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**"Profitable Mineral Management"**

**BREAKFAST SERIES *for***

**Surface and Mineral Owners**

***Admission by Invitation Only***

**DATE:** November 1, 2016

**TOPIC:** Allocation Wells and Legislative Updates

**LOCATION:** San Antonio Petroleum Club  
8620 N New Braunfels, Suite 700  
San Antonio, TX 78217-6363  
P 210.824.9014  
F 210.829.5443

**TIME:** 7:30 AM Breakfast - 8:00 AM Presenters - 8:50 AM Questions & Answers

**INTRODUCTION:** Brett Stinson, Trinity Mineral Management, Ltd.

**PRESENTERS:** Sean Caporaletti, Trinity Mineral Management, Ltd.

**Allocation Wells**

Brett Stinson, Trinity Mineral Management, Ltd.

**Legislative Updates**

- Legislative Process
- Allocation Wells – HB 1552
- Division Orders – HB 3068
- Retained Acreage – HB 3946
- Other Bills
- Eminent Domain
- Texas Sunset Advisory Commission Report

**UPCOMING:** 2017 Seminars To Be Determined

**Sean M. Caporaletti**  
**Sr. Project Manager, JD, RPL**  
**Trinity Mineral Management, Ltd.**

Mr. Caporaletti was raised in El Paso, Texas, graduated from Trinity University, and received his law degree from St. Mary's University School of Law.

Despite his non-legal role at Trinity Mineral Management, he maintains an active Texas law license, and has been admitted to practice law in North Dakota. In addition to being a father 3, Sean is also an Adjunct Professor at Trinity University where he teaches Oil & Gas. He holds a Registered Professional Landman (RPL) certification from the American Association of Professional Landmen (AAPL) and is a certified mediator.

Mr. Caporaletti began his oil & gas career as a Field Landman in South Texas performing due diligence, leasing, title and curative work for a number of large and small oil companies.

In 2014, Mr. Caporaletti joined Trinity Mineral Management. As Senior Project Manager, he specializes in royalty and non-royalty lease compliance, royalty and production verification, and lease, right-of-way, salt water disposal, and surface use agreement review and negotiation.

Memberships and Affiliations include: The State Bar of Texas: Oil, Gas and Energy Resources Law Section, The San Antonio Bar Association: Natural Resources Section, San Antonio Young Lawyers Association (SAYLA), Young Professionals in Energy (YPE), Texas Land and Mineral Owners Association (TLMA), San Antonio Association of Professional Landmen (SAAPL), and the American Association of Professional Landmen (AAPL).

**Brett A. Stinson**  
**COO, Sr. Project Manager**  
**Trinity Mineral Management, Ltd.**

Mr. Stinson has worked in many diverse fields over his 23-year career providing solutions to businesses to help advance the level of technology and ability to perform the business objectives with software and architecture consulting. Some of the industries he has worked in include: Manufacturing, Energy, Oil and Gas, Telecommunications, Banking, Retail, Non-Profit and Technical Support.

Mr. Stinson began his career in 1990 as a school teacher and football coach in Central Texas, but quickly realized the computer industry, and specifically development of computer software, was his true passion.

Mr. Stinson began writing software in 1992 and he continually strives to provide the best possible solution to the current business need as well as a level of support and understanding that is unmatched by common development teams and industry standards.

In 2000, while working as a consultant in the greater Dallas area, Mr. Stinson started his own software company and began to consult for small businesses. His relationship with Mr. Scott started around that time, when he was recruited to make changes to a program called LandTracker, and has since continued as they have collaborated on many software projects over the years.

In early 2013, Trinity's growth and need for software solutions allowed Mr. Stinson the opportunity to become a full-time employee of Trinity, where he is now the in-house developer.

In September 2013, Mr. Stinson moved into the role of Chief Operating Officer for the company to help manage and promote the growth of the company and has since taken on Senior Project Manager duties for a limited number of Clients.

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# Allocation Wells

SEAN CAPORALETTI, J.D., RPL  
SENIOR PROJECT MANAGER  
TRINITY MINERAL MANAGEMENT, LTD.

