



Judge Harbison & Commissioners,

As CEO of the American Energy Institute, a Texas-based nonprofit that promotes abundant, reliable, and affordable American energy, I was concerned by an article in Shelby County Today titled 'Commissioners Learn of Continuing Struggle with RRC on Paxton Site,' which covered a recent commissioner's court meeting about significant changes proposed to the Railroad Commission's waste management rules.

There were several claims throughout the article that concerned me as a proponent of domestic oil and gas production, and I wanted to provide some clarification about the proposed rules and the origin of some of the claims.

First and foremost, virtually every claim made by the gentleman who testified before you was lifted directly from talking points published by an anti-oil and gas organization called "Commission Shift," an organization he appears to be affiliated with.

Commission Shift is a fairly new environmentalist organization similar to GreenPeace or the Sierra Club. While many advocacy groups are open about their funding, Commission Shift keeps its financial backers hidden., leaving the public in the dark about who is truly funding their \$2.5 million budget. The only known public donor I could identify is the *Hive Fund for Climate and Gender Justice*, a group dedicated to "phasing out dirty energy in the U.S. South." While Commission Shift presents itself as a local watchdog protecting landowners, it is actually part of a broader agenda aligned with the Biden-Harris administration's Green New Deal, aimed at dismantling Texas' oil and gas industry.

The Biden-Harris administration has made no secret of its agenda to cripple domestic oil and gas production. From advocating for a fracking ban and canceling key pipeline projects to halting new leases on federal lands and implementing methane taxes that target small producers, their intent is clear. What is often overlooked, however, is how this anti-oil and gas agenda extends to the state and local levels. Groups like Commission Shift are working to restrict energy producers from responsibly managing and recycling waste, with the ultimate goal of further squeezing the industry out of business through death by a thousand regulatory cuts. Their push for restrictive, California-style regulations as part of the upcoming waste management rule changes is just another piece of this broader effort.

While Commission Shift claims to be non-partisan, their leadership speaks volumes. Their board includes John Beard, a former Democratic city councilman and climate activist from Port Arthur; Stephen Brown, a former Democratic candidate for the Railroad Commission who served in the Clinton White House and worked for former Congresswoman Sheila Jackson Lee; Elizabeth Love, CEO of the Jacob & Terese Hershey Foundation, which funds pro-abortion and climate activist causes; and Marisa Perales, founder of the Undoing Racism Austin Coalition and former board president of Texas Campaign for the Environment. The sole exception is Ira Yates, a



rancher whose political affiliations are unknown. At the helm of this organization is Virginia Palacios, a former Environmental Defense Fund employee recently appointed by the Biden administration to a federal environmental task force, showing the group's close ties to leftist environmental policy.

I'd like to address some of the questionable claims made before the commissioner's court below:

**CLAIM:** "The Railroad Commission is only allowing 30 days for the comment period on these rules. These rules have not been changed in over two decades... There's only two scheduled hearings for comments on these rules and that's tomorrow (Thursday, September 5) and Friday (September 6) in Austin at the Railroad Commission Building. So they're not allowing the citizens of Texas much time to digest all of these rule changes, proposed rule changes and to comment on them."

**TRUTH:** This claim is objectively false. The rule was first informally published in October 2023, giving the public ample time to provide input before the rule was formally published last month. Additionally, the comment period extends from August 15th to October 15th, making the assertion of a 30-day limit completely false. While only two hearings were scheduled, both were live-streamed, with the second entirely virtual, enabling statewide participation from anyone wishing to speak. Furthermore, the Railroad Commission has three elected commissioners with contact information readily available on its website, allowing the public to set up meetings or email concerns at any time over the past year or even today if desired.

**CLAIM:** "New Mexico and Louisiana have a lot more stringent rules than Texas does and the Railroad Commission is proposing rules to be more lax in favor of the oil and gas company."

**TRUTH:** These proposed rules INCREASE regulations on oil and gas. Many in the oil and gas industry do not support these rules. They would prefer the rules be left alone. These rules contain several provisions the environmental movement has supported for years, but unlike proposals put forth by the Biden-Harris EPA, they balance our responsibility of environmental stewardship with the realistic needs of businesses.

