

RAILROAD COMMISSION OF TEXAS
Oil and Gas Division

NOTICE TO OPERATORS

LEGISLATIVE CHANGE
RECONNECT FEE FOR LEASES IN VIOLATION OF
COMMISSION RULES WILL BE INCREASING ON
SEPTEMBER 1, 2003

The 78th Legislature amended Natural Resources Code 85.167(a) to increase the reconnect fee for any oil lease or gas well that has had a Form P-4 Certificate of Compliance canceled by severance or seal order. Currently, the fee to reconnect a lease or well and reissue a Certificate of Compliance is \$100 per lease. **The new legislatively mandated fee will be \$300 per severance/seal order violation.** The effective date of this fee increase is **September 1, 2003**.

If any outstanding severances or seal order violations are not resolved and the \$100 reconnect fee is not paid prior to September 1, 2003, the reconnect fee will be **\$300 per severance/seal order violation**. Any violations remaining unresolved on or after September 1, 2003 where \$100 has been paid will require additional money to completely comply with the increased fee requirements of \$300 per violation.

Austin, Texas

August 2003

PLEASE FORWARD TO THE APPROPRIATE SECTION OF YOUR COMPANY