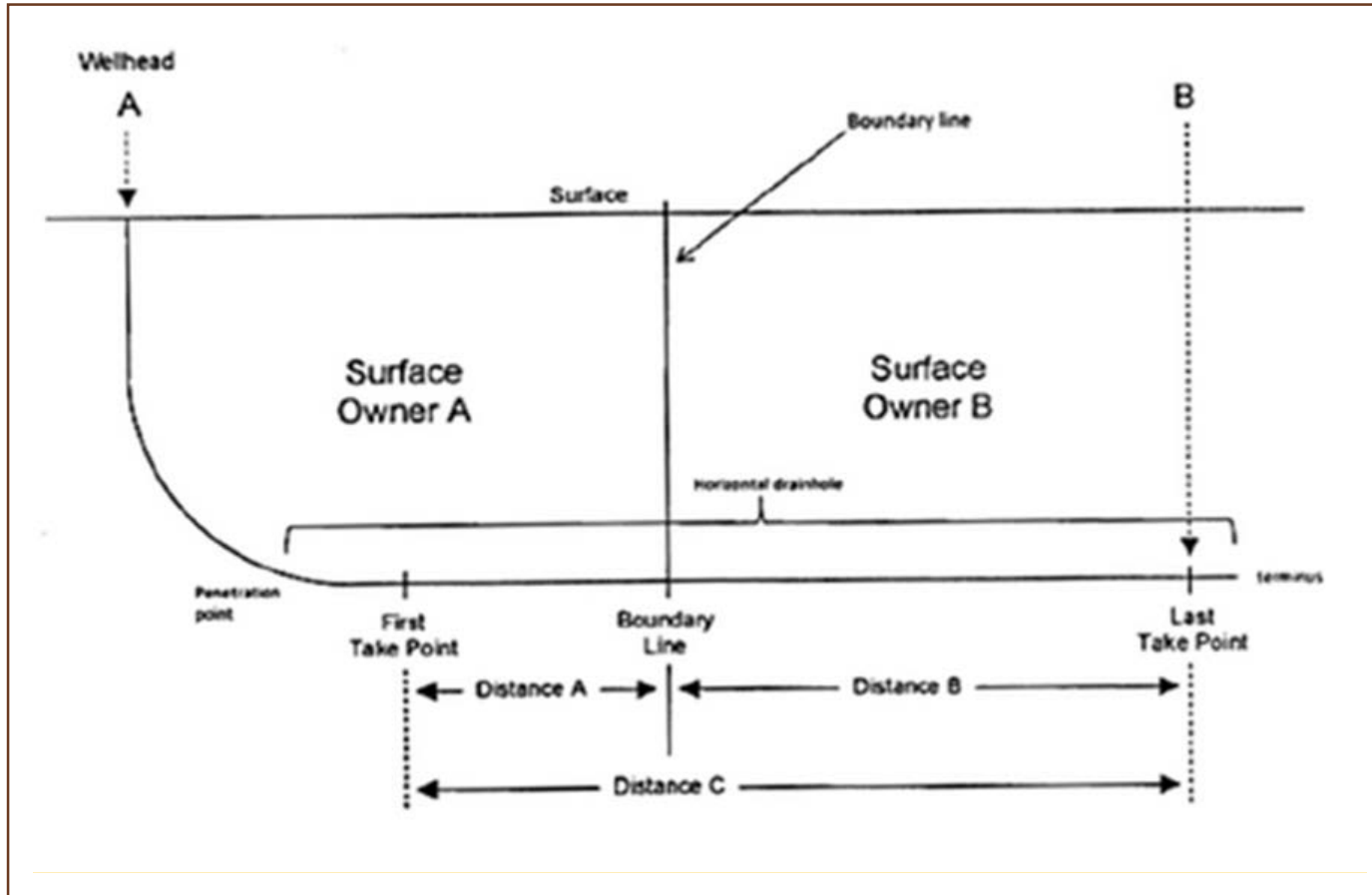
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“An allocation well is a horizontal well that traverses the boundary between two or more leases that have not been pooled and for which no agreement exists among the royalty owners as to how production will be shared.”

*Clifton A. Squibb, The Age of Allocation: The End of Pooling As We Know It?, 45 Tex. Tech L. Rev. 929, 930 (2013)*

# Klotzman



- Two 40 acre tracts under separate OGLs to EOG
- Neither had Pooling provisions
- Issuance of Permit would constitute unauthorized pooling
- Strips owner of retained property right to pool their land



# Klotzman

“[I]t’s our job as commissioners to figure out if EOG has a good faith claim to title, which I think they do, and it’s not our job really to look at the lease.”

