

Texas Alliance of Energy Producers

Below are some issues the Alliance is working on.

FEDERAL

Taxes

- ✓ President Obama proposes in his 2014 federal budget the repeal of percentage depletion and expensing of intangible drilling costs (IDCs).
- ✓ Senate Finance Committee begins tax reform debate; committee proposes repeal of percentage depletion and expensing of IDCs.
- ✓ House Ways & Means Committee issues tax reform priorities that call for repeal of depletion.

Endangered Species Act

- ✓ U.S. Fish and Wildlife issues Lesser Prairie Chicken “threatened” designation that will impact oil and gas activities in Texas, Oklahoma, New Mexico, Kansas. New possible listings: Monarch Butterfly and 200 others.
- ✓ Alliance participates in lawsuit against Department of Interior and Fish and Wildlife Service to stop “sue and settle” agreements between federal agencies and environmental groups.
- ✓ Alliance works with members of Congress to change Endangered Species law.

Environment

- ✓ Environmental Protection Agency has issued 998-page preliminary report on hydraulic fracturing. Alliance comments that report confirms that state regulatory agencies have done excellent job and states should continue to be primary regulatory agency over oil and gas and hydraulic fracturing.
- ✓ “Environmental justice” paper establishes Obama administration’s roadmap for integrating “environmental justice into its programs, policies and activities.”
- ✓ EPA issues new regulation for wetlands including new designation of “waters of U.S.”
- ✓ EPA issues proposed new regulations on methane emissions.
- ✓ EPA oil field practices report due 2016.
- ✓ Bureau of Land Management issues regulations regarding hydraulic fracturing on federal lands.
- ✓ EPA issues greenhouse gas reporting requirement for oil and gas under subpart W.
- ✓ EPA works on issuing a report on oil field practices.
- ✓ Obama release climate action plan that includes Clean Power Plan.
- ✓ Oil patch exemption under RCRA.
- ✓ Feds begin looking at regulating gathering line.

Other Issues

- ✓ OSHA begins review of oil patch injuries.
- ✓ Repeal ban on export of domestic crude oil and support export of LNG. *Passed*
- ✓ Keystone XL pipeline authorization. *Killed by President*

STATE

Railroad Commission

- ✓ Implementation of changes to drilling, completion, cementing rule (Rule 13).
- ✓ Induced seismic activity.
- ✓ Injection and disposal well regulations.
- ✓ New requirements under inactive well rule still leave operators confused.
- ✓ New look at flaring rule.
- ✓ Increased enforcement and fines at RRC.
- ✓ Financing of RRC through fees and fines assessed on industry.
- ✓ Increased transparency by posting enforcement and/or violations on RRC web page.
- ✓ IT upgrade that will permit automated violation detection.
- ✓ Seek changes to regulations regarding re-fracturing of wells.
- ✓ Sunset review of RRC continues.
- ✓ Eagle Ford Task Force.
- ✓ Allocation rule.
- ✓ New regulations regarding unconventional fracture treated fields.

Texas Commission on Environmental Quality

- ✓ Begins air emission reporting requirements under subpart OOOO
- ✓ Enforcement includes “flyovers” and filming of oil field operations with special camera

Water

- ✓ Industry exemption to obtain permit to use water.
- ✓ Oil field water use reporting requirements.
- ✓ Ground Water Conservation District involvement in water usage.
- ✓ Who owns the produced water and impact on enhance oil recovery projects and recycling.
- ✓ Usage of water in hydraulic fracturing operations.
- ✓ Disposal of produced water, recycling rule, and desalination.
- ✓ Establish a baseline data bank regarding water quality.
- ✓ Potential and alleged cause of earthquakes.

Transportation

- ✓ Maintenance of roads in high-use areas and safety issues.
- ✓ Possible increase in road use fees.

Other Issues

- ✓ Legislature passes law reversing vote in Denton to ban hydraulic fracturing.
- ✓ Regulatory détente: not all problems can be solved through new regulations.
- ✓ Mexico: Changes in laws allowing outside investment and ownership.
- ✓ Interim charges issued by House Speaker and Lieutenant Governor.