

Drilling Permits Online Filing User's Guide Version 1.0

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1.0 ABOUT THE ONLINE DRILLING PERMITS SYSTEM

1.1 Filing

The RRC Online Drilling Permits System allows Operators and third party filers to file for new or amended drilling permits if the required Security Administrator (SAD) paperwork is on file with the Commission.

This online system also allows you to duplicate an existing permit to minimize the data entry required. You must have the original permit's status number or permit number.

You can also amend a drilling permit that has already been approved by entering the permit number or status number of the permit you wish to amend. If you are not sure of the permit number, you may use the online Permit Query to find it. When you amend an existing permit, attachments from the original filing, such as plats, are not attached to the new amended filing, and therefore, must be attached again. New fees apply to the amended filing.

Be sure that amending an existing permit is the correct action to take. If the well has been completed under another permit, a new Recompletion permit is the correct filing. To file a recompletion permit, use the New W-1 option, selecting Recompletion for the purpose of filing.

1.2 Fees

The system also calculates fees based on the total drilling depth. There are other fees that can be applied to the permit application:

- Permit applications with exceptions to Statewide Rules require an additional \$200.00 fee.
- An additional \$150.00 fee is required for permit applications that require expedited handling.

Permit applications without the required payment are not processed.

1.3 Searches (Queries)

The online system also has a query function. You can search for permit applications that have been approved or those in the process of being approved. You can also search for permits that were withdrawn, dismissed, denied, as well as other status conditions. You can search for a permit or permit application by permit number, depth, date, county, district, and filing purpose. The Public has full access to the "Public Query" function. No security log on is required.

1.4 Online Filing Features

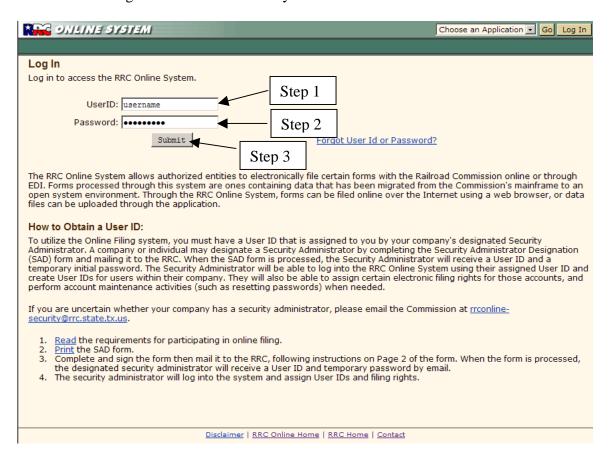
Each online page contains common elements:

- System login
- Main Menu selection
- Summary permit application header information
- Navigation tabs
- Message area
- Permit application filing status

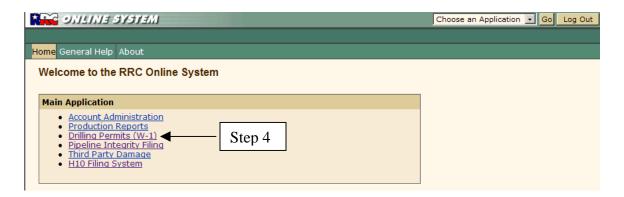
These elements are described in the following sections.

1.4.1 System Login

You must first login to the RRC Online System.

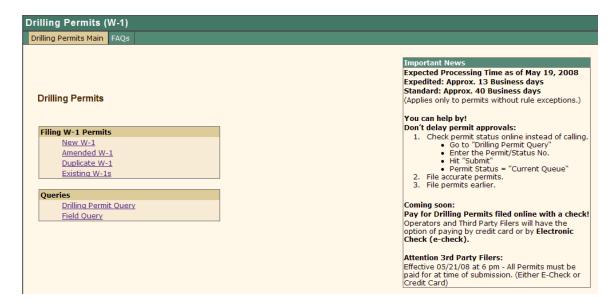


- **Step 1.** Enter your user ID that was assigned by your company's designated Security Administrator.
- **Step 2.** Enter your password.
- **Step 3.** Click the **Submit** button. The system displays the RRC Online System Welcome page.



Step 4. Select the Drilling Permits (W-1) option from the Welcome page's menu. The system displays the Drilling Permits Main Menu.

1.4.2 Main Menu Selection



The Main Menu contains all of the links to the pages that allow you to apply for a drilling permit, amend a drilling permit, query permits, and query fields.

1.4.3 Summary Permit Application Header Information

The first page to be completed in the online drilling permit application process is the General Information page. After this page is completed and saved, a header displays at the top of the page containing Operator name and number, the status of the permit, date created, lease name, well number, district, county, purpose of filing, and wellbore profile.

Status #	OP # 798635 - SNOW OIL & GAS INC.	ACME - Well # 4H	New Drill
API #	Work In Progress , Created 04/22/2008 , Filed Online	09 - DENTON County	Horizontal

This header is also displayed on all subsequent pages completed after the General Information is saved.

1.4.4 Tabs

The tabs at the top of each page provide navigation to the other pages required for the drilling permit application process. Each of the update pages have a **Save** button. Certain tabs are not made available until specific pages have been completed and saved. When you begin a new permit application on the General Information page, that tab is the only one available. After you save that page, the Field List, Attachment, Comments, and Review tabs are displayed. More tabs are revealed as pages are completed and saved. The image below shows all of the tabs in the permit application.

General Information | Field List | Field Details | Exceptions | Attachments | Comments | Review

Click a tab to open the corresponding page.

1.4.5 Message Area

When you click the **Save** button on a page to save the data you have entered, error messages may be displayed at the top identifying any data entry errors or missing items.

- Save Successful
- Distance from nearest town is required
- Nearest town is required
- Survey perpendicular Distance 2 is required
- Direction from nearest town is required
- Survey perpendicular Direction 1 is required
- Survey perpendicular Direction 2 is required
- Surface Location Survey is required
- Survey perpendicular Distance 1 is required

"Save Successful" means that the data that was entered was saved by the system. There still may be missing data, however.

If this symbol ____ appears next to an item on the page, it means that information is incomplete or invalid. Enter the missing data and/or correct data and click the Save button again.

When you access some pages, the message area may contain information about what is required to complete that particular page. For instance, using the information already saved for the permit application, the system determines what attachments are required for that particular permit and lists them in the message area of the Attachment page.

1.4.6 Permit Application Status

From the time you create your W-1 application in the online system until it is error-free and submitted, it has a status of "work in progress." When you submit the permit, the status changes to "pending approval." After the permit proceeds through the approval process without error, it has a status of "approved." Your permit can remain a "work in progress" for 30 days. If the permit is not completed and submitted within 30 days, it is removed from the Work in Progress list. This means that it is deleted and no longer available. The following are definitions of possible statuses for your "Existing W-1" permit applications in the online system:

- Work in Progress The W-1 application has not yet been submitted to the RRC, but is being worked on by the Operator. The permit application is in "work in progress" status until it is error free and submitted. When filing electronically WORK IN PROGRESS PERMIT APPLICATIONS ARE ONLY VIEWABLE BY THE OPERATOR WHO IS SUBMITTING/WORKING THE PERMIT.
- 2. Pending Approval The status of the W-1 application is pending approval by the RRC. As soon as the permit application has been successfully submitted, the status changes to "pending approval".
- 3. Approved The W-1 application has been approved by the RRC. The Operator now has a valid Drilling Permit.

One of the search criteria for the Public Query (see <u>Section 3.1</u>) is Status. Statuses besides Work-in-Progress, Pending Approval, and Approved are:

- 4. Cancelled The W-1 application is automatically cancelled if the spud date is not entered after 2 years or if the applicant requests it.
- 5. Closed The W-1 application is closed by Oil and Gas docket services per RRC commission order.
- 6. Deleted The W-1 application is given a deleted status if it is originally submitted incorrectly.
- 7. Denied The W-1 application is denied by Oil and Gas docket services per RRC commission order.
- 8. Dismissed The W-1 I application is dismissed after 90 days if it has not been completed correctly.
- 9. Withdrawn The W-1 application is withdrawn per request by the Operator.
- 10. Other A status not covered by the standard codes.
- 11. Work-in-Progress The permits available through the Public Query in this status represent "Mailed In" permits only. Electronically filed permits are only available to the Operators that are submitting them.

The current status of the permit application is displayed in the header area at the top of each page.



2.0 DRILLING PERMIT FILING PROCEDURES

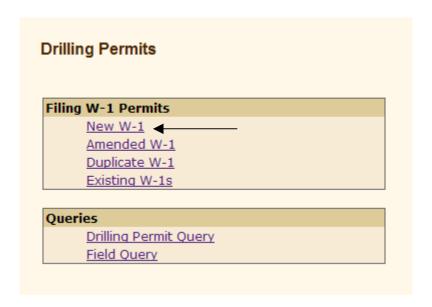
Filing procedures vary depending on the purpose of filing. There are five purposes of filing:

- 1. New drill Drilling a new wellbore.
- 2. Recompletion Working over an existing wellbore to complete in a different field/reservoir.
- 3. Re-entry Going back into a wellbore that has been plugged to the surface.
- 4. Reclassification Changing an existing well originally permitted only as injection/disposal or other service well to an oil or gas producing well or changing an existing well in the Panhandle East or West fields from oil to gas or gas to oil production.
- 5. Field Transfer Transfer a well from one field to another. **Note:** This cannot be done as an amended permit after all the completion papers are in. In order to change completion papers after validation, you must apply by letter to Technical Permitting for a Field Transfer. You must show that the well is not in the correct field. Once Technical Permitting approves the field transfer, you must file a new W-1 with Field Transfer selected as the Purpose of Filing, file a G-2/W-2 noting the field change, and file a P-4 reflecting the change.

2.1 Filing for a New Drilling Permit (New Drill)

To file a new drilling permit:

1. Select New W-1 from the Drilling Permits Main Menu.



The system displays the W-1: General Information page.

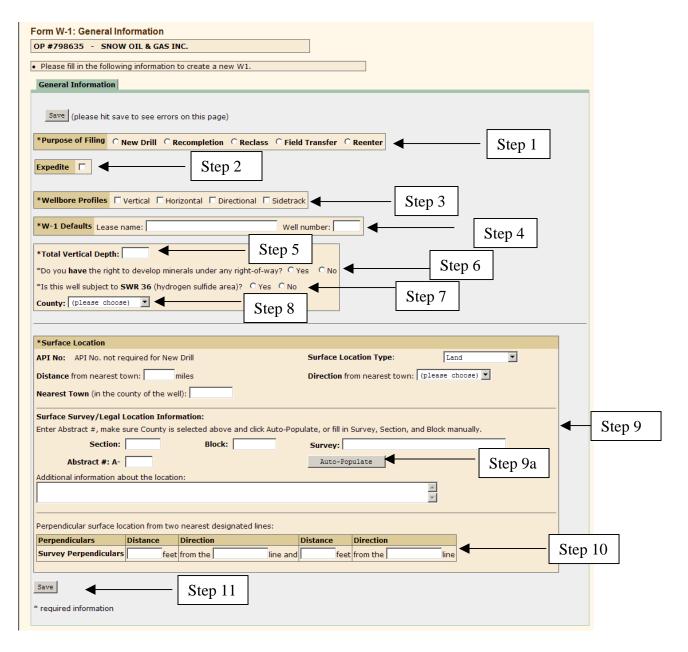
2.1.1 W-1: General Information Page

Completing the General Information page is the first stage in creating a new W-1. The General Information page includes information about the lease and location. The data entered on this page provides some general information about the proposed wellbore. The minimum information required to start a permit application is:

- Purpose of Filing
- Wellbore Profile
- Lease Name
- Well Number
- Total Vertical Depth

When these five items are entered and **Saved**, the system creates a "Work in Progress" shell that can be located from the Existing W-1s link on the Main Drilling Permit Menu page. This allows an Operator to leave and return later to complete the work on the permit application.

All the location information requested on this page pertains to the SURFACE location of the wellbore. If the wellbore is directionally or horizontally drilled, location information pertaining to any bottomhole(s) and/or lateral(s) is requested on the Field Details page. Information from this page affects the wellbore profile options that display on the Field Details page.



The header information at the top of the page reflects the Name and Number of the logged in Operator.

Step 1. Select Purpose of Filing.

