

Figure: 16 TAC §3.107(j)

Table 5. Penalty Calculation Worksheet

	Oil & Gas Rule/Statute	General Description	Guideline Minimum Penalty from Table 1	Penalty Tally
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	\$

	Oil & Gas Rule/Statute	General Description	Guideline Minimum Penalty from Table 1	Penalty Tally
24	16 TAC §3.14(a)(3)	failure to notify of setting plugs	\$1,500	\$
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	\$

	Oil & Gas Rule/Statute	General Description	Guideline Minimum Penalty from Table 1	Penalty Tally
50	16 TAC §3.36(c)(6)(A)	improper entry signs in a public area	\$2,000	\$
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 ₂ 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 ₂ 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 ₂ S contingency plan activation	12 hours or more-\$10,000	\$
59	16 TAC §3.36(c)(14)	failure to notify of H ₂ S release	more than 6 hours up to 12 hours-\$5,000	\$
60	16 TAC §3.36(c)(14)	failure to notify of H ₂ 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 ₂ S formation	\$2,000	\$
64	16 TAC §3.36(c)(13)	failure to have H ₂ 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 ₂ S release	\$3,000	\$
69	16 TAC §3.36(d)(3)	failure to file written report of emergency H ₂ 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	\$

	Oil & Gas Rule/Statute	General Description	Guideline Minimum Penalty from Table 1	Penalty Tally
74	16 TAC §3.57	reclamation plant operation violation	\$1,000	\$
75	16 TAC §3.65(c), (d), or (f)	failure to file Form CI-D or Form CI-X	\$1,000	\$
76	16 TAC §3.65(g)	failure to provide critical customer information	\$2,500	\$
77	16 TAC §3.73(a)	failure to notify of pipeline connection	\$1,000	\$
78	16 TAC §3.73(h)	reconnecting, transporting from well/lease without approved Form P-4	\$1,000 minimum; see Table 1A for additional amount	\$
79	16 TAC §3.73(j)	reporting, producing, injecting, disposing without approved Form P-4	\$1,000 minimum; see Table 1A for additional amount	\$
80	16 TAC §3.81	failure to comply with brine mining injection well operation requirements	\$1,000	\$
81	16 TAC §3.95	failure to comply with underground salt formation liquid or liquefied hydrocarbon storage facility operation requirements	\$2,000	\$
82	16 TAC §3.96	failure to comply with underground productive or depleted reservoir gas storage facility operation requirements	\$2,000	\$
83	16 TAC §3.97	failure to comply with underground salt formation gas storage facility operation requirements	\$2,000	\$
84	16 TAC §3.98	failure to comply with hazardous waste disposal operation requirements	\$2,000	\$
85	16 TAC §3.99(d)(2)	failure to comply with protection/isolation of usable quality water requirements	\$2,500 per well	\$
86	16 TAC §3.99(e)	failure to comply with cathodic protection well construction requirements	\$1,000 per well	\$
87	16 TAC §3.99(g)	failure to file completion report	\$1,000 per well	\$
88	16 TAC §3.100(d)(2)	failure to permit seismic/core holes penetrating usable quality water	\$1,000 per hole	\$
89	16 TAC §3.100(f)	failure to properly plug seismic/core holes	\$1,000 per hole	\$
90	16 TAC §3.100(g)	failure to file final survey report	\$5,000 per survey	\$
91	16 TAC §3.106(b)	commenced construction of a sour gas pipeline facility without a permit	\$10,000	\$
92	16 TAC §3.106(e)	published notice with egregious errors/omissions	\$5,000	\$
93	16 TAC §3.106(f)	provided pipeline plat with egregious errors/omissions	\$5,000	\$
94	Tex. Nat. Res. Code, §91.143	false filing	\$1,000 per form	\$
95	Tex. Nat. Res. Code, §89.029	false filing	\$1,000 to \$25,000	\$
965	Subtotal of guideline penalty amounts from Table 1 (lines 1-954, inclusive)			\$
976	Reduction for settlement before hearing: up to 50% of line 965 amt.		%	\$
987	Subtotal: amount shown on line 965 less applicable settlement reduction on line 976			\$
Penalty enhancement amounts for threatened or actual pollution from Table 2				
998	Agricultural land or sensitive wildlife habitat			

	Oil & Gas Rule/Statute	General Description	Guideline Minimum Penalty from Table 1	Penalty Tally
			\$1,000 to \$5,000	\$
100 99	Endangered or threatened species		\$2,000 to \$10,000	\$
101 0	Bay, estuary or marine habitat		\$5,000 to \$25,000	\$
102 1	Minor freshwater source (minor aquifer, seasonal watercourse)		\$2,500 to \$7,500	\$
103 2	Major freshwater source (major aquifer, creeks, rivers, lakes and reservoirs)		\$5,000 to \$25,000	\$
Penalty enhancement amounts for safety hazard from Table 2				
104 3	Impacted residential/public areas		\$1,000 to \$15,000	\$
105 4	Hazardous material release		\$2,000 to \$25,000	\$
106 5	Reportable incident/accident		\$5,000 to \$25,000	\$
107 6	Well in H ₂ S field		up to \$10,000	\$
Penalty enhancement amounts for severity of violation from Table 2				
108 7	Time out of compliance		\$100 to \$2,000 each month	\$
109 8	Subtotal: amount shown on line 987 plus all amounts on lines 998 through 1087 , inclusive			\$
Penalty enhancements for culpability of person charged from Table 2				
110 9	Reckless conduct of operator		double line 1098 amount	\$
111 0	Intentional conduct of operator		triple line 1098 amount	\$
Penalty enhancements for number of prior violations within past seven years from Table 3				
112 1	One		\$1,000	\$
113 2	Two		\$2,000	\$
114 3	Three		\$3,000	\$
115 4	Four		\$4,000	\$
116 5	Five or more		\$5,000	\$
Penalty enhancements for amount of penalties within past seven years from Table 4				
117 6	Less than \$10,000		\$1,000	\$
118 7	Between \$10,000 and \$25,000		\$2,500	\$
119 8	Between \$25, 000 and \$50,000		\$5,000	\$
120 19	Between \$50,000 and \$100,00		\$10,000	\$

	Oil & Gas Rule/Statute	General Description	Guideline Minimum Penalty from Table 1	Penalt y Tally
121 0	Over \$100,000		10% of total amt.	\$
122 1	Subtotal: Line 987 amt. plus amts. on line 1109 and/or 1110 plus the amt. shown on any line from 1124 through 1210 , inclusive			\$
123 2	Reduction for demonstrated good faith of person charged			\$
124 3	TOTAL PENALTY AMOUNT: amount on line 1224 less any amount shown on line 1232			\$