



Texas and Southwestern Cattle Raisers Association

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*The*  
**Cattleman**



June 1, 2018

Rules Coordinator, Office of General Counsel  
Railroad Commission of Texas  
P.O. Box 12967  
Austin, Texas 78711-2967

Re: Proposed amendments to 16 TAC §3.52 and §3.53

Dear Rules Coordinator,

The Texas and Southwestern Cattle Raisers Association (TSCRA) is a 141-year-old trade association and is the largest and oldest livestock organization based in Texas. TSCRA has a membership of more than 17,500 beef cattle operations, ranching families and businesses. These members represent over 55,000 individuals directly involved in ranching and beef production who manage over 4 million head of cattle on more than 76 million acres of range and pasture land primarily in Texas, Oklahoma and throughout the Southwest.

TSCRA is strongly opposed to the Railroad Commission of Texas (RRC) proposed rule that would eliminate the annual well production test requirement under Section 3.53 due to the substantial number of ranchers and landowners who will be negatively impacted by the change. The proposed rule directly limits available public information and runs counter to the public interest. RRC should pursue measures that will improve, not hamper, transparency on this critical issue.

The annual well test provides critical information, and is the only means anyone, other than the operator, has of collecting data about individual well production. This information is vital in many respects.

The annual well test requirement provides landowners with information that would otherwise only be available through litigation, and thus aids in deterring and identifying cases of fraud and abuse by well operators. Further, many existing leases use the annual well testing data as a trigger for various provisions within the lease, including possible lease termination. By eliminating the test, thousands of Texans would be left unprotected by their existing lease, entered into with an understanding that the RRC would fulfill its obligation to collect and report oil and gas data.

In addition, the annual well test is the primary tool used to determine when and where inactive and unplugged wells are located across the state. In the proposed rule there is nothing that requires the operator to report when a well becomes inactive. The annual well test is necessary to trigger statutory obligations regarding well plugging and abandoned equipment removal, as operators would have no incentive to report this information on their own accord. Thus, RRC would leave landowners – particularly surface estate owners – unprotected despite the will and intention of the Texas Legislature, which is calling for more information about unplugged and abandoned wells.

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With this proposed rule change, it seems the Commission is prepared to devoid themselves of one of their fundamental obligations – acting as the custodian of oil and gas records and information for the citizens of Texas. By circumventing this obligation, RRC also circumvents important responsibilities to enforce laws and regulations mandated by statute.

RRC's preamble to the rule states, "Industry will, however, benefit from the modified testing and filing requirements." It is our opinion that the role of RRC should not be the protection and promotion of the oil and gas industry, but rather dutiful regulation of the oil and gas industry to ensure land, mineral and surface estate owners are protected above all else.

TSCRA urges the Railroad Commissioners to disapprove this proposal. If the rule is allowed to go into effect it will cause permanent harm to the State of Texas merely to boost oil and gas profits at the expense of hard-working Texas landowners. Please contact Jeremy Fuchs at (512) 469-0171 or at [jfuchs@tscra.org](mailto:jfuchs@tscra.org) if TSCRA can be of further assistance.

Sincerely,



Robert McKnight, Jr.

President

Cc: Governor Greg Abbott  
Lt. Governor Dan Patrick  
Speaker Joe Straus  
Senator Brian Birdwell  
Representative Drew Darby