- Select New Drill when you are drilling a new wellbore.
- Select Recompletion when you are working over an existing wellbore to complete in a different field/reservoir.
- Select Reclass to change an existing well originally permitted only as injection/disposal or other service well to an oil or gas producing well

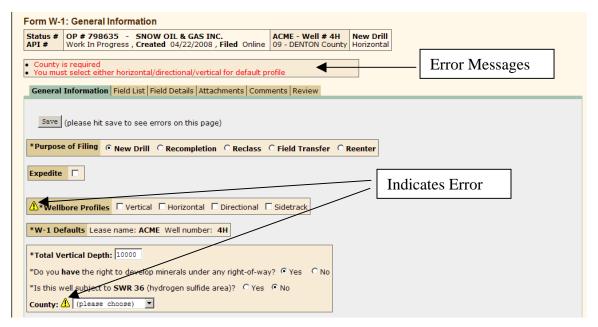
- or changing an existing well in the Panhandle East or West fields from oil to gas or gas to oil production.
- Select Field Transfer when a well is being transferred from one Operator to another.
- Select Re-entry when you are going back into a wellbore that has been plugged to the surface.
- **Step 2.** Select Expedite if you want the permit application process expedited. (Additional fees apply.)
- **Step 3.** Select the Wellbore Profile associated with the wellbore (vertical, horizontal, directional, or sidetrack).
- **Step 4.** In the W-1 Defaults section, enter the Lease Name and the Well Number. (For a new drill, the well number is the next number available for wells on the lease.)
- **Step 5.** Enter the depth to which the well is to be drilled.
- **Step 6.** If you have the right to develop minerals under any right-of-way, select Yes. If not, select No.
- **Step 7.** If the lease is subject to SWR 36, select Yes. Otherwise, select No.
- **Step 8.** Select the county in which the well is located.

Steps 1-5 are required before you can save a permit application. Once those are entered, you can click the **Save** button. The system creates a replica of the W-1 form, filled in with the data you have entered to this point. Each time you save, this form replica is updated to reflect all date entered to that point. To view this form, click the View Current W-1 link on the Review page.

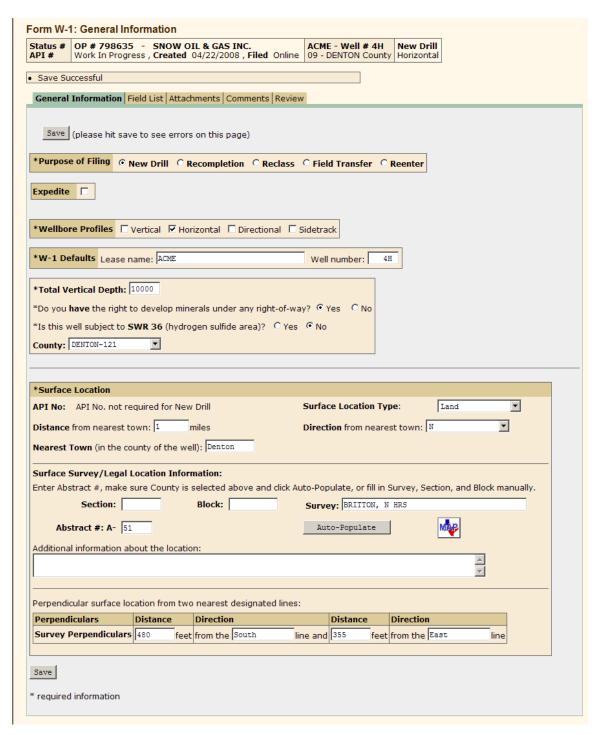
Step 9. In the Surface Location section, complete the following:

- If purpose of filing is anything but New Drill, you must enter an API Number.
- Select Surface Location Type from the dropdown (Bay/Estuary, Inland Waterway, Land, or Offshore).
- Enter the distance from the nearest town (in miles). (If the well site is in the city limits, enter 0.)
- Select the direction from the nearest town from the dropdown.
- Enter the name of the nearest town to the well in the county.

- Enter Surface Survey/Legal Location Information. You can do this
 manually by entering the Section, Block, and Survey names. Then
 enter any other information (for instance, subdivision, lot or tract)
 about the location in the 'Additional information about the location'
 field.
- You can also click the Map icon to use the RRC Geographic Information System (GIS) to help you can find well information for existing permits.
- Enter the perpendicular distances from the two nearest non-parallel survey/section lines to the proposed surface location of the well. Enter this in feet up to 2 decimal places. Then enter the direction (N, S, E, W, etc.) the lines lay from the surface location of the well.
- Step 9a. Auto-Populate If you know the abstract number and county of the well site, you can use the Commission's GIS system to auto-populate the remaining legal location information. Select a County, enter the abstract number, and then click the Auto-Populate button. The Survey, Section, and Block information related to that abstract are displayed. (Note: Survey is a required field). (Note: If you believe any of this information is incorrect, you can change it as you wish. Upon receipt of the permit application, the Commission Mapping staff researches the discrepancy and provides you with the correct information.)
- **Step 10.** Enter the perpendicular surface locations (distance in feet) from the two nearest designated lines (north, south, east, west).
- **Step 11.** Click the **Save** button to save the General Information you just entered. The system saves the data and redisplays the page. If data is missing or incorrect, error messages are displayed at the top. Also, a yellow warning triangle appears next to items on the page means have missing or invalid information. (See <u>Section 1.4.5 Messages</u> for further information.) You cannot submit the final permit application with errors.



Once the Save is successful, the system displays the General Information page populated with the data and with four new tabs at the top. Information supplied on the page is added to the header information at the top.



Note: You can save at any point as long as you have entered the required items needed to start and application:

- Purpose of filing
- Wellbore profile
- Lease name

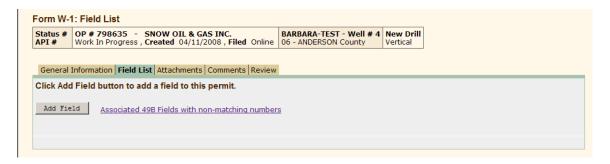
- Well number
- Total vertical depth

If you start a drilling permit application and save it after each page (or tab), you can locate that permit application from the main Drilling Permits page by clicking the Existing W-1s link. (See Section 2.5.)

To continue with the filing, click on the Field List tab.

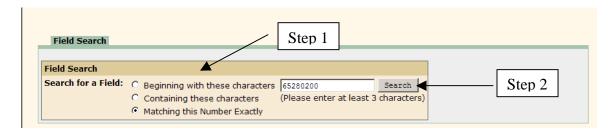
2.1.2 Field List Page

To add Fields to the permit application, first select the Field List tab from the top of the General Information page. The system displays an **Add Field** button.



"The Associated 49B Fields with non-matching numbers" link accesses a list of fields that produce both oil and gas. Normally these fields have the same number for oil and gas. However, the fields in the list are fields that produce oil and gas and have one field number for oil and a different number for gas. Refer to this list when trying to locate this type of field.

Click the **Add Field** button and the system displays the Field Search page.

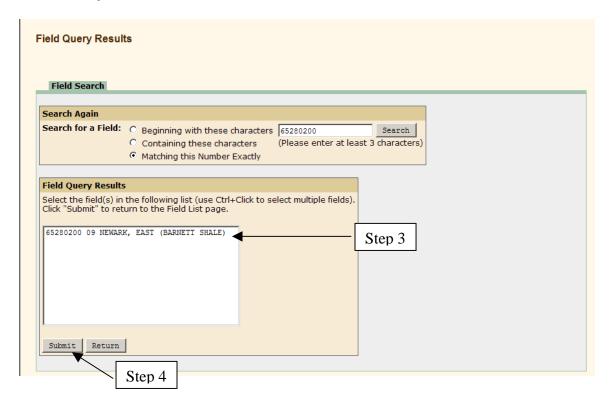


To find fields:

Step 1. Specify one of the following types of selection criteria to use:

- Names beginning with searches the first few letters of the field name for the letters you specify. Enter a minimum of 3 characters. Example: to find the Carthage field enter CAR and click Search.
- Names containing this is a wildcard search. Type in whatever letters you wish to match in the query. For example, to find all fields with a reservoir of Austin chalk, enter Austin and click Search.
- Field number matching enter the 8-digit RRC field number and click Search.

Step 2. Click the **Search** button. The system displays a list of all fields that match your search criteria.



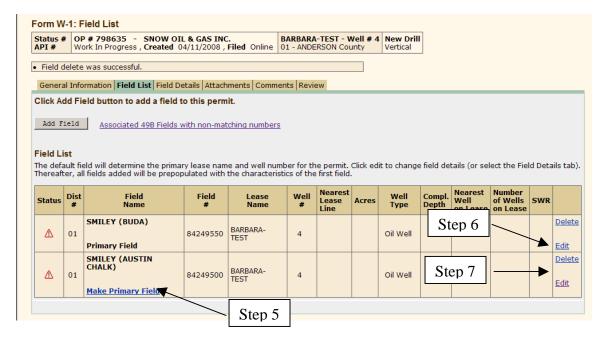
- **Step 3.** Select the appropriate field and click **Submit**. To select multiple entries from the list, select the first one and then hold down the CTRL button on your keyboard while selecting additional fields. If the field you are searching for is not in the list, you can search again from the top of the page.
- **Step 4.** When you click **Submit**, the system returns you to the Field List page with that field appearing in the Field List table.

Note: After you add a field in the Field List page, you can click the Edit link next to that field to go to the Field Details page and enter the wellbore profile information. If you do this, any fields added on the Field List page are populated with the wellbore information from that first field entered (the

default field). You can then edit the necessary items rather than completely entering all the information again. (See <u>Section 2.1.3</u> for instructions on how to enter/edit Field Details.)

You can also add all the fields first then add all the details.

Repeat the steps 1-4 above for each field you wish to add.



- **Step 5.** The first field added is automatically designated by the system as the primary field. If the field list contains two or more fields, you can change the primary field designation by clicking the Make Primary Field link that is in the Field Name column for any field that is not the primary field.
- **Step 6.** If you need to delete a field from the Field List, click the Delete link corresponding to that field. It is located in the last column of the table. **Note:** You cannot delete the primary field and if you have an attachment associated with a field, you must delete the attachment before you can delete the field.
- **Step 7.** To add or edit Field Details, click the Edit link corresponding to that field (located in the last column). This accesses the Field Detail page. For instructions on entering and editing field details, see the following section.

The next part of the permitting process is to enter or edit Field Details using the Field Details page.

2.1.3 Field Details

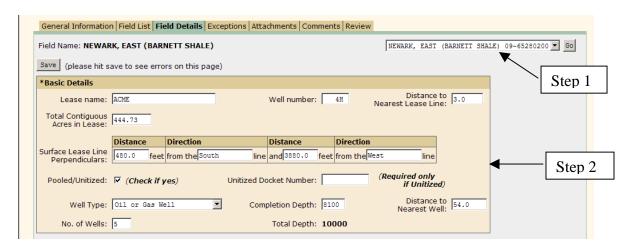
This page is used to add or edit details about the field that were not included in the first two pages (General Information and Field List). This provides the capability to perform the following tasks:

- Enter missing Basic Details or edit existing Basic Details.
- Enter the Wellbore Profile or edit the information.
- Add requests for exceptions to the statewide rules that apply to field.

Step 7 in the previous section explains how to access the Field Details page from the Field List page. Otherwise, click the Field Details tab from any page.

2.1.3.1 Basic Details

The top section of the page allows for the entry or edit of field basic details.



When you select the Field Details tab, the primary field information is displayed. If you clicked the edit link next to a field in the Field List, that field is displayed in the Field Details page.

- **Step 1.** If you want to add details for a field other than the one currently displayed in the page, select another field from the dropdown in the upper right corner, and then click the **Go** button.
- **Step 2.** Enter any Basic Details that have not already been entered through the General Information page.
 - In Lease Name, the name is populated from the General Information page. Change this if necessary.
 - Enter the Well Number if not populated from General Information.
 - In Distance to Nearest Lease Line, enter the distance in feet from the proposed location to the nearest point on the lease line or

pooled unit line. If there is an unleased interest in a tract of the pooled unit that is nearer than the pooled unit line, use the nearest point on that unleased tract boundary. **Note:** If this results in an SWR 37 exception, mark it as an interior lease line 37 exception in the Statewide Rules exception section of the page. (See <u>Section 2.1.3.3</u>.)

- In Total Acres in Lease, enter the total contiguous acreage in the lease. If pooled, this should be total acreage in pooled lease.
- In Surface Lease Line Perpendiculars, enter the distance (in feet and up to 2 decimals) from two of the nearest non-parallel lease lines to the proposed location.
- In Pooled/Unitized, check if the lease is composed of several tracts that are pooled together to make up the lease. If checked, attach a scanned image of a completed P-12 (Pooling Authority form), or enter the docket number of the approved unitization hearing.
- In Well Type, select one option from the drop-down menu as you list each field.

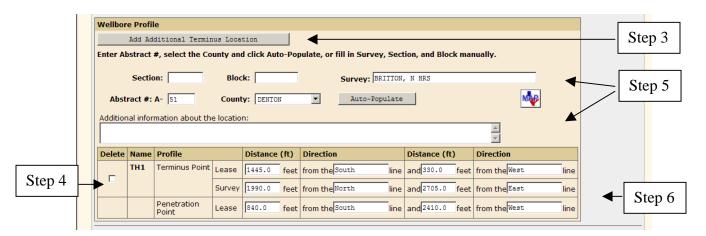
Note: You may not see all well types available for a given field. For instance, a field classified only as a gas zone cannot have a proposed oil well permitted. You must apply for a permit for a gas completion (meeting the current gas rules). If, once the well is completed, the type well requires that the field be made associated, then the next well permitted can be permitted as oil, gas or both. Also, some service wells are not permitted in Wildcat fields. Only the type of well that may possibly be permitted in the given field appears in the drop-down box.

