

**RAILROAD COMMISSION OF TEXAS**  
**Oil and Gas Division**

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**NOTICE TO OPERATORS**

**Form Changes Effective January 2008**

The Railroad Commission of Texas amended §3.80, Commission Oil and Gas Forms, Applications, and Filing Requirements, to add a new form and amend or delete other forms. Listed below are the forms affected. The forms may be viewed online at <http://www.rrc.state.tx.us/forms/forms/index.php>.

**Adoption of a New Form H-12A, Application for Certification for Additional Tax Rate Reduction for Enhanced Recovery Projects Using Anthropogenic Carbon Dioxide.** House Bill 3732, relating to Advanced Clean Energy, (80<sup>th</sup> Texas Legislature, 2007) provides a tax rate reduction on oil produced from enhanced recovery (EOR) projects using anthropogenic carbon dioxide (CO<sub>2</sub>). The bill requires the Commission to issue certification if the CO<sub>2</sub> used in the EOR project is to be sequestered in a reservoir productive of oil or natural gas; the Texas Commission on Environmental Quality issue the certification if the CO<sub>2</sub> used in the EOR project is to be sequestered in a formation other than a reservoir productive of oil or natural gas; and both agencies to issue certifications if the CO<sub>2</sub> is sequestered in both a formation not productive of oil or natural gas and a reservoir productive of oil or natural gas. The proposed project must qualify for the tax rate reduction in Tax Code, §202.054, before it can be considered for the additional tax rate reduction in Tax Code, §202.0545. New Form H-12A requests information necessary for Commission staff to determine whether the proposed project meets the statutory requirements for the additional tax rate reduction.

**Adoption of Amended Form H-14, Enhanced Oil Recovery Reduced Tax Annual Report.** The amended form allows an operator to report the annual injection volume of anthropogenic carbon dioxide.

**Adoption of Amended Form P-5LC, Irrevocable Documentary Blanket Letter of Credit.** The amended form updates the reference from Uniform Customs and Practices (UCP) #500 to UCP #600, and replaces the revision date of 1993 with 2007. The revision from #500 to #600 was effective on July 1, 2007. New Letters of Credit filed with the Commission should be filed on the revised form; however, the Commission is NOT requiring that operators (and their banks) refile existing letters of credit. Currently filed letters of credit executed on prior versions of Form P-5LC may remain on file and be renewed as needed without resubmission on the revised form.

**Adoption of Amended Form P-17, Application for Exception to Statewide Rules 26 and/or 27 (Commingling) and Deletion of Form P-17A, Interim Commingling/Measurement Application Supplement.** The Commission has consolidated production reporting for oil and gas in order to streamline the reporting process and facilitate internal processing. Changes to the Form P-17 include clearer instructions and broader reporting options that allow a Commission identifier to be used when identifying commingled leases that are pending a lease number assignment. The revised Form P-17 also includes an attachment page for ease of filing multiple leases on one commingling permit application.

**Deleted Form W-1X, Application for Future Re-Entry of Inactive Wellbore and 14(b)(2) Extension Permit.** This form is no longer necessary.

**Deleted the Franchise Tax Certification form.** The 77<sup>th</sup> Texas Legislature (2001) repealed the statutory requirement for such certification.

Austin, Texas

January 2008

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**PLEASE FORWARD TO THE APPROPRIATE SECTION OF YOUR COMPANY**

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