New Mexico and Louisiana have more stringent rules than Texas — but so what? Texas prides itself on its consistent, predictable, pro-business regulatory environment, which is why we are ranked the top state in which to do business year after year. If Texas copied New Mexico, the state and world would be worse off for it because we would not be the top producer of oil and natural gas in America. While New Mexico and Louisiana are blessed with much of the same natural resources under the ground as Texas, neither produces nearly as much oil and gas because of their more stringent regulations.

2023 oil production statistics (Source: U.S. Energy Information Administration):

- Texas produced 42.5% of all oil produced in the USA



- New Mexico produced 13.3% of all oil produced in the USA
- Louisiana produced less than 4% of all oil produced in the USA

**CLAIM:** “When the Railroad Commission started the proposed changes, there was a committee, which he believes was made up of about 80 representatives from industry and only two of the members were non-industry individuals.”

**TRUTH:** Railroad Commissioner Jim Wright ran for office with the goal of modernizing these rules in his first term. It was no secret that this regulatory overhaul would occur during his term, and industry stakeholders began preparing accordingly.

However, it's important to note that the meetings where these discussions took place were private meetings organized by trade associations within the oil and gas industry, not official Railroad Commission gatherings. These were internal discussions where industry representatives met regularly to strategize on how to navigate the upcoming rule changes and determine what they wanted to see—or avoid—in the final rules. These private meetings were not part of the public regulatory process and did not involve direct input from the Railroad Commission at that stage.

Once the rules were released for informal comment, the group analyzed the draft and organized meetings with the Railroad Commission to discuss their concerns, as any organization or individual can do. It would not make sense for the oil and gas industry to invite climate alarmists, like Commission Shift, that directly oppose their industry's existence to their meetings.

Another issue brought up in the piece was a pending application by McBride Operating LLC to open an oil and gas solid waste facility in Paxton, Texas. While I cannot speak to the specifics of the case, as I am not a party involved, I can speak to the Railroad Commission's process and offer some clarity on the importance of waste facilities for the production of oil and gas in East Texas.

In the early 2010s, Shelby County saw significant oil and gas activity as the shale boom took off, with the Haynesville Shale—a massive natural gas field recognized as one of the largest in the world—playing a pivotal role. At its peak between 2008 and 2012, the county had 8 to 12 drilling rigs actively operating, with over 70 new wells being drilled annually in 2010. This production brought jobs, royalties, and much needed tax revenue to the community. However, by 2023, both rig count and new well activity had halved.

Logistical challenges, particularly the lack of waste disposal facilities, have created significant hurdles for operators in Shelby County, often prompting them to consider expanding operations in other jurisdictions. Currently, oil and gas operators must travel up to two hours to Mount Pleasant to dispose of cuttings and solid waste, which drives up costs and results in two- to three-hour wait times. This shortage of disposal capacity is becoming a major barrier to fully tapping



the potential of the Haynesville Shale. Investing in new disposal facilities would reduce these burdens and better position the community for growth as production trends shift.

As I stated earlier, I do not know the specifics of the McBride application or if this facility should be approved, but I do know that if your community wants oil and gas production, you need one somewhere.

The approval process at the Railroad Commission consists of a series of checks and balances. First, technical staff look at a permit to determine if the location and engineering are appropriate for a facility. If technical staff approves and it is not contested, the permit is administratively approved and can be built. If technical staff approves and it is contested, it is then taken before an administrative law judge who considers the information and offers his or her recommendation to the commissioners. From there, the commissioners are the final arbitrators on whether or not the permit is approved.

It looks like the McBride permit was approved by technical staff, but the administrative judge has recommended denial. This means commissioners will have to examine all of the information in the record to determine who is correct and whether or not the engineering and site plan submitted by McBride is sufficient to protect the environment and community. This is where the McBride permit is in the process.

The Railroad Commission is a deliberative body respected around the world. As the process continues, I encourage you to be vigilant against the anti-hydrocarbon agenda being peddled by the left. The NIMBY (not in my back yard) rhetoric planted by climate activists flies in the face of the conservative values — limited government, low taxation, private property rights, and economic freedom — that define our state and Shelby County. As a former elected official, I understand how difficult it can be to be pressured by the people you serve, but I hope you will choose to support projects that will create real jobs and economic growth in your community.

Regards,

A handwritten signature in dark blue ink that reads 'JASON ISAAC'. The signature is written in a cursive, slightly stylized font.

Jason Isaac  
CEO