- Commissioner Christi Craddick

## RRC Disclaimer

“Issuance of the permit is not an endorsement or approval of the applicant’s stated method of allocation production proceeds among component leases or units. [...] Payment of royalties is a contractual matter between the lessor and lessee. Interpreting the leases and determining whether the proposed proceeds allocation comports with the relevant leases is not a matter within the Commission jurisdiction but a matter for parties to the lease and, if necessary, a Texas court of competent jurisdiction.”



# Previous Methods of Production Allocation

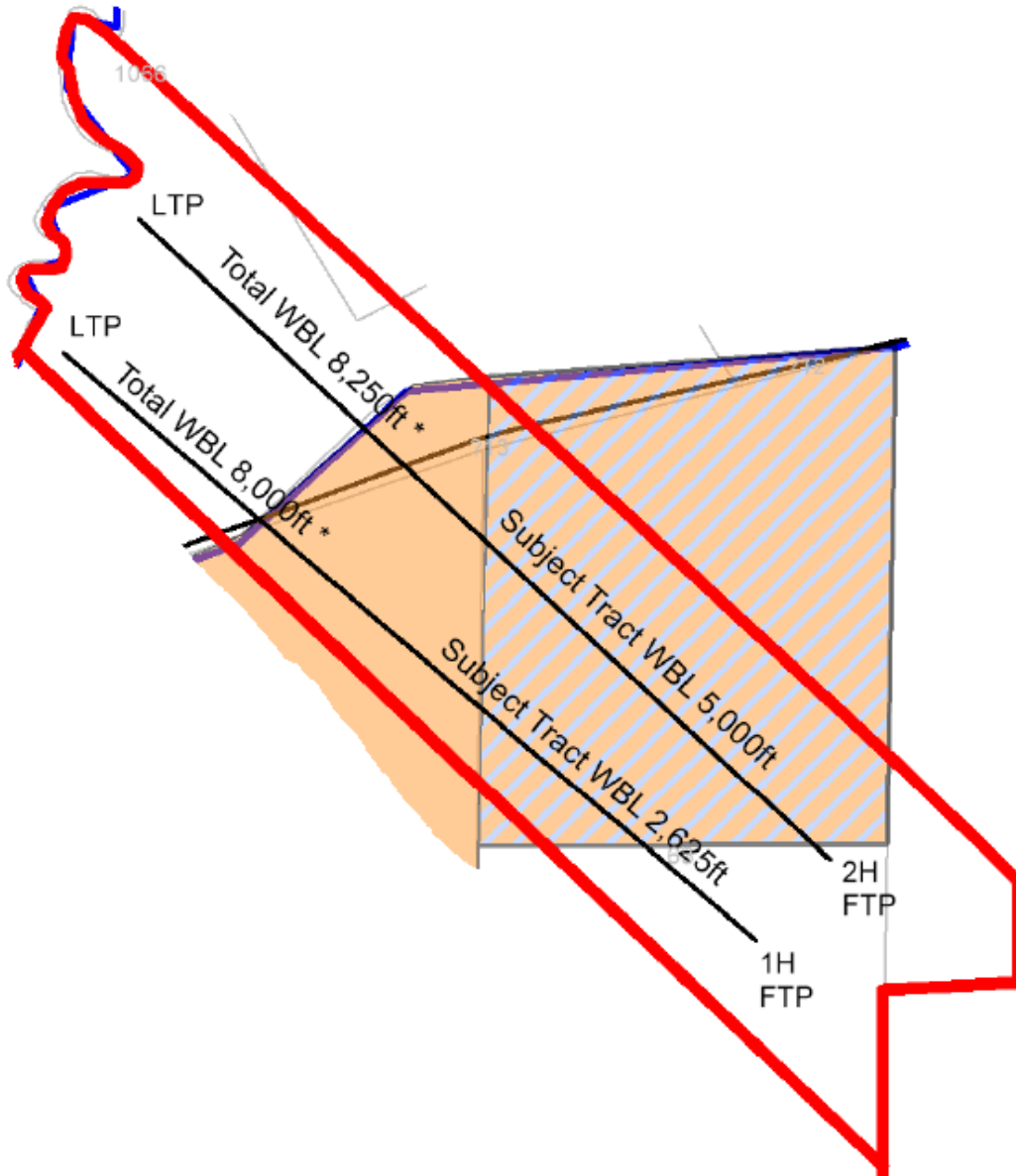
- Allocation Agreements
- Traditional Pooling
- Production Sharing Agreements

