

Wayne Christian

Commissioner Bobby Janecka
Commissioner Catarina R. Gonzales
Texas Commission on Environmental Quality
PO Box 13087
Austin, TX 78711

Re: Opposition to Biden Administration Methane Rule & Concerns About Negative Impacts to Independent Oil & Gas Producers

Commissioner Janecka & Commissioner Gonzales:

I am writing to express my concerns about the Texas Commission on Environmental Quality (TCEQ) pending rulemaking (Rule Project Number 2024-027-113-AI) to establish new methane requirements for oil and natural gas operations in Texas. These rules – mandated by President Joe Biden and the Environmental Protection Agency (EPA) – will have a detrimental impact on independent oil and gas producers and could jeopardize the nation's overall energy security.

The Biden administration has taken over 250 actions to end oil and gas production, and this new methane rule is one of the many aimed at stifling large producing states like Texas. EPA's stringent methane regulations impose significant compliance costs and operational burdens that many smaller producers will find insurmountable, while doing little to reduce emissions.

The real victim of President Biden's methane rule won't be 'Big Oil', which is why many of them haven't opposed this rule, it will be the small and independent producers. They're the backbone of reliable energy production developing 91 percent of the country's oil and gas wells and producing more than 83 percent of oil and 90 percent of liquified natural gas (LNG). Unlike international major producers, these producers lack the economies of scale and financial resources needed to absorb the costs of retrofitting equipment, deploying advanced monitoring technologies, and adhering to frequent reporting requirements. In many cases, these rules will force small operators to shut down wells prematurely, leaving resources untapped and communities economically vulnerable. Even worse, it could drive many producers out of business entirely.

Furthermore, this rule is a direct attack on Texas oil and gas, with these rules targeting marginal wells (wells that produce less than 10 bpd and less than 250 Mcfgd). Most of the oil and gas wells in Texas are marginal wells, with about 70 percent of all active wells being marginal. Hundreds, if not thousands, of Texans depend on these wells for royalty checks, with many senior citizens relying on that revenue as their sole income source. Moreover, it will potentially lead to more abandoned wells and the unfunded mandate that comes with the cost of plugging them.

The economic impact of these regulations extends far beyond producers and royalty owners themselves. The industry contributes to about 40 percent of the state's economy. The industry pays billions each year in taxes and royalties to the State to fund schools, health care, infrastructure, first responders and more. If small producers are driven out of business, the ripple effects will be felt in lost jobs, reduced tax revenues, and declining support for local economies. As the 8th largest

economy in the world if Texas were its own nation, these rules could have a reverberating impact of terrible proportions to the economies of the state, nation and globe.

Fundamentally, it's important to note that methane emissions are nowhere near the existential threat as radical environmentalists and the mainstream media portray them. While I don't believe carbon or methane emissions are a significant danger to the public, even if one accepted that premise, the rule is unnecessary because Texas is on top of the problem. Texas has been working to decrease methane since the 2010s' shale revolution.

The Texas Railroad Commission (RRC) has taken many measures in the past few years providing incentives for emission reduction technology. For example, the RRC established a blue-ribbon taskforce to address flaring in the state. As a result, Texas' flaring rate went from a high of about 2.4 percent in 2019 and has since stayed at record lows of around 1 percent, meaning 99 percent of gas produced goes toward beneficial use. Additionally, methane intensity in Texas has dropped about 85 percent in the last decade, while it's also down 66 percent in the country. Furthermore, the Texas Methane & Flaring Coalition has noted that the Permian Basin in Texas reduced methane emissions by more than 76 percent from 2011 to 2021, while production increased more than 345 percent during the same time frame.

More broadly, when looking at Earth's atmosphere, methane is a tiny fraction at about .00017 percent and is measured in parts per billion (ppb). The two largest gases in Earth's atmosphere are oxygen at 21 percent and nitrogen at 78 percent. Meaning the concern over these emissions is a red herring. The environmental catastrophists, which Biden is placating with this rule, are making ant hills into Mount Everest.

Innovation and technology – not 'Big Brother' government regulation – are how emissions reduction is achieved. Even the EPA admitted the quiet part out loud that the industry is already mitigating methane emissions, revealing that the true motive behind President Biden's horrendous policies is to squeeze the life out of the oil and gas industry. A recent EPA report showed that methane emissions from the largest oil and natural gas-producing basins fell 44 percent between 2011-2013; and also dropped in seven oil and natural gas-producing basins by up to 87 percent from 2019-2023.

As Texas leaders, we must protect the livelihood of those in the industry and the production of our state's valuable natural resources. Methane reduction is happening because of human ingenuity, not because of 'one-size-fits-all' regulations. If you must legally follow through with this Biden-mandated disaster, I urge you to consider regulatory reforms that favor the unique challenges facing independent oil and gas producers. This could include flexible compliance timelines, financial incentives for emissions-reducing technologies, or exemptions for low-producing wells that contribute minimally to overall emissions.

Elections have consequences, and the American people decided that the Biden administration's energy and environmental agenda aren't in their best interest. President-elect Donald Trump once rescinded this Obama-era rule and Biden revived it. The fate of these punitive rules on producers is far from over; and as such, I would advise caution and patience in any state administration of this federal overreach. Relief from Washington bureaucrats in the DC swamp is on the way; let's wait for the cavalry to arrive before surrendering.

Your leadership on this issue is critical to ensuring that Texas' reliable energy industry remains the

envy of the world. I appreciate your attention to this matter and your service to Texas.

Sincerely,

Wayne Christian
Commissioner
Texas Railroad Commission



COMMISSIONER WAYNE CHRISTIAN

RAILROAD COMMISSION OF TEXAS

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January 14, 2025

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While continued reduction of methane emissions is an important goal, I believe it’s just as imperative to protect the livelihoods of those in the industry and production of our state’s valuable natural resources. If you must legally follow through with this Biden-mandated disaster, I urge you to consider regulatory reforms that favor the unique challenges facing independent oil and gas producers. This could include flexible compliance timelines, financial incentives for emissions-reducing technologies, or exemptions for low-producing wells that contribute minimally to overall emissions.

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Your leadership on this issue is critical to ensuring that Texas’ reliable energy industry remains the envy of the world. I appreciate your attention to this matter and your service to Texas.

Sincerely,

A handwritten signature in black ink that reads "Wayne Christian". The signature is fluid and cursive, with a long horizontal stroke at the end.

Wayne Christian
Commissioner
Texas Railroad Commission