

RAILROAD COMMISSION OF TEXAS
Oil and Gas Division

NOTICE TO OPERATORS

**Surcharges: Reconnection Fees following Cancellation
of P-4 Certificates of Compliance**

The Railroad Commission has adopted changes to Statewide Rule 78 as it applies to certain fees charged by the commission's Oil & Gas Division. Under Rule 78 as amended, surcharges have been imposed on certain fees as required to implement the provisions of Senate Bill 1 (82nd Legislature, First Called Session, 2011, creating the Oil and Gas Regulation and Cleanup Fund and mandating that the commission impose reasonable surcharges on commission fees). The amendments to Rule 78 are effective as of May 1, 2012.

The statutory fee for reissuance of a P-4 Certificate of Compliance following issuance of a severance or seal order (commonly referred to as a "reconnection fee") is included among the fees for which surcharges will be assessed. The fee for reissuance of a P-4 is \$300 per severance or seal order. The surcharge to be assessed under Rule 78 following May 1, 2012, is 150% of the fee, or \$450. The total to be remitted for reissuance of a P-4 Certificate of Compliance following a severance or seal order will therefore be $\$300 + \$450 = \$750$.

In addition to severance or seal orders issued on or after May 1, 2012, **the surcharge will be assessed for any severance or seal order previously issued for which the operator has not paid the reconnection fee prior to May 1, 2012.** Any severance or seal order for which the reconnection fee has been received by the Commission prior to May 1, 2012, will not be subject to the surcharge.

A public query is available on the Commission's website through which any company can determine the status of any severance or seal orders that are pending or have been previously issued by the Commission. The query is located at:

<http://webapps2.rrc.state.tx.us/EWA/severanceQueryAction.do>

(From the Commission's main webpage, select "Online Research" from the Data menu, and then launch the "Oil & Gas Data Queries" selection in the upper right. The Severance Query is 4th on the list of available EWA queries available to the public.)