



TEXAS OIL & GAS ASSOCIATION | SINCE 1919

Sheldon W. Burleson
Chairman

D. Todd Staples
President

January 15, 2025

Electronic Submission

Ms. Gwen Ricco
Texas Commission on Environmental Quality, Office of Legal Services
MC 205, P.O. Box 13087
Austin, TX 78711-3087

RE: Addition of new Division 7 to Chapter 113, Subchapter D, to implement the requirements of 40 CFR 60 Subpart OOOOc

Dear Ms. Ricco:

The Texas Oil & Gas Association (TXOGA) is a statewide trade association representing every facet of the Texas oil and gas industry including small independents and major producers. Collectively, the membership of TXOGA produces approximately 90 percent of Texas' crude oil and natural gas and operates the vast majority of the state's refineries and pipelines. In fiscal year 2024, the Texas oil and natural gas industry supported over 490,000 direct jobs and paid \$27.3 billion in state and local taxes and state royalties, funding our state's schools, roads and first responders.

TXOGA submits the following general comments regarding the addition of new Division 7 to Chapter 113, Subchapter D, to implement the requirements of 40 CFR 60 Subpart OOOOc. This rule involves new emission guidelines and updated New Source Performance Standards, plus a requirement to prepare and submit a state plan.

The EPA should have given states flexibility rather than what is specifically prescribed in the rule language because ultimately it would be helpful to operators and lead to more effective and efficient compliance. TCEQ should give operators flexibility to help meet the intent of a regulation.

TCEQ should take into consideration the costs that operators will have to endure to retrofit equipment and operations. Economic and technical efficiencies and feasibility are important when determining language for this rulemaking.

Given the variability of operators and sources in Texas, TCEQ should take full account of remaining useful life and other factors (RULOF). State plans submitted in accordance with OOOOc may apply adjusted standards of performance to a facility or class of facilities based on RULOF. As existing sources become subject to the OOOOb standards, operators may selectively retrofit and upgrade existing facilities, but not all currently producing wells are in areas planned for future development. TCEQ can help maintain the economic viability of these wells by setting an economic threshold expressed in terms of barrels of oil equivalent production from a well or through a surface facility, below which it is recognized that the cost of methane mitigation exceeds the potential returns from recovered methane. Similarly, implementation costs associated with retrofits (e.g., hardware, engineering design, software, automation coding upgrades) and lost production should be considered in developing the regulatory burden of retrofit on existing facilities that would not otherwise be modified.

A one size fits all approach isn't the best method for this rule or any other rule—there are differences between a large central facility and a smaller single-well site. TCEQ should implement the leak detection and repair (LDAR) provisions as a work practice, allowing operators to demonstrate emission reductions through proper operations and maintenance.

With respect to LDAR, OOOOc requires periodic audio, visual, and olfactory (AVO) and optical gas imaging (OGI) inspections at different frequencies depending on surface location complexity. EPA recommends allowing for the use of alternative technologies, such as third-party surveillance via satellite or aircraft overflights, to supplement or replace AVO and OGI inspections. Although TXOGA appreciates EPA's efforts to provide operators flexibility in fulfilling LDAR requirements, the rules could still be further improved. In particular, the 1 kg/hour detection threshold is overly conservative and does not reflect real-world conditions.

Regarding the new requirements for natural gas-driven process controllers and pumps, there are significant technical challenges associated with retrofitting equipment, including line capacity constraints, difficulty in acquiring rights-of-way, competition for residential use, and differences in reliability by basin. Retrofitting controllers and pumps also requires significantly more facility downtime in comparison to routing emissions to the process or a control. TCEQ should allow operators the flexibility to implement more efficient and effective solutions to control emissions from process controllers and pumps.

To the extent practical, TCEQ should maintain uniform required repair timelines to match the 30-day timeframes in OOOO and OOOOa.

TCEQ should also take into consideration repair extension requests based on issues that arise when addressing an issue on-site. Upstream production is not within a fenceline but is most often rural and remote area the state, therefore there are no factory floors or enclosed buildings where conditions are controlled. The industry is constantly reviewing and improving its systems. As with all mechanical systems, oil and natural gas field production is subject to the weather conditions and maintenance of being in the elements.

Finally, the EPA has recognized unique circumstances in Alaska, for example—older sites lacking access to grid power and provided specific regulatory considerations in response. Given the size, conditions and challenges faced in Texas, this rationale for unique circumstances should be equally applied in this rulemaking.

TXOGA appreciates the opportunity to comment on the state plan and if you have any questions, please do not hesitate to contact Cory Pomeroy at cpomeroy@txoga.org.

Sincerely,



Cory Pomeroy
Vice President & General Counsel
Texas Oil & Gas Association