- In Completion Depth, enter the proposed completion depth. It cannot be deeper than the proposed total depth entered on the General Information page.
- In Distance to Nearest Well, enter the distance to the nearest oil or gas well applied for, permitted, or completed well on this lease in the same field and reservoir.
- In No. of Wells, enter the total combined number of oil and gas wells only (include applied for, permitted, and completed oil and gas wells); do not include injection, disposal or other types of service wells.
- Total Depth is populated from the General Information page.

2.1.3.2 Wellbore Profile

On the Field Details page, in the Wellbore Profile section, there is an area for specifying one profile. This is based on the proposed wellbore profile entered on the General Information page.

Note: If a proposed 'vertical' wellbore profile was selected, there is no Wellbore Profile section on the Field Details page. Skip to Step 7.



Step 3. If the well requires more than one terminus location be defined, click the **Add Additional Terminus Location** button. The system adds another Wellbore Profile section to the page. The name is the same as the first profile, sequentially numbered. For example, if the first profile was named TH1, the second profile is TH2, the third is TH3, and so on. The new wellbore section is populated with the information from the first profile (if it has been entered). Change any information as necessary.

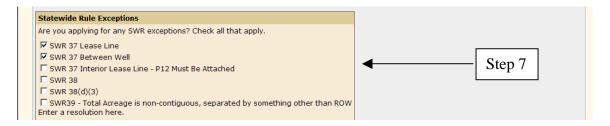
Note: The Basic Details section must be completed before another terminus location can be added.

- **Step 4.** To remove a terminus location from the page, click the checkbox in the Delete column of the Wellbore Profile and then click the **Save** button.
- **Step 5.** For a Directional or Horizontal wellbore profile, the LEGAL LOCATION information that displays here applies to the bottomhole location perpendiculars and has been populated with information entered on the General Information page. Change any of the information as needed to describe the location of the actual bottomhole. See Section 2.1.1, Step 6 for instructions on entering surface location information.
- **Step 6.** Enter the TERMINUS SURVEY LINE PERPENDICULARS and the TERMINUS LEASE LINE PERPENDICULARS distances and directions.

Then enter the PENETRATION POINT LEASE LINE PERPENDICULARS distances and directions.

2.1.3.3 Statewide Rules

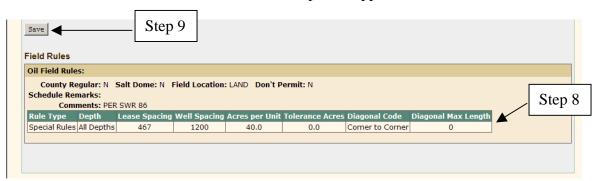
This section of the Field Details page is used to mark any statewide rule exceptions that apply.



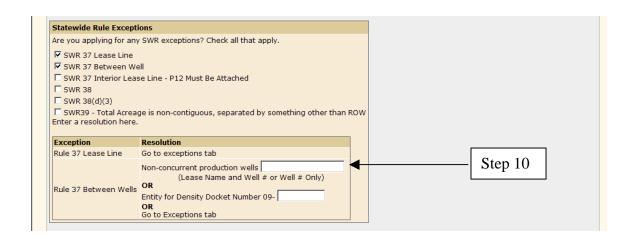
Step 7. In the Statewide Rule Exceptions section, check any that apply. The system determines if SWR 37 or SWR 38 exceptions exist regardless of whether the box is checked manually. **Note:** If the system finds a SWR exception, that box is automatically checked. See Section 2.1.4 Exceptions Page for details regarding exceptions.)

In this example, the system has determined that there are two exceptions. The first is the exception to the minimum lease-line spacing requirement. In this case, the applicant must file a list of the mailing addresses (a service list) of all affected persons, whose tracts are closer to the well than the greater of one-half of the prescribed minimum between-well spacing distance or the minimum lease-line spacing distance. The service list must be attached to the permit application.

The second exception is to the minimum between-well spacing requirement of this section. The applicant is required to file the mailing addresses (service list) of those persons who own each adjacent tract and each tract nearer to the well than the greater of one-half the prescribed minimum between-well spacing distance or the minimum lease-line spacing. The service list must be attached to the permit application.

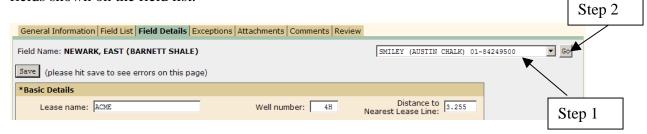


- **Step 8.** Refer to the Field Rules at the bottom of the page.
- **Step 9.** Click the **Save** button on the Field Details page.
 - Check the message area for any error or information messages that may require your attention.
 - If you have Statewide Rule exceptions, the Statewide Rule Exceptions box expands with a place to specify resolutions.



Step 10. Either specify resolutions here or go to the Exceptions page and do it from there. (See Section 2.1.4.)

After the details for the first field have been entered, continue as above for any other fields shown on the field list.



- **Step 1.** Select the desired field name in the drop-down list at the top of the Field Detail page.
- **Step 2.** Click the **Go** button. The system displays the selected field on the page.

When the Field Details page has been completed and saved successfully, click the Exceptions tab to apply for any exceptions required. If there are no exceptions, click the Attachments tab to add attachments for that permit application.

2.1.4 Exceptions Page

If after completing the Field Details page, the system determines there are exceptions, an Exceptions tab is added at the top.



If there are no exceptions to resolve, there is no Exceptions tab.



A Statewide Rule exception can be denoted in two ways:

- The permitting application compares the spacing and density pattern from the data entered to the field rules in effect and determines if the location is regular for the specific field.
- You can click on one or more of the check boxes shown in the Statewide Rule list. In some cases the program cannot calculate the exception, i.e., a SWR 37 Interior Lease Line exception or a SWR 39. And, in a few cases, the field is governed by spacing and density requirements that do not fit into the general format. These are referred to as "manual review fields."

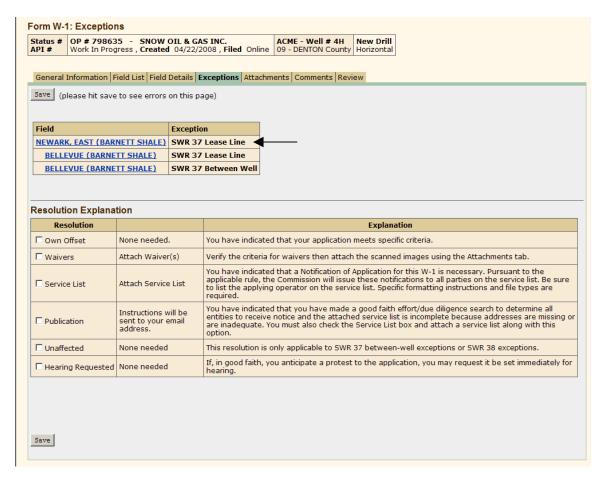
Most of the time the program will flag any exceptions. In those cases where this is not possible by comparing the data entered with the field rules, you are responsible for checking the appropriate SWR box. If you know you have an exception that was not caught by calculation, check the appropriate SWR box.

If you do not have any exceptions, the system will not display the Exceptions tab with the other tabs.

Rule exceptions are:

- SWR 37 Lease Line exception
- SWR 37 Between Well exception
- SWR 37 Interior Lease Line exception
- SWR 38 exception
- SWR 38(d)(3) exception
- SWR 39 exception

The image below shows the exceptions as displayed on the Field Details page. The Resolutions column gives instructions on how to resolve each exception either on the Field Details page or the Exceptions page. If you did not resolve the exceptions on the Field Details page, click the Exceptions tab to access the Exceptions page.



The following sections explain how to apply for exceptions:

2.1.4.1 SWR 37 Lease Line Exception

Statewide Rule Exceptions			
Are you applying for any SWR exceptions? Check all that apply.			
▼ SWR 37 Lease Line ✓			
▼ SWR 37 Lease Line ▼			
№ SWR 37 Between Well			
SWR 37 Interior Lease Line - P12 Must Be Attached			
□ SWR 38			
□ SWR 38(d)(3)			
SWR39 - Total Acreage is non-contiguous, separated by something other than ROW			
Enter a resolution here.			
Enter a resolution here.			
	Pacalution		
Exception	Resolution		
	Resolution Go to exceptions tab		
Exception	Go to exceptions tab		
Exception	Go to exceptions tab Non-concurrent production wells		
Exception Rule 37 Lease Line	Go to exceptions tab		
Exception	OR Co to exceptions tab Non-concurrent production wells (Lease Name and Well # or Well # Only) OR		
Exception Rule 37 Lease Line	On to exceptions tab Non-concurrent production wells (Lease Name and Well # or Well # Only) OR Entity for Density Docket Number 01-		
Exception Rule 37 Lease Line	OR Co to exceptions tab Non-concurrent production wells (Lease Name and Well # or Well # Only) OR		

To apply for a SWR 37 Lease Line exception using the Exceptions page:

- **Step 1.** On the Field Details page, click the box beside SWR 37 Lease Line.
- **Step 2.** Click the **Save** button, then click the Exceptions tab.
- **Step 3.** On the Exceptions page, select one of the following resolution methods from the Resolution Explanation table:
 - Click the **Own Offset** check box if you have indicated that you operate all acreage that touches the total acreage indicated on the W-1 regardless of the field of completion. You have also indicated the foregoing on the attached plat(s) by placing your Operator name as the Operator of record of all the adjacent offsetting tract(s).
 - Click the Waivers check box if you are submitting waivers from the
 designated Operator, all lessees of record and/or all unleased mineral
 interest owners for all acreage that touches the total acreage indicated
 on the W-1 regardless of the field of completion. The attached plat(s)
 must reference all Operators/lessees/unleased interest owners for
 which waivers have been submitted.

- Click the **Service List** check box if you are sending notification to the designated Operator, all lessees of record and/or all unleased mineral interest owners for all acreage that touches the total acreage indicated on the W-1 regardless of the field of completion. The attached plat(s) must reference all Operators/lessees/unleased interest owners for which waivers have been submitted.
- Click the **Publication** check box if you have made a good faith effort to determine all entities to receive notice, but the attached service list is inadequate. You intend to publish an RRC-supplied notice once a week for four consecutive weeks in a newspaper of general circulation in the county of the proposed well site. The normal application period allowed is six weeks. At the end of this publication period you must submit to the RRC a publishers affidavit that records this publication. Mail a hard copy of the affidavit to Railroad Commission of Texas, PO BOX 12967, Austin TX 78701. Or you may e-mail a scanned image of this affidavit to: drillingpermits-info@rrc.state.tx.us. For information on scanning see the Help on the attachments tab. Your permit is NOT granted until the affidavit is received.
- Click the Hearing Requested check box if, in good faith, you anticipate a protest to the application.

Step 4. Click the **Save** button.

2.1.4.2 SWR 37 Between Well Exception

The image below shows the exceptions as displayed on the Field Details page. The Resolutions column gives instructions on how to resolve each exception either on the Field Details page or the Exceptions page. If you did not resolve the exceptions on the Field Details page, click the Exceptions tab to access the Exceptions page.

Chataurida Bula Freesations		
Statewide Rule Exceptions		
Are you applying for any SWR exceptions? Check all that apply.		
▼ SWR 37 Lease Line		
▼ SWR 37 Between Well ◆		
SWR 37 Interior Lease Line - P12 Must Be Attached		
SWR 38		
□ SWR 38(d)(3)		
SWR39 - Total Acreage is non-contiguous, separated by something other than ROW		
Enter a resolution here.	ge is non-condiguous, separated by something other trian NOW	
Lincer a resolution fiere.		
Exception	Resolution	
Rule 37 Lease Line	Go to exceptions tab	
	Non-concurrent production wells	
	(Lease Name and Well # or Well # Only)	
Rule 37 Between Wells	OR	
Itale 37 Between Wells	Entity for Density Docket Number 01-	
	OR	
	Go to Exceptions tab	

To apply for a SWR 37 Between Well exception:

- **Step 1.** On the Field Details page, click the check box beside SWR 37 Between Well.
- **Step 2.** Click the **Save** button, then click the Exceptions tab.
- **Step 3.** On the Exceptions page, select one of the following resolution methods:
 - Click the **Own Offset** check box if you have indicated that you operate all acreage within ½ of the between-well spacing distance for all exception fields applied for regardless of the field of completion, (i.e. your proposed location is 1000 ft to the nearest lease line and you are applying for a permit on 2 fields. Field A requires 1200 ft between wells and Field B requires 2640 ft between wells you must operate all acreage within 1320 ft (1/2 the 2640 ft) of the subject well). You have also indicated the foregoing on the attached plat(s) by placing your Operator name as the Operator of record of the adjacent offset tract(s). You must also file a service list (the mailing addresses of all affected persons).
 - Click the **Waivers** check box if you are submitting waivers from the designated Operator, all lessees of record and/or all unleased mineral interest owners within ½ of the between-well spacing distance for all exception fields applied for regardless of the field of completion, (i.e. your proposed location is 1000 ft to the nearest lease line and you are

applying for a permit on 2 fields. Field A requires 1200 ft between wells and Field B requires 2640 ft between wells - Waivers must be submitted from all entities with acreage within 1320 ft (1/2 the 2640 ft) of the subject well). The attached plat(s) must reference all Operators/lessees/unleased interest owners for which waivers have been submitted. You must also file a service list (the mailing addresses of all affected persons).

