



December 3, 2015

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

Re: Proposal to Amend Statewide Rule 86
Unconventional Fracture Treated Fields

The Permian Basin Petroleum Association (PBPA) is the largest regional oil and gas association in the U.S. and is comprised of over 1000 member companies operating in Texas and New Mexico. PBPA consists of some of the largest producers as well as the smallest operators in the Permian Basin. The Permian Basin is the largest producing region in Texas as well as the nation.

PBPA appreciates the opportunity to provide input to the Railroad Commission regarding the proposal to amend Statewide Rule 86, and conforming changes to other statewide rules, as they relate to horizontal development in unconventional reservoirs.

PBPA supports the proposed changes as published. In general, the proposed changes will allow an orderly, efficient development of the state's unconventional resources by eliminating administrative hurdles. These proposed changes will simplify the regulatory structure under which these capital-intensive projects are permitted and operated. At the same time, the non-horizontal mineral interest owner and operator are protected by preserving field-wide spacing provisions. PBPA also would welcome the opportunity to provide additional input to Commission staff on specific issues as these issues arise as part of the review process.

PBPA believes that the many comments received by the Commission regarding these changes from the registered public land surveyor community are expressing concerns that are not valid. The proposed rule changes do not modify the Commission's standards for plats, boundary surveys, or other products of the RPLS. By allowing a registered engineer or a RPLS to certify that the well's directional survey is true and correct, the Commission is further enhancing the transparency by which the oil and gas operator must provide data to the public. Who better to certify the results of a directional survey performed by an oil and gas operator during the course of drilling a horizontal well, than the PE with the knowledge of the downhole survey? The

registered surveyors queried by PBPA have expressed concerns about an RPLS certifying downhole data for which they have no personal or supervisory responsibility.

The Commission's staff is to be commended for looking into the future and making this effort to modernize the horizontal well regulations in Texas. This proposed rule change marks a paradigm shift in updating regulatory structure in response to advances in technology in the oil and gas industry.

Thank you for the opportunity to provide input during the rulemaking process. The PBPA feels that the proposed revisions will further the development of the State's unconventional oil and gas resources. Please feel free to contact PBPA should you need additional clarification on our suggestions or if the Association may help in any way.

Sincerely,

A handwritten signature in blue ink, appearing to read "R. Mark Henkhaus". The signature is fluid and cursive, with the first name "Mark" being particularly prominent.

R. Mark Henkhaus, PE
Chair, Regulatory Practices Committee
Permian Basin Petroleum Association