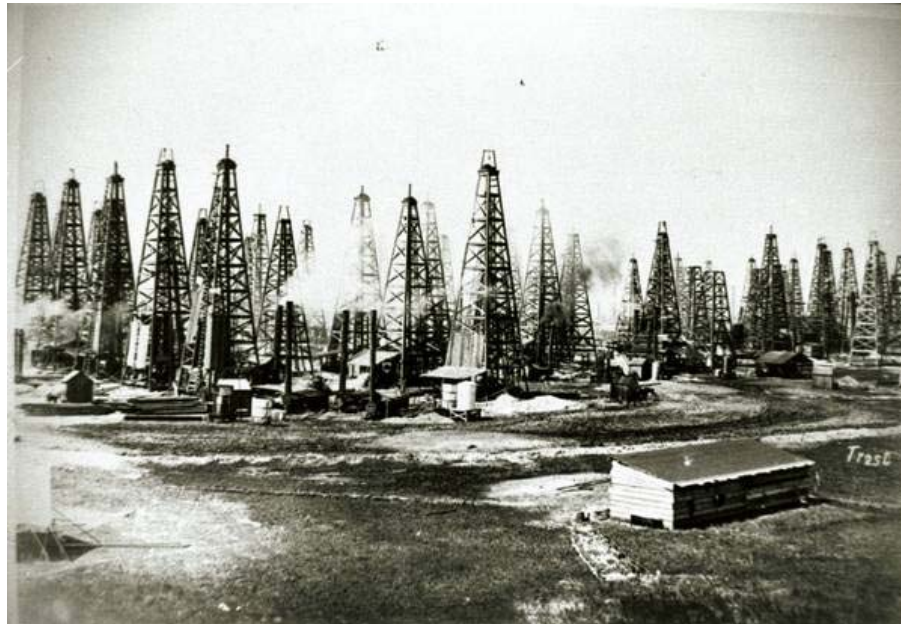


(Pipeline and Alternative Fuels Safety addressed through Oversight and Safety Division)



# Waste Prevention

- Spacing of wells
- Production allowables
- Controls on venting and flaring of gas





# Recent Developments

- Inactive wells
- Hydraulic fracturing
- Recycling
- Well construction
- Disposal wells
- Unconventional fracture-treated (UFT) fields



# Inactive Wells

- September 2010 – July 2012: New and amended provisions of Statewide Rule 15
  - surface equipment removal requirements
  - inactive well plugging incentives
  - financial assurance requirements



# Hydraulic Fracturing

- January 2012: New hydraulic fracturing fluid disclosure requirements (Statewide Rule 29)
  - Information must be listed on FracFocus website:  
<http://fracfocus.org/>
    - Ground Water Protection Council
    - Interstate Oil and Gas Compact Commission
  - Texas was one of the first states in the nation to require disclosure