- Click the **Service List** check box if you are sending notification to the designated Operator, all lessees of record and/or all unleased mineral interest owners within ½ of the between well spacing distance for all exception fields applied for regardless of the field of completion, (i.e. your proposed location is 1000 ft to the nearest lease line and you are applying for a permit on 2 fields. Field A requires 1200 ft between wells and Field B requires 2640 ft between wells notice must be sent to all entities within 1320 ft (1/2 the 2640 ft) of the subject well). The attached plat(s) must reference all Operators/lessees/ unleased interest owners for which waivers have been submitted.
- Click the **Publication** check box if you have made a good faith effort to determine all entities to receive notice, but the attached service list is inadequate. You intend to publish an RRC-supplied notice once a week for four consecutive weeks in a newspaper of general circulation in the county of the proposed well site. The normal application period allowed is six weeks. At the end of this publication period you must submit to the RRC a publishers affidavit that records this publication. Mail a hard copy of the affidavit to Railroad Commission of Texas, PO BOX 12967, Austin TX 78701. Or you may e-mail a scanned image of this affidavit to: drillingpermits-info@rrc.state.tx.us. For information on scanning see the Help on the attachments tab. Your permit is NOT granted until the affidavit is received.
- Click the **Hearing Requested** check box if, in good faith, you anticipate a protest to the permit application.

Step 4. Click the Save button.

2.1.4.2 SWR 37 Interior Lease Line Exception

The image below shows the exceptions as displayed on the Field Details page. The Resolutions column gives instructions on how to resolve each exception either on the Field Details page or the Exceptions page. If you did not resolve the exceptions on the Field Details page, click the Exceptions tab to access the Exceptions page.

Statewide Rule Exceptions		
Are you applying for any SWR exceptions? Check all that apply.		
✓ SWR 37 Lease Line ✓ SWR 37 Between Well ✓ SWR 37 Interior Lease Line - P12 Must Be Attached ✓ ✓ SWR 38 ✓ SWR 38 ✓ SWR 38(d)(3) ✓ SWR 39 - Total Acreage is non-contiguous, separated by something other than ROW		
Enter a resolution here.		
Exception	Resolution	
Rule 37 Lease Line	Go to exceptions tab	
Rule 37 Between Wells	(Lease Name and Well # or Well # Only) OR Entity for Density Docket Number 01- OR Go to Exceptions tab	
Rule 37 Interior Lease Line	Go to exceptions tab	

To apply for an SWR 37 Interior Lease Line exception:

- **Step 1.** On the Field Details page, check the box beside SWR 37 Interior Lease Line.
- **Step 2.** Click the **Save** button, then click the Exceptions tab.
- **Step 3.** On the Exceptions page, select one of the following resolution methods:
 - Click the **Own Offset** check box if you have indicated that you operate all acreage within ½ of the between well spacing distance for all exception fields applied for regardless of the field of completion, (i.e. your proposed location is 1000 ft to the nearest lease line and you are applying for a permit on 2 fields. Field A requires 1200 ft between wells and Field B requires 2640 ft between wells you must operate all acreage within 1320 ft (1/2 the 2640 ft) of the subject well). The Form P-12 shows that you have the acreage under lease but do not have pooling authority for the subject tract.
 - Click the **Waivers** check box if you are submitting waivers from all unleased mineral interest owners within ½ of the between well spacing distance for all exception fields applied for regardless of the field of completion, (i.e. your proposed location is 1000 ft to the nearest lease line and you are applying for a permit on 2 fields. Field A requires

1200 ft between wells and Field B requires 2640 ft between wells - Waivers must be submitted from all entities with acreage within 1320 ft (1/2 the 2640 ft) of the subject well). The Form P-12 shows that you have acreage unleased within a SWR 37 distance of your proposed location within your proposed unit.

- Click the **Service List** check box if you are sending notification to all unleased mineral interest owners within ½ of the between well spacing distance for all exception fields applied for regardless of the field of completion, (i.e. your proposed location is 1000 ft to the nearest lease line and you are applying for a permit on 2 fields. Field A requires 1200 ft between wells and Field B requires 2640 ft between wells notice must be sent to all entities within 1320 ft (1/2 the 2640 ft) of the subject well). The Form P-12 shows that you have acreage unleased within a SWR 37 distance of your proposed location within your proposed unit.
- Click the Publication check box if you have made a good faith effort to determine all entities to receive notice, but the attached service list is inadequate. You intend to publish an RRC-supplied notice once a week for four consecutive weeks in a newspaper of general circulation in the county of the proposed well site. The normal application period allowed is six weeks. At the end of this publication period you must submit to the RRC a publishers affidavit that records this publication. Mail a hard copy of the affidavit to Railroad Commission of Texas, PO BOX 12967, Austin TX 78701. Or you may e-mail a scanned image of this affidavit to: drillingpermits-info@rrc.state.tx.us. For information on scanning see the Help on the attachments tab. Your permit is NOT granted until the affidavit is received.
- Click the **Hearing Requested** check box if, in good faith, you anticipate a protest to the application.

Step 4. Click the **Save** button.

2.1.4.3 SWR 38 Exception

The image below shows the exceptions as displayed on the Field Details page. The Resolutions column gives instructions on how to resolve each exception either on the Field Details page or the Exceptions page. If you did not resolve the exceptions on the Field Details page, click the Exceptions tab to access the Exceptions page.



To apply for a SWR 38 exception:

- **Step 1.** On the Field Details page, check the box beside SWR 38.
- **Step 2.** Click the **Save** button, then click the Exceptions tab.
- **Step 3.** On the Exceptions page, select one of the following resolution methods:
 - Click the **Own Offset** check box if you have indicated that you operate all acreage that touches the total acreage indicated on the W-1 regardless of the field of completion. You have also indicated the foregoing on the attached plat(s) by placing your Operator name as the Operator of record of all the adjacent offsetting tract(s). Pursuant to SWR 38 attach evidence supporting your request. See SWR 38 for specific evidence requirements.
 - Click the Waivers check box if you are submitting waivers from the designated Operator, all lessees of record and/or all unleased mineral interest owners for all acreage that touches the total acreage indicated

on the W-1 regardless of the field of completion. The attached plat(s) must reference all Operators/lessees/unleased interest owners for which waivers have been submitted. Pursuant to SWR 38 attach evidence supporting your request. See SWR 38 for specific evidence requirements.

- Click the Service List check box if you are sending notification to the
 designated Operator, all lessees of record and/or all unleased mineral
 interest owners for all acreage that touches the total acreage indicated
 on the W-1 regardless of the field of completion. The attached plat(s)
 must reference all Operators/lessees/unleased interest owners for
 which waivers have been submitted. Pursuant to SWR 38 attach
 evidence supporting your request. See SWR 38 for specific evidence
 requirements.
- Click the Publication check box if you have made a good faith effort to determine all entities to receive notice, but the attached service list is inadequate. You intend to publish an RRC-supplied notice once a week for four consecutive weeks in a newspaper of general circulation in the county of the proposed well site. The normal application period allowed is six weeks. At the end of this publication period you must submit to the RRC a publishers affidavit that records this publication. Mail a hard copy of the affidavit to Railroad Commission of Texas, PO BOX 12967, Austin TX 78701. Or you may e-mail a scanned image of this affidavit to: drillingpermits-info@rrc.state.tx.us. For information on scanning see the Help on the attachments tab. Your permit is NOT granted until the affidavit is received.
- If the well site tract does not meet this distance requirement, supporting engineering data can be submitted. Contact the Drilling Permits Unit at 512-463-6751 for more details as to what data is acceptable.
- Click **Hearing Requested**, if in good faith, you anticipate a protest to the permit application.

Step 4. Click the **Save** button.

2.1.4.5 SWR 38(d)(3) Exception

The image below shows the exceptions as displayed on the Field Details page. The Resolutions column gives instructions on how to resolve each exception either on the Field Details page or the Exceptions page. If you did not resolve the exceptions on the Field Details page, click the Exceptions tab to access the Exceptions page.



To apply for a SWR 38 (d)(3) exception:

- **Step 1.** On the Field Details page, click the check box beside SWR(d)(3).
- **Step 2.** Click the **Save** button, then click the Exceptions tab.
- **Step 3.** On the Exceptions page, select one of the following resolution methods:
 - Click the Waivers check box if you are submitting waivers from the
 mineral interest owners being removed from the unit and Operators,
 lessees of record and/or all unleased mineral interest owners for all
 acreage that touches the total acreage indicated on the W-1 regardless
 of the field of completion.
 - Click the **Service List** check box if you are sending notification to all mineral interest owners being removed from the unit and Operators, lessees of record and/or all unleased mineral interest owners for all acreage that touches the total acreage indicated on the W-1 regardless of the field of completion.
 - Click the Publication check box if you have made a good faith effort to determine all entities to receive notice, but the attached service list is inadequate. You intend to publish an RRC-supplied notice once a week for four consecutive weeks in a newspaper of general circulation in the county of the proposed well site. The normal application period allowed is six weeks. At the end of this publication period you must submit to the RRC a publishers affidavit that records this publication.

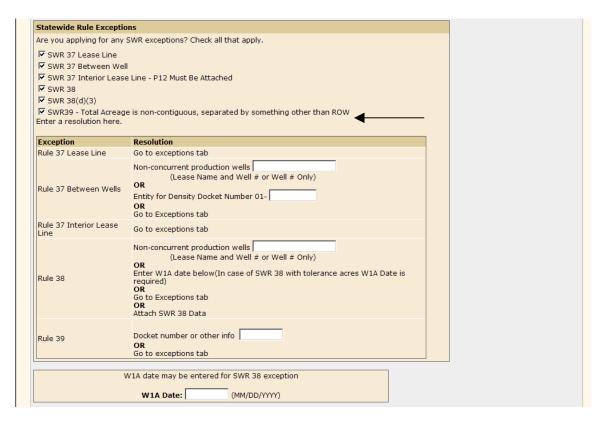
Mail a hard copy of the affidavit to Railroad Commission of Texas, PO BOX 12967, Austin TX 78701. Or you may e-mail a scanned image of this affidavit to: drillingpermits-info@rrc.state.tx.us. For information on scanning see the Help on the attachments tab. Your permit is NOT granted until the affidavit is received.

 Click the Hearing Requested check box if, in good faith, you anticipate a protest to the permit application.

Step 4. Click the **Save** button.

2.1.4.6 SWR 39 Exception

The image below shows the exceptions as displayed on the Field Details page. The Resolutions column gives instructions on how to resolve each exception either on the Field Details page or the Exceptions page. If you did not resolve the exceptions on the Field Details page, click the Exceptions tab to access the Exceptions page.



To apply for a SWR 39 exception:

- **Step 1.** On the Field Details page, click the check box beside SWR 39.
- **Step 2.** Click the Save button.

- **Step 3.** The Field Details page remains displayed, with an additional Resolution area inside the Statewide Rule Exceptions box.
- **Step 4.** If a SWR 39 exception has been previously granted for this lease, enter the Docket Number or memo date granting the exception and click the **Save** button.

2.1.5 Attachments Page

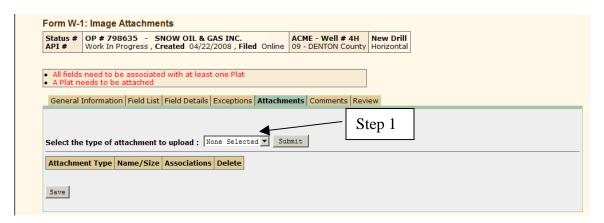
Plats may be scanned for online filing. They can be letter (8 $\frac{1}{2}$ by 11), legal (8 $\frac{1}{2}$ by 14), and ledger (11 by 17) size. For plats of a larger size, contact the Drilling Permits Section at 512-463-6751.

ALL ATTACHMENTS MUST BE CAPTURED IN A .TIF FORMAT, except for the Service List. The service list must be a .CSV file (Microsoft Access Comma Separated Values).

Scanned images of Form P-12, Pooling Authority, may be either one image of multiple pages (possible if using a multi-page scanner), or consist of several separate image files.

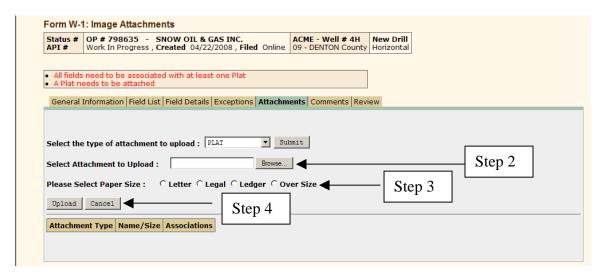
All scanned images should be scanned on a flatbed scanner with a resolution sufficient to ensure that all the text on the plat is readable in the image (200 or 300 dpi is usually fine). Be certain the plat is correctly aligned to be flush with corners. A 24-bit size is the minimum acceptable. Files greater than 4MB in size are not accepted.

