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Jennifer Bremer

October 29, 2018

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

Re: Proposed amendments to 16 TAC Section 3.40

Dear Rules Coordinator,

The Texas Land and Mineral Owners Association ("TLMA") is a statewide advocacy organization that represents approximately 1,000 members who are mineral and royalty owners, landowners, farmers, and ranchers. As such, TLMA appreciates the opportunity to comment on the proposed amendments to Statewide Rule 40 and is encouraged to see a requirement that operators provide notice to mineral interest owners in the proposed rule changes.

TLMA believes that the mineral owners are equal stakeholders to the operators in the vicinity. Under the proposed amendment to the rule, such operators would receive notice of multiple acreage assignments, and mineral owners should also receive notice of applications for such assignments. Providing notice to unleased mineral owners in such circumstances will equip them with information and the ability to be heard, allowing them to take the appropriate action to maximize the productivity of their minerals – whether a new opportunity to negotiate a lease or to ensure compliance with existing leases.

While TLMA is certainly supportive of a notice requirement for unleased mineral owners, the timelines proposed do not provide the mineral owner with adequate time to gather and examine all pertinent information before requesting a hearing. Under the proposal as drafted, a person receiving notice only has 14 days to request a hearing, yet an operator has 15 days after receiving a request for information to provide that information. This timeframe means that a mineral owner may not have all of the necessary or requested information prior to the deadline to request a hearing, even if she or he requests such information the day of receipt of the notice. Additionally, since the mineral owner bears the burden of proof, this short timeframe does not provide the individual enough time to retain counsel and consultants, if necessary, and adequately review the information.

For the foregoing reasons, the Texas Land and Mineral Owners Association urges the Commissioners to extend the deadline to request a hearing and object to at least 45 days after a mineral owner receives a notice under Statewide Rule 40. If this change is not made, mineral owners may not have an adequate opportunity to evaluate the situation resulting in unnecessary which would add additional strain to Commission resources. A 45-day time period will allow mineral owners the necessary time to collect all relevant information and make a decision, and it will offer the fairness to both operators and mineral owners that this rule seeks to provide.

Thank you for your consideration of these important concerns.

Sincerely,

Jennifer Bremer
Executive Director

Cc: The Honorable Greg Abbott
The Honorable Dan Patrick
The Honorable Joe Straus
The Honorable Brian Birdwell
The Honorable Drew Darby