# Major Issues

- Private Property Rights:
  - Removes mineral/royalty owner from the discussion and dilutes their interest without consent
- Proper Payment of Royalty:
  - Difficulty in confirming accurate allocation
- As of May 2016 the RRC had issued permits to drill over 1,700 allocation wells Greg Mathews, *Production Sharing Agreements and Allocation Wells Update 3* (Apr. 5, 2016)

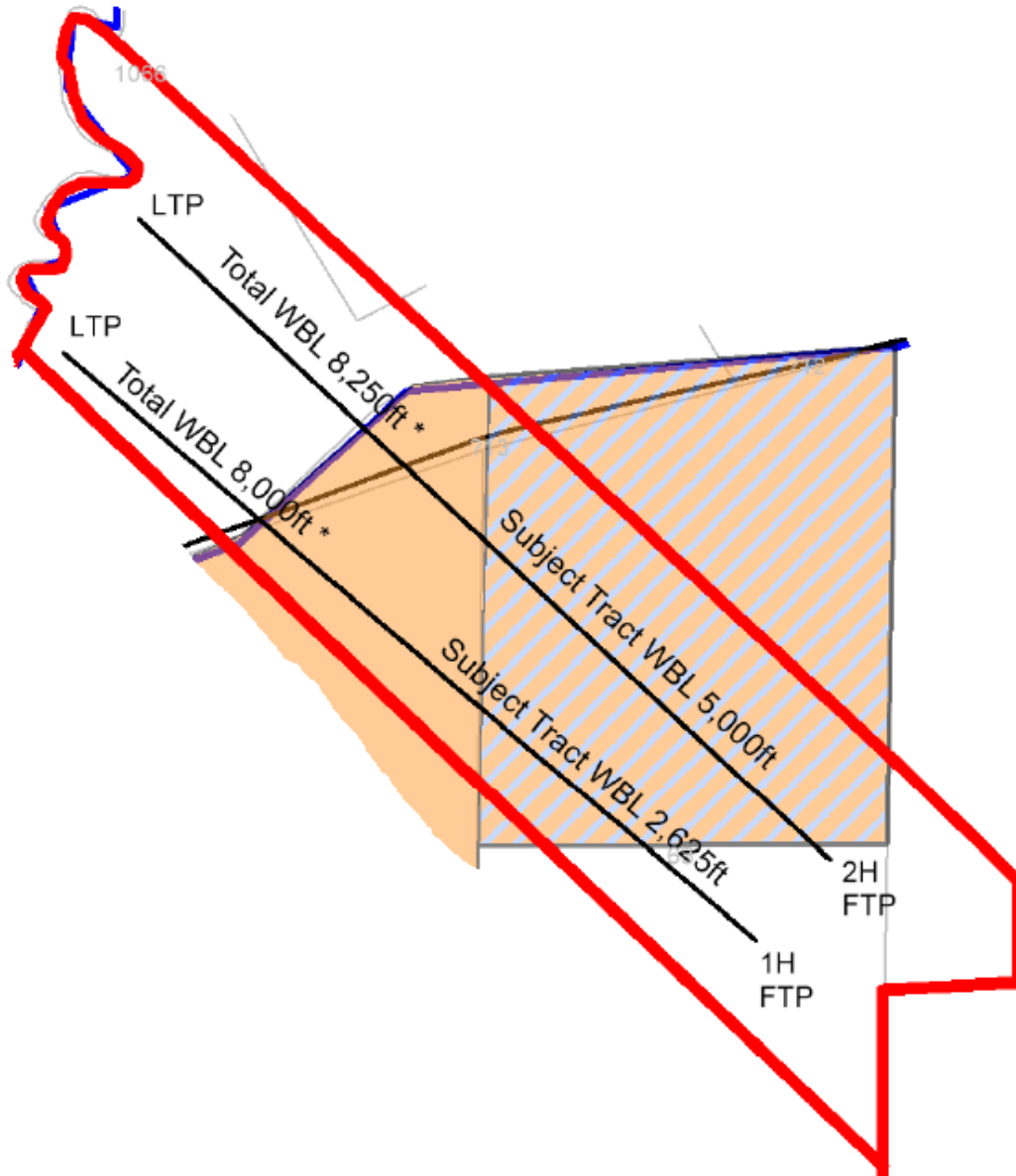
# Revenue Distribution

- Surface Acreage (traditional pooling)
- Wellbore Length



## Surface Acreage

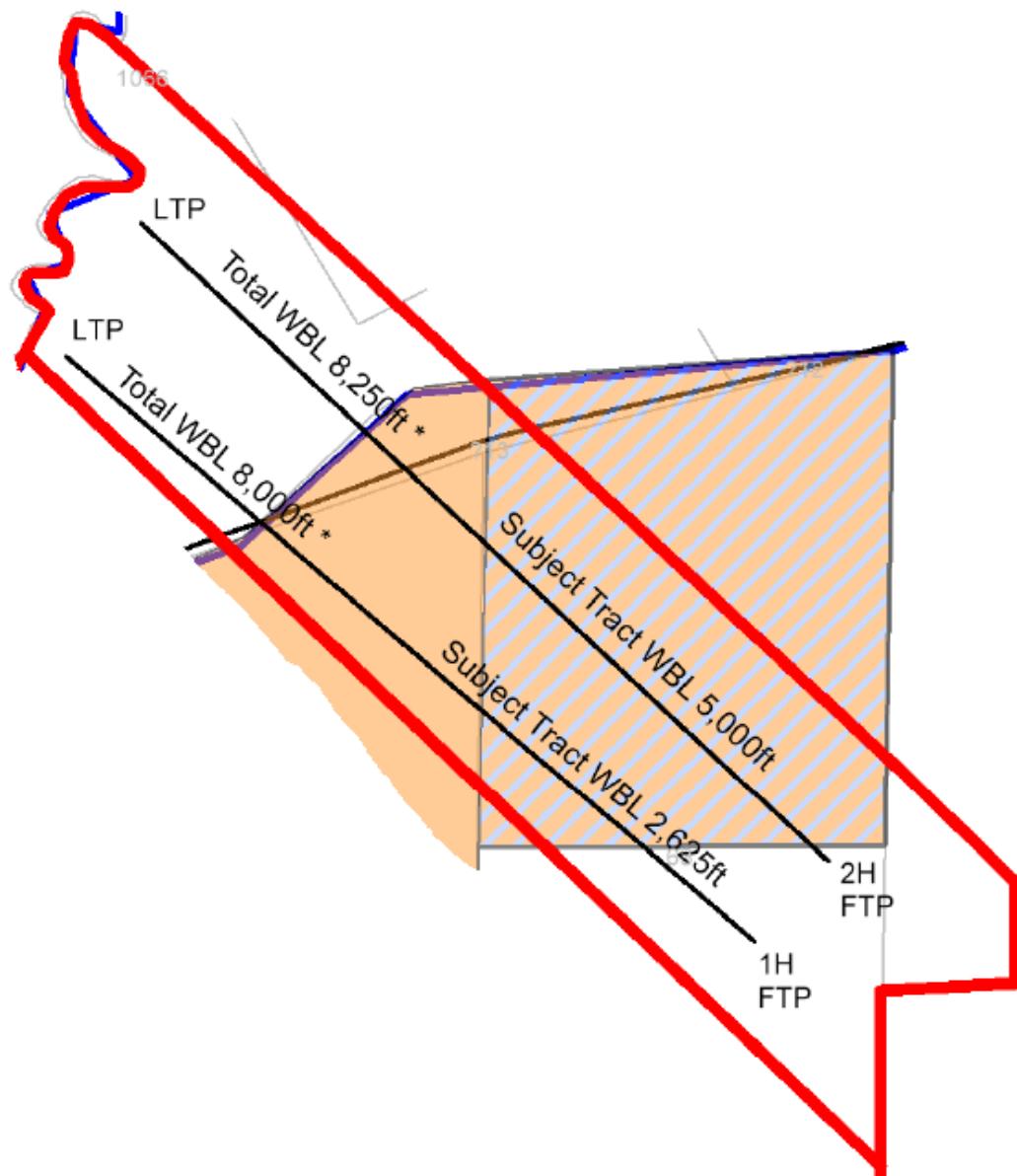
- Subject Tract: 474 acres
- Pooled Unit: 719.5 acres
- Subject Tract acreage in Unit: 254.61
- Unit Participation:  
 $254.61 / 719.5 = 0.35387$  or  
 $\sim 35\%$