Select the Attachments tab. If there are currently no attachments associated with the permit, the Attachments page contains no information.



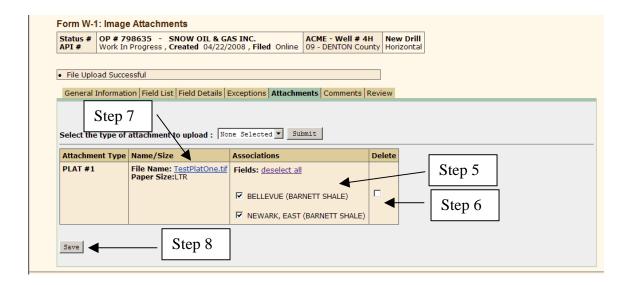
The message area at the top of the page lists what attachments are required for a complete permit application.

Step 1. Select the type of attachment you are uploading (log, plat, P-12, SWR 38 data, service list, W-1A, or other) and click the **Submit** button. The system redisplays the page with a Select Attachment to Upload data field.



Step 2. Locate the file to be uploaded:

- Either enter a complete path and file name in the text box, or
- Click the **Browse** button and in the Choose File dialog box, navigate to and select the file, and click the **Open** button.
- **Step 3.** If the attachment is a plat, select the paper size. Plats can be letter (8 ½ by 11), legal (8 ½ by 14), and ledger (11 by 17) size. For plats of a larger size, contact the Drilling Permits Section at 512-463-6751.
- **Step 4.** Click the **Upload** button. The attachment is displayed in the attachments table and is initially associated with all of the fields. (Click the **Cancel** button to cancel the attachment action.

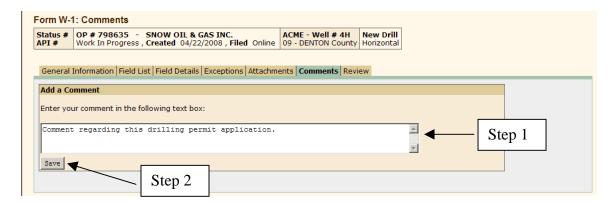


- **Step 5.** All fields must be associated with at least one plat and, conversely, all plats must be associated with a field. When a plat is uploaded, it is initially associated with all of the fields. Click the checkbox to remove the association from any field.
- **Step 6.** You can remove any of the attachments from the permit application by clicking the checkbox in the Delete column next to the attachment. **Note:** If there is a field you want to delete from the permit application, you have to delete any attachments associated with it first.
- Step 7. You can view an attachment at any time by clicking on the file name link.
- **Step 8.** After all attachments are uploaded or deleted and plats are associated with the correct field, click the **Save** button.

Next, go to the Comments page to enter remarks.

2.1.6 Comments Page

The Comments page provides a place to enter any remarks that would assist in the approval process. You can have only one comment. The text that appears in the Comment box accompanies the W-1 when it is submitted. Click the Comments tab.



- **Step 1.** Click inside the Comments text box and enter your remarks.
- **Step 2.** Click the **Save** button. The system returns the Comments page with the comment displayed at the top of the page, under the heading. The system displays the comment at the top of every permit application page.



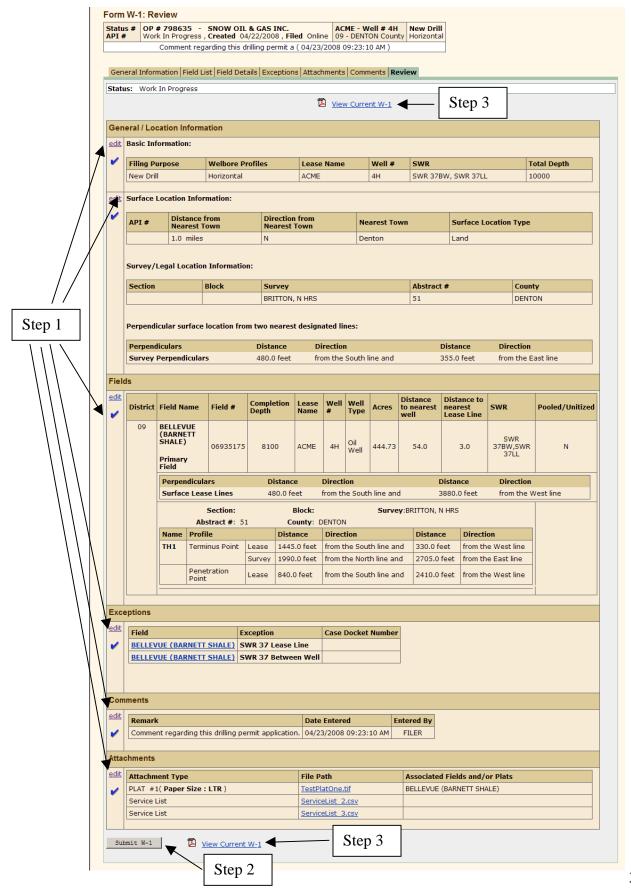
Next, go to the Review page to review all in data entered for the permit.

2.1.7 Review Page

Select the Review tab. This page is a compilation of all the data entered on the permit:

- The left column shows the validation status of a specific set of information such as the general/location information, attachments, or exceptions. Also provided in this column is an edit link, for quick access to the specific area. The validation status is displayed as either a red triangle that the area has not passed validation or a check mark indicating the area has passed validation. Until all areas show a check mark, the permit cannot be submitted.
- The right column displays the actual data entered. Editing is not allowed from the Review page. While the permit has a status of work in progress, each section of

the Review page has an Edit link that when clicked, takes you to the Field Details page for that section.



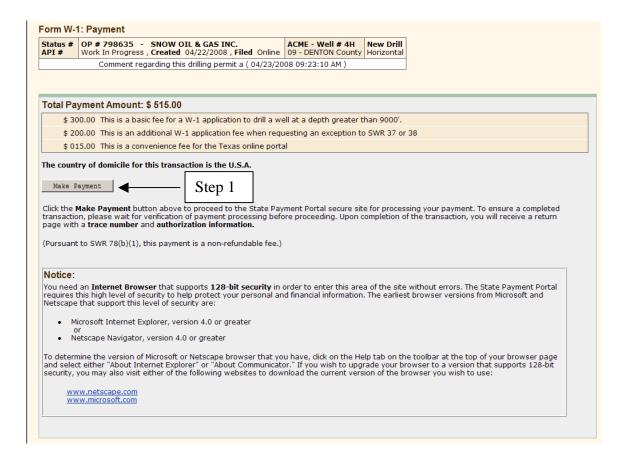
- **Step 1.** Details can only be edited on the pages from which they were entered. If a section of the Review page shows the problem flag, click the Edit link to go the particular editable page.
- **Step 2.** After all problems have been resolved and each area on the Review page shows a checkmark, click the **Submit W-1** button. The permit application is submitted.

Note: You can click on the View Current W-1 link that the system created and use the W-1 replica to review your online data closely to ensure that all information is correct.

After clicking the **Submit W-1** button, the system displays the Payment page.

2.1.8 Payment

When the W-1 is error-free and submitted, the system displays the Payments page.



The Total Payment Amount is indicated, along with an itemized breakdown of the fees. The drilling depth determines the permitting fee. There can be additional fees for exceptions to statewide rules, and there is a payment portal convenience fee.

- **Step 1.** Click the **Make Payment** button to proceed to the Texas Online Payment Portal secure site for processing your payment. Read the browser requirements to make sure you are using a browser that supports the level of security in the Payment Portal.
- **Step 2.** Complete the Texas Online Payment Portal pages with your credit card (the RRC accepts Visa, MasterCard, American Express, and Discover) information or e-check information and click the **Submit** button.
- **Step 3.** On the Payment Processed page, the system displays a success message in the message area indicating that the payment processed successfully along with an Authorization Number, a Trace Number, and the total amount paid. If you supplied an email address when you registered to file online, a statement displays that an email was sent to that address, which contained the trace and authorization numbers.

At this point the W-1 is submitted to the Commission and assigned a status number. This status number is also the permit number. You can track the approval process of your permit using the Permit Query. (See Section 3.1.)

Note to Third Party Filers: All Permits must be paid for at time of submission using either E-Check or Credit Card.

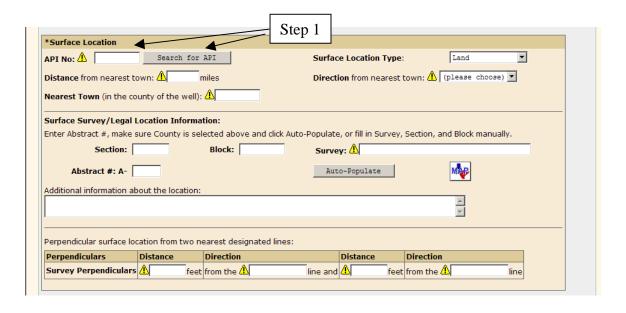
2.2 Filing (Recompletion, Reclass, Field Transfer, or Re-enter)

When using the Drilling Permits system to file a W-1, the only difference in filing for a recompletion, reclass, field transfer, or re-enter drilling versus a new drill permit is that an API number is required on the General Information page.

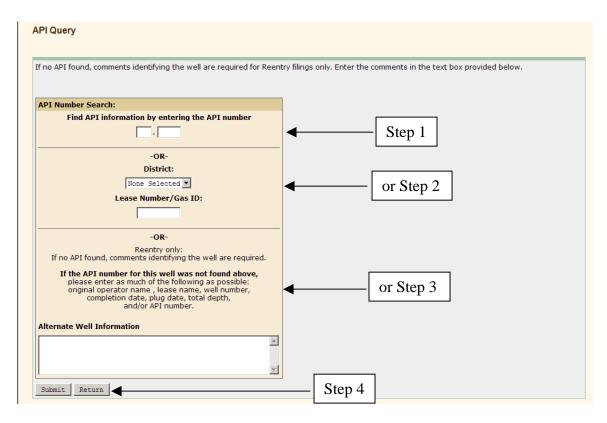
(**Note:** There may be differences as far paperwork/attachments required for each purpose of filing, for instance, for a Field Transfer. In order to change completion papers after validation, you must apply by letter to Technical Permitting for a Field Transfer. You must show that the well is not in the correct field. Once Technical Permitting approves the field transfer, you must file a new W-1 with Field Transfer selected as the Purpose of Filing, file a G-2/W-2 noting the field change, and file a P-4 reflecting the change.)

Step 1. Either:

- In the API No. field, enter the valid API number, or
- If you do not know the API number, click the Search for API button. The system displays the API Query page.

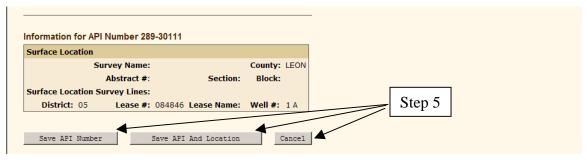


The API Query page provides a search by API number or by district and lease number. To Search for an API number:



Step 1. If you know the API number, enter it.

- **Step 2.** Or if you do not know the API number, select the District for the well and enter the lease number/gas ID number.
- **Step 3.** If the well is a reentry, and no API was found, you must enter comments identifying the well in the Alternate Well Information field. This information can be original Operator name, lease name, well number, completion date, plug date, total depth, and/or API number.
- **Step 4.** Click the **Submit** button. The system either finds the API number or it verifies the API number you entered and displays the surface location type, survey, block, and abstract number of the well site at the bottom of the page. (Use the **Return** button to return to the General Information page without searching for an API number.)



Step 5. This step returns you to the General Information page in one of three ways:

- Click the **Save API Number** button. The system populates the API number in that section on the General Information page.
- Click the Save API and Location button. The system populates all of the surface location information in that section on the General Information page.
- Click the **Cancel** button. The system clears the API search page.

2.3 Amended W-1

There are many reasons why an existing permit may require amending. Minor changes such Operator Name change well number change, lease name change can be done as an amended permit, or these changes can wait until time of completion. The main reasons for filing and amended permit are:

- Well location change.
- To add fields.
- To change well depth.
- To make the well into a pooled unit or change it from a pooled unit to a standalone.

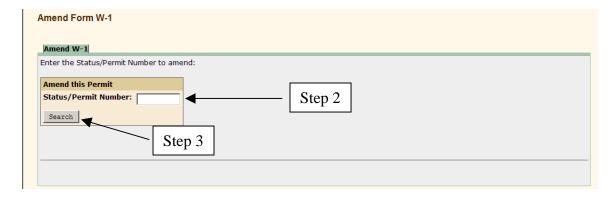
• RRC Engineering department requests it for reasons such as when a directional well runs too close to a lease line.

