

Figure: 16 TAC §3.107(j)

**Table 5. Penalty Calculation Worksheet**

	<b>Oil &amp; Gas Rule/Statute</b>	<b>General Description</b>	<b>Guideline Minimum Penalty from Table 1</b>	<b>Penalty Tally</b>
1	16 TAC §3.2	Commission denied access	\$1,000	\$
2	16 TAC §3.3	failure to comply with well sign requirements	\$500	\$
3	16 TAC §3.3	failure to comply with entrance sign requirements	\$1,000	\$
4	16 TAC §3.3	failure to comply with tank battery sign requirements	\$1,000	\$
5	16 TAC §3.5(a)	no drilling permit: filed but not approved	\$5,000	\$
6	16 TAC §3.5(a)	no drilling permit: no application filed	\$10,000	\$
7	16 TAC §3.8(b)	pollution of surface or subsurface water	\$1,000 minimum	\$
8	16 TAC §3.8(d)(1)	improper disposal of oil and gas waste; enhance for actual or threatened pollution: dry pit area	\$500 base penalty plus \$0.30/sq. ft.	\$
9	16 TAC §3.8(d)(1)	improper disposal of oil and gas waste; enhance for actual or threatened pollution: wet pit area	\$500 base penalty plus \$0.50/sq. ft.	\$
10	16 TAC §3.8(d)(2)	use of prohibited pits: fresh water pit area	\$2,500 base plus \$0.25 sq. ft.	\$
11	16 TAC §3.8(d)(2)	use of prohibited pits: salt water or other fluid area	\$2,500 base plus \$0.75 sq. ft.	\$
12	16 TAC §3.8(d)(4)(G)(i)(I), (II)	reserve pits: fresh water pit area	\$2,500 base plus \$0.25 sq. ft.	\$
13	16 TAC §3.8(d)(4)(G)(i)(I), (II)	reserve pits: salt water or other fluid pit area	\$2,500 base plus \$0.75 sq. ft.	\$
14	16 TAC §3.8(d)(4)(G)(i)(III), (IV)	workover and other pits: dry	\$2,500	\$
15	16 TAC §3.8(d)(4)(G)(i)(III), (IV)	workover and other pits: wet	\$5,000	\$
16	16 TAC §3.9(1)	no permit to dispose or inject	\$5,000	\$
17	16 TAC §3.9(9)(A)	failure to comply with tubing and packer requirements	\$2,000	\$
18	16 TAC §3.9(9)(B)	no pressure observation valve	\$1,000 per valve	\$
19	16 TAC §3.9(12)	no test, failed test, or no Form H-5	\$5,000	\$
20	16 TAC §3.13(b)(1)(B)	open casing/tubing	\$1,000 to \$5,000	\$
21	16 TAC §3.13(b)(1)(C)	failure to comply with wellhead control requirements	\$5,000	\$
22	16 TAC §3.13(b)(2)	failure to comply with surface casing requirements	\$2,000	\$
23	16 TAC §3.14(a)(2)	failure to file Form W-3A	\$2,500	\$
24	16 TAC §3.14(a)(3)	failure to notify of setting plugs	\$1,500	\$

