

RAILROAD COMMISSION OF TEXAS
Oil and Gas Division

IMPORTANT NOTICE TO OIL AND GAS OPERATORS

**New Streamlined Requirements for Filing Electronically —
Security Administrator Designation (SAD) Form**

The authorization procedure for filing permit applications or forms electronically over the Internet through the Railroad Commission's Electronic Compliance and Approval Process (ECAP) System has been simplified. Now only the filing of a single form is required — the *Security Administrator Designation (SAD) Form*.

Previously, before an operator could file electronically, both the Commission and operator representatives were required to execute a Master Electronic Filing Agreement (MEFA), which established the terms of agreement for electronic filing. Additionally, a company had to file a SAD Form to designate a security administrator. Upon Commission approval of the MEFA, the security administrator was notified of his or her assigned User ID. The security administrator would then distribute security by assigning additional User IDs to employees within the company and designate the forms they were authorized to file electronically through ECAP. Consultants filing on behalf of operators were not allowed to electronically file unless the operator's security administrator authorized them to do so by granting filing privileges to that consultant.

In prior amendments to Statewide Rule 80 that became effective April 2004, the Commission replaced language concerning requirements for electronic filing under ECAP with broader language to accommodate changes in the requirements for electronic filing associated with the Commission's new automated systems. The new language made the MEFA unnecessary for electronic filing of oil and gas forms. On June 22, 2004, the Commission adopted a revised SAD Form to conform to the language in Statewide Rule 80 and revised instructions for obtaining permission to file electronically with the Commission.

In the future, an operator or consultant who desires to file electronically with the Commission's Oil and Gas Division must only complete and submit to the Commission a SAD Form designating one or more security administrators. After receiving the SAD Form, the Commission will issue to each designated security administrator a User ID that will allow the security administrator to access and update the Commission's electronic filing security system. The security administrator will then be responsible for assigning additional User IDs to individuals within the company and for maintaining that security. A MEFA is no longer required.

For operators who are already authorized to file through ECAP, no further action is required. The SAD Form an operator previously filed will remain in effect and does not have to be resubmitted. However, consultants who previously filed a SAD Form with the Commission will be required to complete and submit a revised SAD Form if they wish to continue filing electronically on behalf of operators.

More information about electronic filing and a copy of the revised SAD form are available on the Commission's website at www.rrc.state.tx.us. If you have questions about the SAD Form or electronic filing requirements, contact the Permitting/Production Section of the Railroad Commission at (512) 463-6772.

Austin, Texas

July 2004

Please Forward To The Appropriate Section of Your Company