If you are not sure of the permit number of the permit to be amended, use the permit query to find it. Be sure that amending an existing permit is the correct action to take. If the well has been completed under another permit, a Recompletion permit is the correct filing. To file a recompletion permit, use the New W-1 option, selecting Recompletion for the purpose of filing.

You must upload new attachments for the amended permit and new fees apply to the amended filing.

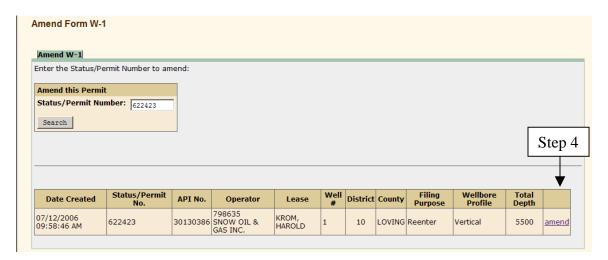


Step 1. Select the Amend W-1 option from the Drilling Permits Main Menu. The system displays the Amend Form W-1 page.



Step 2. Enter the Status/Permit number to amend.

Step 3. Click the **Submit** button. The system redisplays the page showing identifying information for the permit number that was entered.

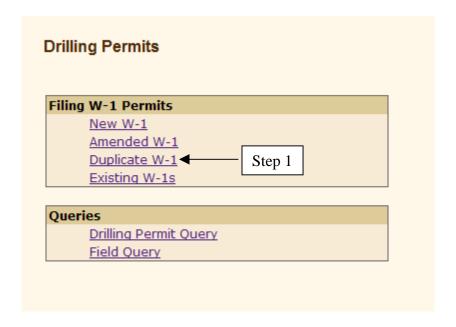


Step 4. Click the Amend link. The system displays the General Information page of the permit.

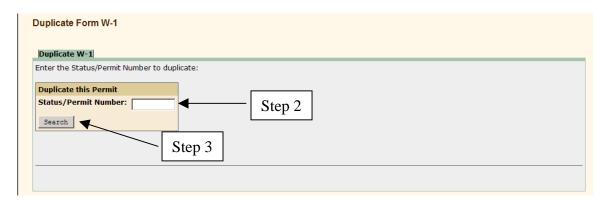
Step 5. Enter or edit the data as described in the previous sections.

2.4 Duplicate W-1

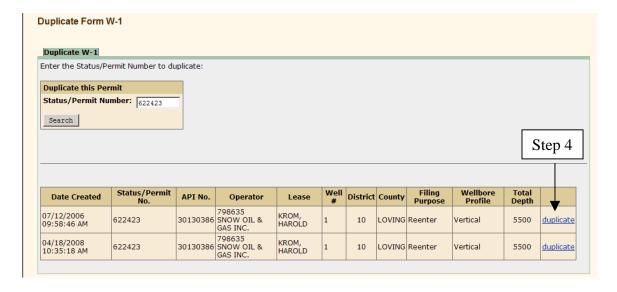
You can use an existing submitted permit as a starting point (or template) to file a new W-1. This feature is intended as a timesaving convenience to begin a new W-1 application that is a mirror image (or "duplicate" copy) of the significant data from an older W-1 application. This proves useful in large multi-well leases/units and in drilling areas where only minor differences (such as depth and surface location) exist between the two applications. Simply change the data that is unique to the current filing. Attachments from the original filing are not duplicated or attached.



Step 1. Select the Duplicate W-1 option from the Drilling Permits Main Menu. The system displays the Amend Form W-1 page.



- **Step 2.** Enter the Status/Permit number to be duplicated.
- **Step 3.** Click the **Submit** button. The system redisplays the page populated with identifying information for the permit entered.



Step 4. Click the Duplicate link. The system displays the General Information page of the permit.

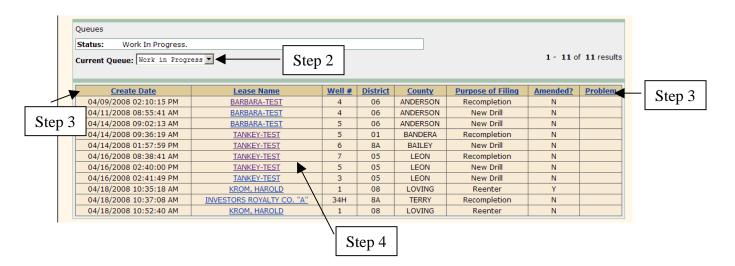
Step 5. Enter or edit the data as described in the previous sections.

2.5 Existing W-1s

This option allows you to view lists of all pending, approved, or work in progress drilling permit applications.



Step 1. Select the Existing W-1 option from the Drilling Permits Main Menu. The system allows you to see lists of all of your existing permits that are approved, pending approval, or work in progress status.



- Step 2. When the page is displayed, it shows all of your W-1 applications that are in a Work In Progress Status. To see Approved permit applications, select Approved from the Current Queue dropdown. Select View All Pending to see all permit applications that have been submitted but are not yet approved.
 Note: Work in Progress applications are on viewable by the Operator to which they belong.
- **Step 3.** You can sort the list by Create Date, Lease Name, Well #, District, County, Purpose of Filing, Amended (Yes or No) and Problem (Yes or No) by clicking on the column header name.
- **Step 4.** To view one of the W-1s, click on the Lease Name it. The system displays the Review page for that permit application. This page may contain links to an image of the current W-1 that is created by the system and to an image of the actual permit after the W-1 is approved.

2.5 RRC Approval Process

RRC staff review and process all submitted permit applications. If there are problems with your application, you will receive an email stating the issues. If there are no problems or when all problems are resolved, the RRC sends an email notifying you that your permit has been approved. The email contains a link to your drilling permit Review page. From this page you can access links to a W-1 template containing the data you submitted on your application, and to the approved drilling permit, both in PDF file format. These files can be viewed, downloaded or printed for you records. A copy of the approved drilling permit is also mailed to the Operator of record.

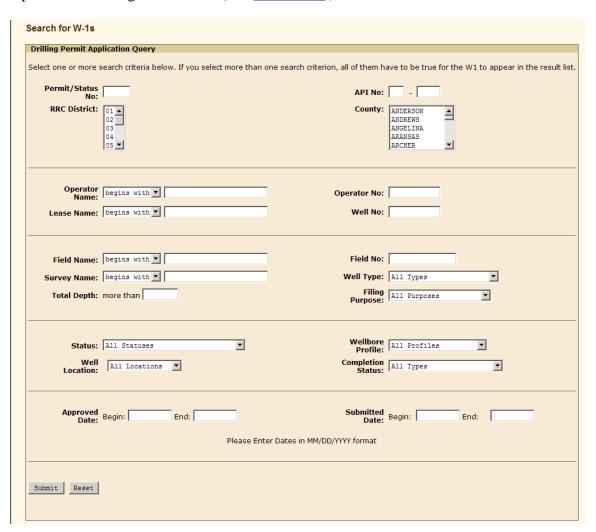
3.0 QUERIES

3.1 Drilling Permit Queries (Public Query)

You can search for W-1 applications that have been approved or those in the process of being approved. You can also search for permits that were withdrawn, dismissed, denied, as well as other status conditions. The search can be done by permit number, depth, date, county, district, and filing purpose.

For any query, only one search criterion is required. However, entering more criteria narrows the search to fewer results. All criteria entered must be true for the W-1 to appear in the result list.

Note: Work in Progress W-1s do not appear in any query results except in the filing Operator's Existing W-1 search. (See Section 2.5.)



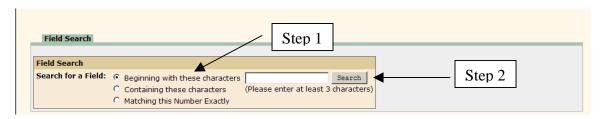
The Search capability allows you to search for a field, lease, survey or Operator by name or by number using one of the following options:

- *Containing these characters* searches through the entire name record to find a match of the characters you enter.
- Beginning with these characters searches the first few characters of the name records to find a match.
- *Matching this number exactly* searches the field, lease, or Operator number records to find an exact match.

Enter at least 3 characters, the second or third of which can be a space, in the text box and click Submit. The more characters you know and enter, the more specific the results are.

3.2 Field Queries

This page allows you to search for fields and view the field rules associated with them.

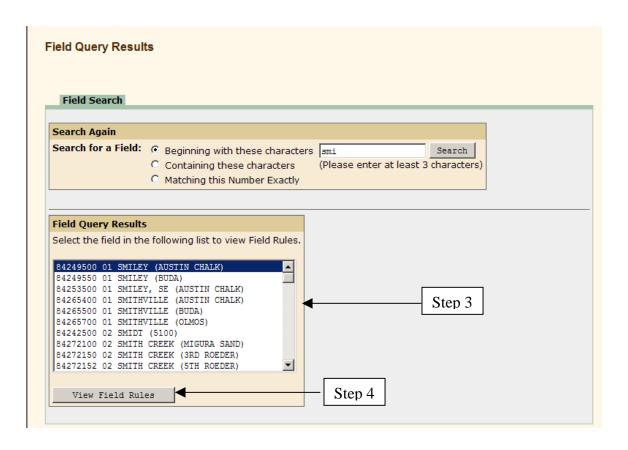


To find fields:

Step 1. Specify one of the following types of selection criteria to use:

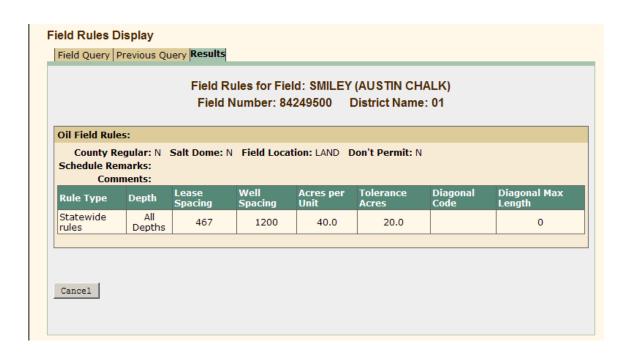
- Names beginning with searches the first few letters of the field name for the letters you specify. Enter a minimum of 3 characters. Example: to find the Carthage field enter CAR and click Search.
- Names containing this is a wildcard search. Type in whatever letters you wish to match in the query. For example, to find all fields with a reservoir of Austin chalk, enter Austin and click Search.
- Field number matching enter the 8-digit RRC field number and click Search.

Step 2. Click the **Search** button. The system displays a list of all fields that match your search criteria.



Step 3. Select a field for which to view field rules.

Step 4. Click the **View Field Rules** button. The system displays the field rules for that field.



Appendix A - Form W-1 Instructions Drilling Permit Application

REFERENCE: Statewide Rules 5, 36, 37, 38, 39, and 40 EFF 10/04

A. COMPLIANCE. In order to file a Form W-1 you must have a current P-5 Organization Report and financial assurance (if required) on file with the Commission (RRC) and be in compliance with all RRC rules and orders. DO NOT BEGIN DRILLING OPERATIONS UNTIL YOU HAVE RECEIVED AUTHORIZATION FROM THE RRC. The Operator must set and cement sufficient surface casing to protect all usable-quality water strata, as defined by the Texas Commission on Environmental Quality, or its predecessor or successor agencies.

B. WHERE AND WHAT TO FILE. File with the RRC in Austin the original Form W-1 application package, which consists of the completed Form W-1, fee payment, plat, completed Forms W-1D or W-1H, as necessary, and other documents as required. For fees, make check or money order payable to Railroad Commission of Texas. For information on use of credit cards or pre-paid accounts, contact the RRC. The Rule 37/38 exception fee covers one or more exceptions on the same application; if other than a "new drill," provide the original exception case or docket number. Fees are non-refundable. The RRC may waive fees if an amended application is filed at the request of RRC. Before you may initially file computer-generated paper Forms W-1, the RRC must approve the template. You may also electronically file drilling permit applications. For information, call (512) 463-6751 or check the RRC's web site at www.rrc.state.tx.us

C. PURPOSE OF FILING (Item 6.) *Recompletion* is working over an existing wellbore to complete in a different field/reservoir. *Re-entry* is going back into a wellbore that has been plugged to the surface. *Reclassification* is changing an existing well originally permitted only as injection/disposal or other service well to an oil or gas producing well or changing an existing well in the Panhandle East or West fields from oil to gas or gas to oil production. For anything other than a "New Drill," indicate the API number. If the API number is not known, in "Operator Remarks" area, give the original Operator, lease, and well identification and date of original completion or plugging. A materially amended permit requires a new Form W-1 and applicable fees, and usually involves the addition of a field/reservoir or a change in location on a previously permitted well. Include the original drilling permit number when filing an application for an amended permit.