	<b>Oil &amp; Gas Rule/Statute</b>	<b>General Description</b>	<b>Guideline Minimum Penalty from Table 1</b>	<b>Penalty Tally</b>
25	16 TAC §3.14(b)(1)	failure to file Form W-3	\$5,000	\$
26	16 TAC §3.14(b)(2)	failure to plug onshore well	\$2,000 plus \$1/ft. of total depth	\$
27	16 TAC §3.14(b)(2)	failure to plug bay, estuary, or inland waterway well	\$15,000 plus \$2 per foot of total depth, subject to statutory maximum	\$
28	16 TAC §3.14(b)(2)	failure to plug offshore well	\$50,000 plus \$5 per foot of total depth, subject to statutory maximum	\$
29	16 TAC §3.14(d)(1)-(11)	failure to follow general plugging requirement	\$1,000	\$
30	16 TAC §3.14(d)(12)	failure to remove miscellaneous loose junk and trash	\$1,000	\$
31	16 TAC §3.14(d)(12)	failure to remove tanks, vessels, and related piping	\$2,500	\$
32	16 TAC §3.14(d)(12)	failure to empty tanks, vessels, and related piping	\$5,000	\$
33	16 TAC §3.15(l)(7)	failure to test prior to reactivating well	\$1,000	\$
34	16 TAC §3.15(f)(2)(A)	failure to disconnect electricity	\$5,000	\$
35	16 TAC §3.15(f)(2)(A)	failure to purge vessels	\$7,500	\$
36	16 TAC §3.15(f)(2)(A)	failure to remove equipment	\$10,000	\$
37	16 TAC §3.16(b) and (c)	failure to file completion records/logs	\$2,500	\$
38	16 TAC §3.17	Bradenhead violations: no valve; no access; or pressure on it	\$1,000 to \$2,500	\$
39	16 TAC §3.20(a)(1)	failure to notify of incident	\$2,500 to \$5,000	\$
40	16 TAC §3.21(a)-(i)	improper fire prevention	\$1,000	\$
41	16 TAC §3.21(j)	failure to comply with dike/firewall requirements	\$2,500	\$
42	16 TAC §3.21(k)	swabbing without authority	\$1,000 per well	\$
43	16 TAC §3.21(l)	failure to comply with electric power line requirements	\$2,000	\$
44	16 TAC §3.22	no nets	compliance	
45	16 TAC §3.35(a)	failure to notify of lost logging tool	\$5,000	\$
46	16 TAC §3.35(b)	failure to properly abandon lost logging tool	\$5,000	\$
47	16 TAC §3.36(c)(5)(B)	improper storage tank signs in a non-public area	\$1,000	\$
48	16 TAC §3.36(c)(5)(B)	improper storage tank signs in a public area	\$2,000	\$
49	16 TAC §3.36(c)(6)(A)	improper entry signs in a non-public area	\$1,000	\$
50	16 TAC §3.36(c)(6)(A)	improper entry signs in a public area	\$2,000	\$

	<b>Oil &amp; Gas Rule/Statute</b>	<b>General Description</b>	<b>Guideline Minimum Penalty from Table 1</b>	<b>Penalty Tally</b>
51	16 TAC §3.36(c)(6)(A)	improper entry signs in a populated public area	\$5,000	\$
52	16 TAC §3.36(c)(6)(B)	failure to fence specific area at a well	\$5,000	\$
53	16 TAC §3.36(c)(6)(B)	failure to fence specific area at a battery	\$10,000	\$
54	16 TAC §3.36(c)(6)(C)	materials provision	\$2,500	\$
55	16 TAC §3.36(c)(8)	failure to maintain H <sub>2</sub> S equipment	\$5,000	\$
56	16 TAC §3.36(c)(9)(Q)	failure to update contingency plan	\$2,500	\$
57	16 TAC §3.36(c)(9)(N)	failure to notify of H <sub>2</sub> S contingency plan activation	more than 6 hours up to 12 hours-\$5,000	\$
58	16 TAC §3.36(c)(9)(N)	failure to notify of H <sub>2</sub> S contingency plan activation	12 hours or more-\$10,000	\$
59	16 TAC §3.36(c)(14)	failure to notify of H <sub>2</sub> S release	more than 6 hours up to 12 hours-\$5,000	\$
60	16 TAC §3.36(c)(14)	failure to notify of H <sub>2</sub> S release	12 hours or more-\$10,000	\$
61	16 TAC §3.36(c)(11)-(12), except (12)(F)	failure to follow requirements at drill/workover site; no injury	\$5,000	\$
62	16 TAC §3.36(c)(11)-(12), except (12)(F)	failure to follow requirements at drill/workover site; injury or death	\$10,000	\$
63	16 TAC §3.36(c)(12)(F)	failure to notify of drill stem test in H <sub>2</sub> S formation	\$2,000	\$
64	16 TAC §3.36(c)(13)	failure to have H <sub>2</sub> S trained personnel	\$5,000 per person	\$
65	16 TAC §3.36(d)(1)(E)	failure to file Form H-9; non-public area	\$1,000	\$
66	16 TAC §3.36(d)(1)(E)	failure to file Form H-9; public area	\$10,000	\$
67	16 TAC §3.36(d)(2)	failure to identify well as sour on completion report	\$10,000	\$
68	16 TAC §3.36(d)(3)	intentional failure to file written report of H <sub>2</sub> S release	\$3,000	\$
69	16 TAC §3.36(d)(3)	failure to file written report of emergency H <sub>2</sub> S release	\$5,000	\$
70	16 TAC §3.46(a)	no permit to dispose or inject	\$5,000	\$
71	16 TAC §3.46(g)(1)	failure to comply with tubing and packer requirements	\$2,000	\$
72	16 TAC §3.46(g)(2)	no pressure observation valve	\$1,000 per valve	\$
73	16 TAC §3.46(j)	no test, failed test, or no Form H-5	\$5,000	\$
74	16 TAC §3.57	reclamation plant operation violation	\$1,000	\$
<b>75</b>	<b>16 TAC §3.65(c) or (d)</b>	<b>failure to file Form CI-D or Form CI-X</b>	<b>\$1,000</b>	<b>\$</b>
<b>76</b>	<b>16 TAC §3.65(e)</b>	<b>failure to provide critical customer information</b>	<b>\$2,500</b>	<b>\$</b>