# Recycling

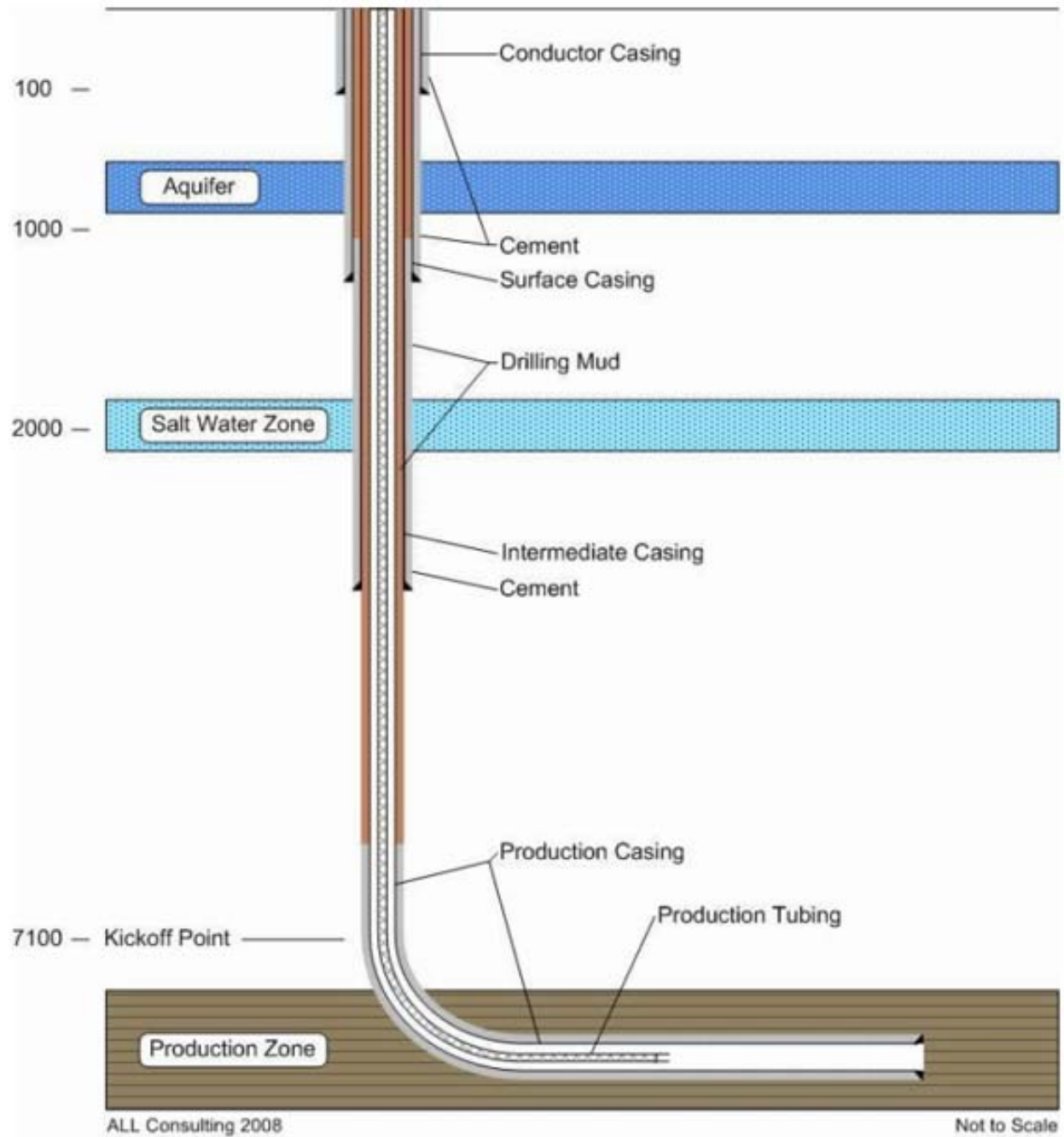
- April 2013: Amended recycling rules (Statewide Rule 8/Chapter 4, Subchapter B)
  - encourage recycling in the oil field
  - reduce water use
  - create rules for authorized fluid recycling
  - streamline recycling permits



# Well Construction

- May 2013: Amended casing/cementing requirements (Statewide Rule 13)
  - provide consistent and clear well construction regulations
  - update cementing requirements
  - require mechanical integrity testing prior to hydraulic fracturing
  - update requirements for well control and blowout preventers





# Disposal Wells

- October 2014: Amended disposal well rules to address operations in areas of seismic activity
  - require applicants to provide additional data in permitting process
  - clarify RRC authority to modify, suspend, or terminate a disposal well permit



# UFT Fields

- February 2016: Amended statewide rules for horizontal wells
  - establish special provisions for horizontal wells in unconventional fracture-treated (UFT) fields
  - incorporate standard practice into statewide rules
  - streamline requirements for density exceptions and field rule amendments



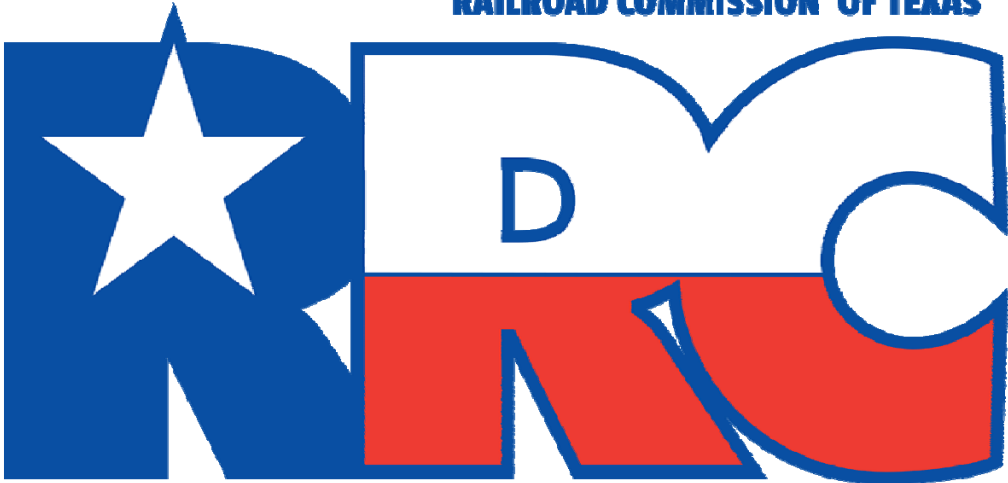


# Communications

- Increased transparency and public outreach
  - Post-conference enforcement press release
  - Quarterly inspection and enforcement data
  - Monthly e-newsletter
  - Social media channels
  - 2015 Year In Review



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**SERVING TEXAS FOR 125 YEARS**  
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