D. WELLBORE PROFILE (Item 7.) Check "sidetrack" only for recompletions or reentries, if applicable. File **FORM W-1D**, *Supplemental Directional Well Information*, if the proposed well configuration will be directional with one or more bottomhole locations. File **FORM W-1H**, *Supplemental Horizontal Well Information*, if the proposed well configuration is horizontal with one or more terminus locations. For these types of completions, several different sets of location data are required. This data may or may not

be the same for each field applied for; however, each different proposed bottomhole location or lateral must be associated with at least one field

E. LOCATION SPACING AND DENSITY. The proposed location must be "regular" in terms of the RRC's spacing (Rule 37 or field rules) and density (Rule 38 or field rules) requirements for each listed field; otherwise, an exception to those requirements must be sought.

REGULAR locations are in accordance with either (1) statewide spacing minimums – 467' from the nearest lease line and 1,200' from the nearest well (applied for, permitted or completed) on the same lease in the same reservoir and statewide density minimums – 40 acres; (2) spacing and density minimums, (which may vary according to depth) for County Regular Fields (Districts 7B, 9, and McCulloch County), where there are no field rules and the proposed depth is 5,000' or shallower; or (3) spacing and density standards set out in special rules for the field. Field and County Regular rules are available on the Internet at www.rrc.state.tx.us.

EXCEPTIONS to minimum standard spacing and density requirements may be requested. The application requires additional information on a *certified* plat (see G, below) and a list of names and addresses of all offsetting Operators or unleased mineral interest owners of each tract that is contiguous to the drill site tract. Clearly key the list to the plat so that each tract/Operator can be readily identified. If you do not have the right to develop the minerals under any right-of-way that crosses or is contiguous to this tract and the well requires a Rule 37 or 38 exception, also list the name and address of the entity that holds that right. If requesting only a lease-line spacing exception, list only the names and addresses of all affected persons for tracts closer to the well than the greater of ½ the prescribed minimum between-well spacing distance or the minimum lease-line spacing distance. If requesting only a between-well spacing exception, list only the names and addresses of all affected persons for each adjacent tract and each tract nearer to the well than the greater of ½ the prescribed minimum between-well spacing distance or the minimum lease-line spacing. *NOTE*: If you penetrate a Rule 37 or 38 field/reservoir not listed on the application, you will not necessarily be allowed to use the existence of this wellbore as justification for an exception to complete this wellbore in such field/reservoir in the future.

F. ACREAGE – OTHER

Pooled Units: Multiple tracts may be pooled together to meet minimum drilling unit acreage requirements. Complete and attach Form P-12, *Certificate of Pooling Authority*. On the plat (see G, below) outline pooled unit AND each tract listed on the Form P-12. If pooled or unitized through a hearing and the Docket number is noted in Item 24 of Form W-1, no Form P-12 (Certificate of Pooling Authority) is needed. Substandard Acreage: Complete and submit a Form W-1A, *Substandard Acreage Drilling Unit Certification*, with the first and only well on a substandard tract or lease, and when using surplus acreage as a substandard pooled unit. Contiguous Acres: Rule 39 requires that all acres in the lease or pooled unit be contiguous. If a Rule 39 exception has already been granted

for the subject lease or unit, provide the docket number and issuance date in the box in the upper left-hand corner of the Form W-1.

G. PLAT. All drilling permit applications must be accompanied by a legible, accurate plat, at a scale of 1'' = 1,000' and showing at least the lease or pooled unit line nearest the proposed location AND the nearest section/survey lines. The plat for the initial well on a lease or pooled unit must be of the entire lease or unit (including all tracts being pooled). The plat for subsequent wells on the pooled unit for which a Form P-12 is required must show the entire pooled unit. If necessary, submit the large area plat at a scale of 1" = 2,000' showing the entire lease. Plats for Rule 37 and/or 38 exceptions must also be certified and have offsets keyed to the offset listing (see E, above). The plat must include (1) the surface location of the proposed drilling site (for directional wells, also indicate projected bottomhole location and for horizontal wells also indicate projected penetration points and terminus locations); (2) a line and the distance from the surface location to the nearest point on the lease line or pooled unit line; if there is an unleased interest in a tract of the pooled unit that is nearer than the pooled unit line, use the nearest point on that unleased tract boundary; (3) a perpendicular line from two nearest non-parallel survey/section lines to the proposed surface and the proposed bottomhole or terminus locations and indicate distances. (4) a line from the proposed surface location to the nearest oil or gas well (applied for, permitted, or completed) in the same lease or pooled unit and in the same field (also indicate the distance and the API number of that well); (5) the name, as applicable, of the county, survey, abstract, section, block, lot, subdivision, etc.; (6) a scale bar; and (7) the northerly direction.

H. INDIVIDUAL ITEMS ON THE FRONT OF FORM W-1:

Item 8. For a recompletion, provide the projected—not measured--true vertical depth. For a plug-back recompletion, give the depth of the plug setting.

Item 10. If the well is subject to Rule 36, you must file a Form H-9 (Certificate of Compliance Statewide Rule 36) with the appropriate RRC district office.

Item 11. Provide RRC District No. associated with the County listed in Item 12.

Item 19. For pooled units, if there is an unleased/non-pooled interest in a tract of the pooled unit that is nearer than the pooled unit line, give the distance to the nearest point on that unleased/non-pooled tract boundary.

Item 26. Provide the RRC District No. associated with the field.

Item 29. Use the following codes for Well Type: O = oil; G = gas; B = oil and gas; I = injection/disposal; R = storage; S = service; V = water supply; C = cathodic protection; T = exploratory test (core, stratigraphic, seismic, sulfur, uranium).

Item 30. Enter the approximate completion depth at which you may complete in each field listed. This depth must be less than or equal to the Total Vertical Depth.

Item 31. Distance to Nearest Well. Required only for wells identified as oil or gas in Item 29 and includes distance to any applied for or permitted location or completed well. This information is necessary for the purpose of ensuring compliance with spacing and density rules.

Item 32. Provide the total combined number of oil and gas wells only (include all applied for or permitted locations and completed wells). Do NOT include injection, disposal or other types of service wells.

Appendix B – Frequently Asked Questions

- 1. How do I file drilling permit applications online through the RRC Online System?
- 2. What is needed to file drilling permit applications electronically?
- 3. How will I file my plat and other forms that need to accompany my application?
- 4. Can I still submit drilling permit applications on paper forms?
- 5. <u>Is the drilling permit application available through the RRC Online System different from the one previously available through the ECAP System?</u>
- **6.** How will I be informed about problems with my drilling permit application if I file online?
- 7. How will I be informed when my permit is approved if I file my drilling permit application online?
- 8. My plat is too large to fit on a scanner. What should I do?
- 9. What settings should I scan with?
- 10. The online system is saying that my filing will expire in 30 days. I have not spud my well yet. Why is the system telling me that?
- 11. The online system will not let me make changes on filing. Why?
- 12. I noticed information is different on my filing that what I submitted. Why?
- 13. How many characters are allowed in the Lease name box?
- 14. Is there a certain way the system accepts well numbers?
- 15. Can I change my location after the filing has been submitted to the RRC?
- 16. Can I change information on the General Information page after adding fields to the permit?
- 17. Do have to complete every field on the General Information page before saving?
- 18. Where do I enter the field details?
- 19. Where do I enter the field name?
- 20. Why can't I delete a field?
- 21. The field I selected will not allow me to select Oil or Gas. Why?
- 22. Can I change the reference name of a profile?
- 23. I do not see a Field Details tab. How do I enter details for a field?
- 24. When I add a second field, why is the surface location and wellbore profile data already filled in?

- 25. The total acreage in my lease is less than required by field or statewide rules. Can I still apply for a permit?
- 26. What is required if I apply for an exception to SWR 37 and/or 38 and I cannot determine who is the immediate offset Operator or mineral interest owner?
- 27. Who is required to receive notice for a SWR 37 between well exception?
- 28. Who is required to receive notice for a SWR 37 lease line exception?
- 29. Who is required to receive notice for a SWR 38 exception?
- **30.** I only have a partial plat. Is that okay to file?
- 31. Why is the system showing my attachment is too large to upload?
- 32. Why is the system kicking me out when I am uploading my attachments?
- 33. The plat is not a computer file. Can I still attach it to the online form?
- 34. What is a certified plat?
- 35. Can I enter a comment from any page in the application?
- **36.** Can I change an existing comment?
- 37. Has my permit been submitted once it has no errors and I've clicked Submit?
- 38. Can I check to see my filing before it has been submitted to the RRC?
- **39.** Can I file online and pay for several W-1s at once?
- **40.** Can I submit the application without a payment?
- 41. If I pay too much, will I receive a refund?
- 42. My system timed out while I was in the middle of making a payment. What do I do?
- 43. Under what conditions can I receive a refund or credit from the RRC?

How do I file drilling permit applications online through the RRC Online System?

Before you can file online, you need a User ID and password assigned to you by your company's designated Security Administrator. Below are the steps that need to be followed.

- Designate a Security Administrator(s) by filing of a Security Administrator
 Designation (SAD) Form with the Railroad Commission if one has not already
 been designated. The Commission assigns a User ID to the Security
 Administrator.
- The Security Administrator must assign User IDs and filing rights for any person filing electronically. DO NOT FILE A SAD FORM FOR EACH PERSON FILING ELECTRONICALLY.
- Log into the RRC Online System by entering the User ID and password assigned to you by your Security Administrator. (You can change your password once you have logged in.)
- Select the Drilling Permit Applications System, and file your application online using the pages that are provided.
- If you are set up to file your PR reports online only, you still must be set up to file Drilling Permits online.

What is needed to file drilling permit applications electronically?

To submit filings through the RRC Online System, the following is required:

- Personal Computer
- Internet connection
- Standard web browser, such as Microsoft Internet Explorer (version 5.5/SP2 or higher)
- Image scanner for capturing attachments electronically (IN .TIF FORMAT ONLY).
- A scanning resolution with a minimum of 200 dots per inch is required for recording documents that contain no type font smaller than six points. For documents with a type font smaller than 6 points, scanning resolution must be adequate to ensure that no information is lost.

For plats, Operators are required to enter pre-scanned plat paper size and to show a scale bar on the plat. When the scanned plat is printed out from the electronic

record on the same size paper as the original, the scale is the same. The bar ensures that the scale is identical.

 Visa, Master Card, American Express, Discover, or e-check for payment of permit fees. Payment of fees may only be made through the State of Texas payment portal by credit card or e-check. Access to the payment portal is provided with the application. A 3% processing fee is added to each charge. ALL FEES ARE NON-REFUNDABLE.

How will I file my plat and other forms that need to accompany my application?

Scan and save your plat and any forms that need to accompany your application. The online application pages provide the ability to search for, attach and identify the scanned files as part of the application. **ALL IMAGES MUST BE IN .TIF FORMAT.**

Can I still submit drilling permit applications on paper forms?

Yes, Drilling Permit Application Forms are available for downloading on the <u>RRC Forms</u> Library website. However, electronic filing is encouraged.

Is the Drilling Permit Application available through the <u>RRC Online System</u> different from the one previously available through the <u>ECAP System?</u>

The new application is similar to the one previously available through ECAP but has been enhanced with some additional features including:

- Ability to expedite processing of electronically filed permits by paying an expedite fee.
- Option to select multiple fields instead of entering one field at a time.
- Ability to copy location information from a primary field to other fields to eliminate duplicative key-entry.
- Expanded query capability that includes a broader range of drilling permit information including historical permits.
- New online help pages to assist filers.

How will I be informed about problems with my drilling permit application if I file online?

The online pages have built-in checks and edits that prevent certain types of format errors. Other types of errors may be detected when Railroad Commission staff reviews your application. Staff will contact you through the problem email system if filed online, or a problem letter if you filed by paper, or a phone call if absolutely necessary to resolve problems that are detected in the application review process. If no response is received

within 90 days of notification of the problem(s), the permit will be dismissed. **FEES WILL NOT BE REFUNDED.**

How will I be informed when my permit is approved if I file my drilling permit online?

An email is sent notifying you that your permit has been approved. The email contains a link to your drilling permit review page. From this page you can access links to a W-1 template containing the data you submitted on your application, and to the approved drilling permit, both in PDF file format. These files can be viewed, downloaded or printed for you records or to be posted on the drill site. A copy of the approved drilling permit is mailed to the Operator of record if filed on paper. All permits can be downloaded through the Permit Query online.

My plat is too large to fit on scanner. What should I do?

First, verify that the plat you are trying to scan does not include a larger area than required. Refer to <u>Statewide Rule 5(h)</u> for plat requirements. If the plat is oversized and does not fit on your scanner, you can either have it scanned and saved as file by the Railroad Commission's Central Records Section in Austin (\$0.25/sq.ft.) or by a commercial company. Oversized plats must be scanned in their entirety and cannot be scanned in sections. If need be, you can also file your permit application and plat in hard copy, but you are encouraged to file electronically.

What setting should I scan with?

The scanner should be set to 200 x 200 dpi and saved as black and white. This results in most files being less than 100 KB.

The online system is saying that my filing will expire in 30 days, I have not spud my well yet. Why is the system telling me that?

