



RAILROAD COMMISSION OF TEXAS

Oil & Gas Division | Technical Permitting

Schedule B Authorized Pit Financial Security worksheet

Form EP - 2

(Rev. 07/01/25)

Organization Information

Organization Name:

Registration Number:

P-5 No:

Financial Security

- (A) An organization operating **five or fewer pits** may file a performance bond, letter of credit, or cash deposit equal to \$1.00 per barrel of total pit capacity.

Total Number of Pits:

Total Capacity of All Pits:

Total Financial Security Calculated: \$

Total Financial Security Filed: \$

- (B) An organization operating **more than five pits** may file a performance bond, letter of credit, or cash deposit in an amount equal to

- ☐ (i) the greater of \$1.00 per barrel of water for ten percent of an operator's total produced water recycling pit capacity or \$1,000,000 **OR** ☐ (ii) \$200,000 per pit, capped at 5,000,000

Total Number of Pits:

Total Capacity of All Pits:

Total Financial Security Calculated: \$

Total Financial Security Filed: \$

Schedule B Pit Information

	Pit ID/Name by Operator	Total Pit Capacity (barrels)	RRC Tracking Number (For Change/ Transfer Pits)
1			
2			
3			
4			
5			
6			
7			
8			
9			
10			

Financial Security Type

☐ Performance Bond

☐ Letter of Credit

☐ Cash Deposit

CERTIFICATION: I certify that I am authorized to make this report, that this report was prepared by me or under my supervision and direction, and the data and facts stated therein are true, correct, and complete to the best of my knowledge.

Signature:

Date:

Printed Name:

Title:

Email:

Phone:



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INSTRUCTIONS

Organization Name – Enter the name of the organization as it appears on the Form P-5 Organization Report.

P-5 Number – Enter the P-5 number assigned to the Organization.

Registration Number - Enter the Authorized pit registration number for Change/ Transfer/ Close pits.

Financial Security

Part A: Financial Security for Organizations with 5 or Fewer Pits

Total Number of Pits: Enter the total number of pits.

Total Capacity of All Pits: Calculate the total capacity of the pits in barrels (bbls) and fill in this value.

Total Financial Security Calculated: Multiply the total pit capacity by \$1.00 per barrel and enter the calculated amount (Total Capacity of All Pits (bbls) x 1.00).

Total Financial Security Filed: Enter the financial security amount applying for.

Part B: Financial Security for Organizations with More than 5 Pits

1. Calculate the total financial security using the *authorized pit financial security calculator tool* and enter the values.

Total Number of Pits: Enter the total number of pits.

Total Capacity of All Pits: Calculate the total capacity of the pits in barrels (bbls) and fill in this value.

Total Financial Security Calculated: Enter the calculated dollar amount of the total financial security.

Total Financial Security Filed: Enter the financial security amount applying for .

2. Choose **one option**. Select either (i) **OR** (ii) to indicate the appropriate financial security amount option.

Option (i): select one of the two options

- \$1.00 per barrel for 10% of your total produced water recycling pit capacity (e.g., if 10% of capacity is 200 bbls, multiply 200 x \$1.00 = \$200), OR
- A minimum of \$1,000,000.

Option (ii): Check the box (ii)

- Calculate the financial security amount as \$200,000 per pit, capped at \$5,000,000.

Schedule B Pit Information

Pit ID/Name by Operator: Provide the identification or name assigned to each pit by your organization.

Total Pit Volume (barrels): Provide the total calculated volume for each pit.

RRC Tracking/Registration Number: (*applicable for change of pit type or transfer to a new operator*)

Provide the RRC tracking or registration number assigned to the pit at the time of its initial registration.

Additional Pits: If more than 10 pits need to be submitted, list the additional pits on a separate Excel file using the approved format or template.

Financial Security Type - Select the applicable check box for Performance Bond, Letter of Credit, or Cash Deposit options.

Certification – Read the certification statement and print the full name, title, signature, date, email, and phone number for the person signing.

Note: If the Schedule B Pit is located on a facility with Commercial Operations, that pit **must** be permitted. Financial Security would also be required for this pit; however, it would be in addition to the financial security for the Commercial Facility already in existence.