	<b>Oil &amp; Gas Rule/Statute</b>	<b>General Description</b>	<b>Guideline Minimum Penalty from Table 1</b>	<b>Penalty Tally</b>
<u>77</u> <u>75</u>	16 TAC §3.73(a)	failure to notify of pipeline connection	\$1,000	\$
<u>78</u> <u>76</u>	16 TAC §3.73(h)	reconnecting, transporting from well/lease without approved Form P-4	\$1,000 minimum; see Table 1A for additional amount	\$
<u>79</u> <u>77</u>	16 TAC §3.73(j)	reporting, producing, injecting, disposing without approved Form P-4	\$1,000 minimum; see Table 1A for additional amount	\$
<u>80</u> <u>78</u>	16 TAC §3.81	failure to comply with brine mining injection well operation requirements	\$1,000	\$
<u>81</u> <u>79</u>	16 TAC §3.95	failure to comply with underground salt formation liquid or liquefied hydrocarbon storage facility operation requirements	\$2,000	\$
<u>82</u> <u>80</u>	16 TAC §3.96	failure to comply with underground productive or depleted reservoir gas storage facility operation requirements	\$2,000	\$
<u>83</u> <u>81</u>	16 TAC §3.97	failure to comply with underground salt formation gas storage facility operation requirements	\$2,000	\$
<u>84</u> <u>82</u>	16 TAC §3.98	failure to comply with hazardous waste disposal operation requirements	\$2,000	\$
<u>85</u> <u>83</u>	16 TAC §3.99(d)(2)	failure to comply with protection/isolation of usable quality water requirements	\$2,500 per well	\$
<u>86</u> <u>84</u>	16 TAC §3.99(e)	failure to comply with cathodic protection well construction requirements	\$1,000 per well	\$
<u>87</u> <u>85</u>	16 TAC §3.99(g)	failure to file completion report	\$1,000 per well	\$
<u>88</u> <u>86</u>	16 TAC §3.100(d)(2)	failure to permit seismic/core holes penetrating usable quality water	\$1,000 per hole	\$
<u>89</u> <u>87</u>	16 TAC §3.100(f)	failure to properly plug seismic/core holes	\$1,000 per hole	\$
<u>90</u> <u>88</u>	16 TAC §3.100(g)	failure to file final survey report	\$5,000 per survey	\$
<u>91</u> <u>89</u>	16 TAC §3.106(b)	commenced construction of a sour gas pipeline facility without a permit	\$10,000	\$
<u>92</u> <u>90</u>	16 TAC §3.106(e)	published notice with egregious errors/omissions	\$5,000	\$
<u>93</u> <u>91</u>	16 TAC §3.106(f)	provided pipeline plat with egregious errors/omissions	\$5,000	\$
<u>94</u> <u>92</u>	Tex. Nat. Res. Code, §91.143	false filing	\$1,000 per form	\$
<u>95</u> <u>93</u>	<b>Subtotal of guideline penalty amounts from Table 1 (lines 1-94 1-92, inclusive)</b>			\$
<u>96</u> <u>94</u>	<b>Reduction for settlement before hearing: up to 50% of line 95 93 amt.</b>		_____ %	\$
<u>97</u> <u>95</u>	<b>Subtotal: amount shown on line 95 93 less applicable settlement reduction on line 96 94</b>			\$

