

## Texas Railroad Commission Proposes Rule Changes to Generate Efficiencies and Cost Savings in the Oil-and-Gas Industry

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Yesterday, Christi Craddick—one of the State’s three elected Railroad Commissioners—introduced the Texas Oilfield Relief Initiative, a nine-point plan aimed at easing regulatory burdens on the energy industry. The initiative will be rolled out in multiple phases over the next several years.

The first phase of the program is slated for completion by January and will consist of new guidelines for defining active oil wells, as well as new marginal well rules for both oil and gas wells. In particular, for example, Statewide Rule 15 would be made less onerous by revising the definition of an active oil well downward from ten to five barrels per month for three consecutive months.

Other components of the amendments to the rules include cutting down on well status filings and deliverability reporting; prioritizing inspections in cities and wetlands; and streamlining the repermitting process.

According to Commissioner Craddick, the Commission “want[s] to figure how to have an active, vibrant industry, where we have costs that can be cut,” and to avoid “[o]ver-regulating companies” in a challenging market. At the same time, Craddick was clear that the rule changes would not come at the cost of safety. “[T]hat was priority one,” she emphasized at Tuesday’s meeting, “[t]o ensure we do things environmentally safe—that’s our mandate and to protect correlative rights.”

Craddick dubbed the initiative “a win-win for both [the] industry and the Commission.” She noted that it “will save time for our staff” by reducing unnecessary paperwork, and even just the initial round of rule changes is expected to “save [the] industry tens of millions” of dollars.

A press release from the Railroad Commission, announcing the initiative and highlighting its key features, is [available on the agency’s website](#).

The Texas Alliance of Energy Producers promptly weighed in on the rule changes, saying through a spokesperson that the “initiative will undoubtedly help keep the doors open at many oil and gas businesses, bring jobs back to the oilfield and, most importantly, provide regulatory stability through solid, common sense regulation.”

These changes apparently will also affect landowners and mineral owners.

### Related Attorneys

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