RAILROAD COMMISSION OF TEXAS Oil and Gas Division

NOTICE TO OPERATORS

Statewide Rule 13 Exceptions: Online Filing Now Available and Exception Fee Required

The Railroad Commission of Texas (Commission) has completed the design and development of the online filing application for exceptions to 16 Texas Administrative Code (TAC) §3.13 (Statewide Rule 13), regarding *Casing, Cementing, Drilling, Well Control, and Completion Requirements*. The filing application has now been implemented and is available for use. This system will enable operators to submit exception requests to the Commission more conveniently and quickly, and will enable Commission staff to review those requests in a more prompt and efficient manner. The system will also audit each submission to minimize errors and provide for fee payments through the official website for the State of Texas at http://www.texas.gov.

As previously advised, the Commission will now collect a rule exception fee for all requests for a Rule 13 exception. The statutory rule exception fee is subject to a surcharge that funds the operations of the Commission's Oil & Gas Division. Based on the current surcharge percentage, the total assessment for an exception to Statewide Rule 13 will be: \$150 fee + \$225 surcharge = \$375. [See 16 TAC \$78(b)(4) and \$78(n)(3) for further information regarding rule exception fees and mandatory surcharges.] Important Note: the rule exception fee is required for all exceptions regardless of the filing method; both hardcopy and online filings must be accompanied by the fee payments.

Online filings are encouraged. Effective immediately, all hardcopy applications (and fee payments) must be sent to the Commission's Austin office, Attention Oil & Gas Division, P.O. Box 12967, Austin, Texas 78711-2967. The hardcopy applications will be processed into the online system for review. Any hardcopy applications sent to the Commission's district offices will be forwarded to the Austin office before review can begin. **Applications submitted via fax are no longer accepted by the Commission**.

The amendments to Statewide Rule 13 were adopted by the Commission on May 24, 2013 to implement certain provisions of House Bill 2694 (82nd Legislature, Regular Session, 2011) and became effective on January 1, 2014. The adopted amendments also served to clarify and update the surface casing and cementing requirements for all wells, and to consolidate and update the requirements for well control and blow-out preventers.

Following the adoption of the Statewide Rule 13 amendments, the Commission held workshops at various locations throughout the state to answer questions, clarify requirements, and discuss implementation of an exception procedure. At those workshops, among many topics, staff presented information about the Commission's intention to develop an online application to assist with exception requests and collect the rule exception fee and surcharge required under Texas Natural Resource Code §81.0521 and §81.070. A previous Notice to Operators regarding this project was issued on February 18, 2015.

For further information, contact the local Commission Oil and Gas District Office. District office contact information is available on the Commission's website at <u>https://www.rrc.texas.gov/about-us/locations/</u>. You may also contact the Field Operations section in the Commission's Austin office at 512-463-6830.

PLEASE FORWARD TO THE APPROPRIATE SECTION OF YOUR COMPANY

Austin, Texas

March 16, 2015