

RAILROAD COMMISSION OF TEXAS

TEMPORARY EXCEPTION TO CERTAIN FEES & SURCHARGES REQUIRED BY STATEWIDE RULE 78

Comes now, the Railroad Commission of Texas (“Commission”), and, in consideration of the unprecedented economic and operating conditions currently impacting the oil and gas industry, grants the following exceptions to certain administrative filing fee and surcharge rules. The Commission is authorized to grant exceptions to its rules. These exceptions are in the best interest of the citizens of the State.

The Commission carefully identified the fees described herein with the intent of incentivizing the construction of additional storage facilities (e.g. storage tanks and underground storage facilities). Furthermore, the Commission finds that these fee exceptions will allow operators to timely perform the required activities and file the necessary forms, without the burden of paying administrative fees and surcharges. The exceptions to the administrative fee and surcharge rules will provide financial relief during these unprecedented economic conditions.

Inevitably, the exception to the fee requirement will impact agency revenue to a certain extent. However, the Commission has always practiced conservative fiscal policies with its finances and will continue to do so. By taking this temporary measure, the Commission can support the oil and gas industry’s recovery during this difficult time. The oil and gas industry is a vital component of our State’s economy. Ultimately, these exceptions will help all Texans.

No operator shall construe any of these exceptions as exceptions to a rule regulating public safety, health, or the prevention of pollution. Furthermore, any exception not expressly described herein is hereby denied.

The Commission hereby grants an exception to 16 Texas Administrative Code § 3.78 for the following fees:

- The fee required to be filed with a Form P-17 (Application for Permit Exception to Statewide Rules 26 and/or 27). *See* 16 Tex. Admin. Code § 3.78(b)(4).
- The fee required to be filed with a Form W-14 (Application to Dispose Oil & Gas Waste by Injection into a Porous Formation Not Productive of Oil or Gas). *See* 16 Tex. Admin. Code § 3.78(b)(6).
- The fee required to be filed with a Form H-1 (Application to Inject Fluid into a Reservoir Productive of Oil & Gas). *See* 16 Tex. Admin. Code § 3.78(b)(7)
- The fee required to be filed with a Form H-4 (Application to Create, Operate and Maintain an Underground Hydrocarbon Storage Facility). *See* 16 Tex. Admin. Code § 3.78(b)(7).
- The fee required to be filed with an application for exception to the surface equipment removal requirements, Form W-3C (Certification of Surface Equipment Removal for an Inactive Well). *See* 16 Tex. Admin. Code § 3.78(b)(4).

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In addition to the above-identified fees, the Commission hereby grants an exception to 16 Texas Administrative Code § 3.78(n). The filing fees identified above are hereby excepted from any imposition of a surcharge.

Wherefore, considering the Commission's grant of exception to the administrative rules requiring certain filing fees and surcharges, any person submitting one of the forms identified in this document may submit said form without paying the associated filing fee and surcharge. If a form is submitted with the filing fee and surcharge, the Commission will not refund or reimburse the payment.

The Commission's grant of these exceptions is intended to be temporary. They are subject to extension or modification as necessitated by the adverse economic and industry condition or as the Commission otherwise determines. These exceptions shall be effective as of the date of the open meeting, May 5, 2020, and shall remain in effect until December 31, 2020.

Signed on May 5, 2020.

RAILROAD COMMISSION OF TEXAS

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