

Authorized Pit Registration

Two types of authorized pits can be operated without a permit: Schedule A and Schedule B.

Schedule A Pits: reserve, makeup water, mud circulation, fresh mining water, completion/workover, and water condensate.

Schedule B Pit: refers to produced water recycling. To manage these, you must complete and submit both Form EP-1 and Form EP-2.

Form EP-1 is used to register a new or existing pit, change the existing pit type, or officially close a pit for Schedule A and Schedule B pits.

Form EP-2 Authorized Pit Financial Security Worksheet calculates the financial assurance amount for Schedule B pits.

The Excel template allows operators to register multiple pits or a single pit with one submission and must accompany Form EP-1 and Form EP-2. The template is available for download on the Railroad Commission (RRC) website.

The RRC uses this information to ensure all pits are properly tracked, constructed, maintained, or closed according to environmental and safety standards.

Completing these forms is essential for complying with 16 Texas Administrative Code (TAC) Chapter 4 rules and amendments, especially if the pit was built before July 1, 2025.

Authorized Registration/Change Form (Form EP-1)

Completed Forms EP-1, the required Excel file, and Form EP-2 (if applicable) must be emailed to authpits@rrc.texas.gov for processing. It is recommended that copies of all submitted materials be kept for your records.

Registration Acknowledgment

Operators will receive an email confirmation with the pit registration numbers upon submitting a complete Form EP-1 and the Excel Template for Schedule A pits.

Authorized Pit Financial Security Worksheet (Form EP-2)

The calculations for financial security are based on the number of pits operated and their total storage capacity. Use the *Authorized Pit Calculator* in the Excel spreadsheet to calculate the financial security amount.

Form EP-2 provides three different calculation options:

Part A – Operators that manage **five or fewer** Schedule B pits must complete Part A. The minimum financial security for these operators is set at \$1,000,000.

However, they must provide the greater amount of financial security, either \$1,000,000 or the amount calculated using the formula: Total Capacity (in barrels) × \$1.00 = Total Financial Security.

Part B – Operators managing **more than five** Schedule B pits must complete Part B of the form to determine the required financial security. The RRC recommends using its Authorized Pit Financial Security Calculator Tool for accuracy.

The total financial security amount can be determined by one of two options:

- **Option (i): Variable Assurance Method**

Choose the higher amount: \$1.00 per barrel based on 10% of the total Schedule B pit capacity, or \$1,000,000.

- **Option (ii): Fixed Assurance Method**

A flat rate of \$200,000 per pit, with a maximum of \$5,000,000 for all Schedule B pits combined.

Only one option may be selected, and the chosen method must be indicated on the form.

Financial Security Type

Operators must specify the type of financial instrument being submitted by selecting one of the following options:

- Performance Bond
- Letter of Credit
- Cash Deposit

The selected instrument must align with the financial amount reported in either Part A or Part B.

NOTE: If a Schedule B pit is located at a facility conducting commercial operations, it **must be permitted** as a commercial pit. See guidance for commercial pits.

Submission Instructions

The completed Form EP-2, the required Excel file, and Form EP-1 (Authorized Pit Registration/Change Form) must be emailed to authpits@rrc.texas.gov for processing.

Registration Acknowledgment

After submitting completed Forms EP-1, EP-2, and the Authorized Pit Excel Template, operators will receive email confirmation with tracking numbers for each pit.

The Technical Permitting staff will verify the financial security calculations from the information entered on the forms and send an official letter confirming the financial security amount and the list of submitted pits to the organization's email.

Operators must then mail a copy of the RRC financial security letter, the list of pits, and one of the following:

- Form EP-3 (Financial Security Bond)
- Form EP-4 (Letter of Credit)
- A cash payment

Mail to:

Railroad Commission of Texas

P-5 Financial Assurance Unit

P.O. Box 12967

Austin, Texas 78711-2967