	Oil & Gas Rule/Statute	General Description	Guideline Minimum Penalty from Table 1	Penalty Tally
<b>Penalty enhancement amounts for threatened or actual pollution from Table 2</b>				
<del>98</del> 96		Agricultural land or sensitive wildlife habitat	\$1,000 to \$5,000	\$
<del>99</del> 97		Endangered or threatened species	\$2,000 to \$10,000	\$
<del>100</del> 98		Bay, estuary or marine habitat	\$5,000 to \$25,000	\$
<del>101</del> 99		Minor freshwater source (minor aquifer, seasonal watercourse)	\$2,500 to \$7,500	\$
<del>102</del> 100		Major freshwater source (major aquifer, creeks, rivers, lakes and reservoirs)	\$5,000 to \$25,000	\$
<b>Penalty enhancement amounts for safety hazard from Table 2</b>				
<del>103</del> 101		Impacted residential/public areas	\$1,000 to \$15,000	\$
<del>104</del> 102		Hazardous material release	\$2,000 to \$25,000	\$
<del>105</del> 103		Reportable incident/accident	\$5,000 to \$25,000	\$
<del>106</del> 104		Well in H <sub>2</sub> S field	up to \$10,000	\$
<b>Penalty enhancement amounts for severity of violation from Table 2</b>				
<del>107</del> 105		Time out of compliance	\$100 to \$2,000 each month	\$
<del>108</del> 106		<b>Subtotal: amount shown on line 97 95 plus all amounts on lines 98 96 through 107 105, inclusive</b>		\$
<b>Penalty enhancements for culpability of person charged from Table 2</b>				
<del>109</del> 107		Reckless conduct of operator	double line 108 106 amount	\$
<del>110</del> 108		Intentional conduct of operator	triple line 108 106 amount	\$
<b>Penalty enhancements for number of prior violations within past seven years from Table 3</b>				
<del>111</del> 109		One	\$1,000	\$
<del>112</del> 110		Two	\$2,000	\$
<del>113</del> 111		Three	\$3,000	\$
<del>114</del> 112		Four	\$4,000	\$
<del>115</del> 113		Five or more	\$5,000	\$
<b>Penalty enhancements for amount of penalties within past seven years from Table 4</b>				
<del>116</del> 114		Less than \$10,000	\$1,000	\$
<del>117</del> 115		Between \$10,000 and \$25,000	\$2,500	\$
<del>118</del> 116		Between \$25,000 and \$50,000	\$5,000	\$
<del>119</del> 117		Between \$50,000 and \$100,00	\$10,000	\$
<del>120</del> 118		Over \$100,000	10% of total amt.	\$

	Oil & Gas Rule/Statute	General Description	Guideline Minimum Penalty from Table 1	Penalty Tally
<u>121</u> <del>119</del>		Subtotal: Line <u>97</u> <del>95</del> amt. plus amts. on line <u>109</u> <del>107</del> and/or <u>110</u> <del>108</del> plus the amt. shown on any line from <u>111</u> <del>109</del> through <u>120</u> <del>118</del> , inclusive		\$
<u>122</u> <del>120</del>		Reduction for demonstrated good faith of person charged		\$
<u>123</u> <del>121</del>		TOTAL PENALTY AMOUNT; amount on line <u>121</u> <del>119</del> less any amount shown on line <u>122</u> <del>120</del>		\$