You are allowed two years from the date of approval of first filing to spud the well. If you have not spud the well and are amending the filing with 30 days or less before the permit expire, the system will inform you that you only have 30 days to spud your well or it will expire and any amendments will not matter. ANY AMENDMENTS THAT ARE MADE TO FILING AFTER THE INITIAL APPROVAL DATE DOES NOT PROLONG THE LIFE OF THE PERMIT.

The online system will not let me make changes on my filing. Why?

If you are trying to amend the filing, please check to see if the filing has had a completion filed on it. **THE SYSTEM WILL NOT ALLOW YOU TO MAKE ANY**

ADDITIONS OR CORRECTIONS TO FILINGS ONCE THAT FILING HAS HAD A COMPLETION FILED ON IT. MAKE SURE ALL INFORMATION IS CORRECT BEFORE YOU SUBMIT THE W-1. Please call the Drilling Permit

Section for further instruction. Also, once you have submitted your filing to the RRC, you cannot make any changes because it has been submitted to the RRC for the approval processing. Depending on what type of change you are asking will determine if it can be made through RRC Management.

I noticed information is different on my filing than what I submitted. Why?

If there are any changes made after the filing has been submitted to the RRC, it is approved through the Operator for the RRC staff to change. If working with double browsers opened, your information can be corrupted. If that is the case and your filing is already approved, you will have to amend your filing to correct information that was corrupted. NEVER WORK WITH TWO BROWSERS OPEN AT THE SAME TIME!

FAQS – General Information Page

How many characters are allowed in the Lease name box?

You are allowed 32 characters. If the name is longer than that, you can abbreviate if needed, but are encouraged to adhere to the allotted characters set up by the RRC.

Is there a certain way the system accepts well numbers?

Yes. The system allows the well number to be formatted a certain way. You are allowed six spaces, the first space can be either Alpha or Numeric, second, third and fourth spaces are Numeric only and the fifth & six spaces are Alpha only. If there is a dash anywhere in the numeric spaces, the well number will be changed to "0".

Can I change my location after the filing has been submitted to the RRC?

No. Once the filing has been submitted, no location change can be requested by the Operator/Consultant. **IF YOU ARE NOT SURE OF THE LOCATION, DO NOT FILE.** If the Operator requests a change, you will be advised to withdraw your filing and restart the filing over.

Can I change information on the General Information page after adding fields to the permit?

You cannot change the lease name. If you change the profile after adding fields, the existing field wellbore profiles remain. Return to the Field Details page and remove the profiles that do not apply and create new ones.

Do I have to complete every field on the General Information page before saving?

You can save at any point after you enter the purpose of filing, indicate the wellbore profile, enter the lease name, enter the well number, and county. Data fields missing are flagged as errors. You cannot submit the application with errors. Your application with a status of work in progress can contain invalid data and empty fields; you do not have to complete it in one sitting. If you start an application and save it, you can locate it from the main Drilling Permits page by clicking the Existing W-1s link.

FAQS - Field List Page

Where do I enter the field details?

All fields added to the permit application are displayed in the table on the Field List page. The last column of the table has an Edit link and a Delete link. Click the Edit link to open the Field Details page, where you enter field specifics. The system does show you the Field Details tab until you add at least one field to the permit.

Where do I enter the field name?

Fields are added to a permit by using a field search query. On the Field List page, click the **Add Field** button and enter the search criteria. When the search results are returned, select a field from the list.

Why can't I delete a field?

There are two possible reasons. If you only have one field in the table on the Field List page, it is considered the primary field and you cannot delete a primary field. To remove this field, add another field and make it the primary field. Then the system allows you to delete the original field.

Also, if a plat is associated with a field on the Attachments page, you cannot delete the field. Go to the Attachments page and delete the association and, if it is the only field associated with the plat, delete the plat.

FAQS – Field Details Page

The field I selected will not allow me to select Oil or Gas, why?

Check to see if the well has been consolidated into another field. You can check the proration schedule or you can check the Field Query page to see if it says in the remarks section what field it has been consolidated into. Another way to check in the field rules section if the well has been consolidated is to look where it says "DON'T PERMIT". If it has a "Y" under it that means that the well has been consolidated into another field.

Can I change the reference name of a profile?

You cannot. The application supplies the names based on the wellbore profile you selected on the General Information page. If you chose Horizontal, the first profile is automatically named TH1, the second TH2, and so on. When you add a profile, it becomes the next sequential number.

I do not see a Field Details tab; how do I enter details for a field?

The Field Details tab until you have added at least one field to the permit. Select the Field List tab. You add a field to the permit by submitting a query for the field name or number. When you select a field name from the search results, it displays in the Field List table. Click the Edit link in the Field List table to open the Field Details page for that field. It is recommended that you add one field, which automatically becomes the primary field, then enter all the details about that field before adding additional fields to the permit.

When I add a second field, why is the surface location and wellbore profile data already filled in?

When you enter the surface location information for the first field, the subsequent fields you add contain the same section, block, and survey information. You can change any of the information necessary.

FAQS – Exceptions Page

The total acreage in my lease is less than required by field or statewide rules; can I still apply for a permit?

Along with the application (Form W-1), certified plat, and additional filing fee, a Form W-1A must be submitted before a determination can be made.

What is required if I apply for an exception to SWR 37 and/or 38 and I cannot determine who is the immediate offset Operator or mineral interest owner?

If the immediate offset Operator and/or mineral interest owner cannot be located or determined, notice by publication is required. The official notice of application or notice of hearing issued by the Railroad Commission must be published. It is the applicant's responsibility. The Commission notice must be published in a newspaper that serves the county in which the proposed well is located. The publication is required once a week for four consecutive weeks. The publisher's affidavit must be presented to the Railroad Commission before the application is considered for approval.

Who is required to receive notice for a SWR 37 between well exception?

Anyone that touches the tract that is listed as total acreage on the application must be notified, including offset Operators and/or unleased mineral interest owners.

Who is required to receive notice for a SWR 37 lease line exception?

Anyone that is a direct offset and anyone that is within one-half of the between well spacing distance to the subject well must be notified, including offset Operators and/or unleased mineral interest owners. In the case of a horizontal filing, the entire wellbore from penetration point to TL must be tested by SWR 37.

Who is required to receive notice for a SWR 38 exception?

Anyone that touches the tract that is listed as total acreage on the application must be notified, including offset Operators and/or unleased mineral interest owners.

FAQS – Attachments Page

I only have a partial plat. Is that ok to file?

A plat of the entire lease must be filed when it is the first well on the lease by current Operator. Subsequent partial plats are okay to file thereafter.

Why is the system showing my attachment is too large to upload?

If there is any color in your attachment it makes your dpi (dots per inch) larger, which makes the file size appear bigger than what it really is. Attachments should be filed in black & white and no gray scale (gray scale has a tendency to not show up once scanned in). The size of the file must be less than 4 Megs or it will not upload.

Why is the system kicking me out when I am uploading my attachment(s)?

Please check to see if you have any special characters (i.e....&, *, #, etc) in your file name. The system does not recognize those as part of a file name and will reject your attachment. The filename must be no more than 80 characters or it will generate an error also.

The plat is not a computer file; can I still attach it to the online form?

Scan the plat it to make it a computer file. Once it is a computer file, you can open it in most paint programs and save it as a .TIF file.

What is a ''certified'' plat?

For the plat to be recognized by the RRC as "certified," it must meet one of the following conditions:

- 1. A certified surveyor prepared the Plat and the surveyor's seal is on the plat.
- Anyone in the company with knowledge of the facts can certify with the statement, "All information on this plat is true to the best of my belief and knowledge."

FAQS – Comments Page

Can I enter a comment from any screen in the application?

No. You enter comments on the Comments page. You can have only one comment. You may change it several times as you work on the application. However, when the application is submitted, the last comment entered is accompanies the application.

Can I change an existing comment?

If you have an existing comment and choose to add a comment, the comment that exists is overlaid with the new text you enter. You can have only one comment.

FAQS – **Review Page**

Has my permit been submitted once it has no errors and I've clicked Submit?

No. You must complete the payment process before it can be accepted by RRC.

Can I check to see my filing before it has been submitted to the RRC?

Yes. At the bottom of the review page (next to the **Submit** button) there is a "Review W-1" link that displays your "As Submitted W-1" as it will be submitted to the RRC. You must make changes, corrections & additions to your filing before you submit the filing to the RRC. **IF THERE ARE ERRORS, YOU MUST WITHDRAW THE W-1 AND REFILE. FESS WILL NOT BE REFUNDED.**

FAQS – Payment Page

Can I file online and pay for several W-1's at once?

No. The Texas Online Payment Portal processes charges for each application at the time it is submitted. Applications without sufficient payment cannot be submitted.

Can I submit the application without a payment?

No. You cannot submit the online application without going through the Texas Online Payment Portal. If you cancel the payment process, the application status remains a work in progress. Applications without sufficient payment cannot be submitted.

If I pay too much, will I receive a refund?

No. The Texas Online Payment Portal processes only the total of the charges noted on the payments page. All fees are non-refundable.

My system timed out while I was in the middle of making a payment. What do I do?

Be sure to process you payment within an hour or you'll get a Session Timeout on the Payment Portal page.

If you have not put in the credit card payment, please check your "work in progress" queue to see if the filing is still in there, if it is still there, you most likely did not get charged and continue the payment process.

If you did put the credit card number in the system, **DO NOT ADD CREDIT CARD NUMBER AGAIN.** First, check to see if the filing is in your work in progress queue, if it is, then call the RRC at 512-463-6751 and explain your situation. The system may have accepted the credit card payment but failed to move your filing into the RRC Online System. If you file a payment twice on the filing, the fees will be non-refundable and credits will not be given for future filings.

Will I get confirmation once I have submitted my filing to the RRC Online System?

Yes. Once you have successfully paid through the Payment Portal, the system will send you an email informing you that the system was successfully submitted. It will also inform you of the status number of the filing, your trace number, authorization number and payment amount. Please keep this information for your records; the RRC does not keep up with this information.

Under what conditions can I receive a refund or credit from the RRC?

None. RRC policy state that no fees are ever refunded or credited.

Appendix C – Requirements for Participation

Authorization Procedures

Required Authorization Procedure for Operators

Before filing electronically, an Operator must be authorized by completing a hard copy Security Administrator Designation (SAD) form. Both Commission and Operator representatives must sign the agreement. The Operator's representative may be an officer or director of the corporation or an employee of the corporation authorized to approve and sign Commission Organization Reports (Form P-5s) on behalf of the corporation (if it does business in the corporate form), a partner (if it does business as a partnership), or the Operator individually (if it is a sole proprietorship). The signature of the Operator's authorized representative on the agreement shall be deemed to appear on all electronically filed forms as if it actually appeared. The SAD establishes terms of agreement for electronic filing for up to ten years but can be canceled upon notice by either the Operator or the Commission.

Security Administrator Designation

A Security Administrator Designation form must be on file as a condition of participation in online Drilling Permits. The form can list at least one or up to nine security administrators for the company. The security administrator(s) will have complete control over who within the company receives authorization to file electronically. SAD form, the security administrator will be notified of his or her assigned UserID. The security administrator can then further distribute security by assigning additional user IDs to employees within the company and designating which forms they are authorized to file electronically through online filing.

Required Authorization Procedure for Non-Operators

By completing the Security Administrator Designation form, non-Operators declare that all electronic transmissions of forms through online filing shall be in a manner prescribed by the Railroad Commission of Texas that is compatible with its software, equipment, and facilities and shall comply with all provisions of the Required Procedures for Participation in Interactive Online filing.

Where to Send the Security Administrator Designation

The Security Administrator Designation is to be sent to: Permitting/Production Services 1701 North Congress PO Box 12967 Austin, Texas 78711-2967 Fax 512-463-7324

Receipt of the Security Administrator Designation will be acknowledged with a letter.

Appendix D - General Procedures for Electronic Filing

General Requirements

To submit filings online through Drilling Permits, the following equipment is required:

- Personal computer.
- Internet connection.
- Standard web browser, such as Microsoft Explorer or Netscape Navigator.
- Image scanner for capturing attachments electronically (IN .TIF FORMAT ONLY).

Each of the Oil and Gas Division district offices and the Austin office will have the required equipment available for use by Operators and consultants during business hours.

Scanning

A scanning resolution with a minimum of 200 dots per inch is required for recording documents that contain no type font smaller than six point. For documents with a type font smaller than 6 point, scanning resolution must be adequate to ensure that no information is lost.

For plats, Operators will be required to enter pre-scanned plat paper size and to show a scale bar on the plat. When the scanned plat is printed out from the electronic record on the same size paper as the original, the scale is the same. The bar will ensure that the scale is identical.

Payment Methods

A Visa or MasterCard is required for payment of permit fees. The credit card information can be submitted as part of the application and processed once the Commission has reviewed the application, or you can pay directly through the State of Texas payment portal.

Public Information (Open Records) Act

All Drilling Permit information maintained at the Commission is subject to the Public Information (Open Records) Act, Chapter 552 of the Texas Government Code.

Appendix E – Oil and Gas Glossary

Click <u>here</u> to access a glossary of oil and gas terms.