## Surface Acreage

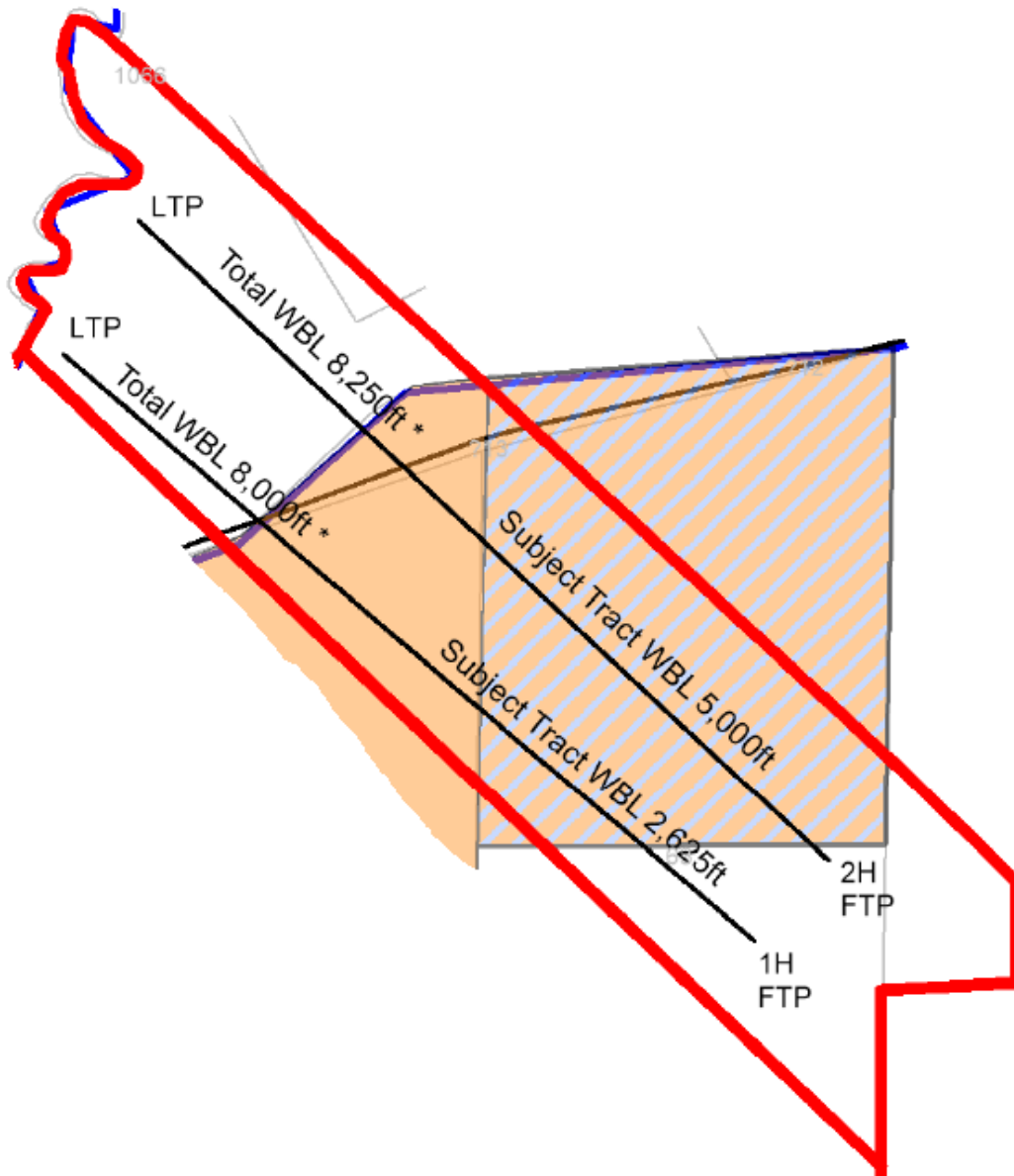
- 100% MI
- 25% Lease Royalty
- 38,273 bbl over 8 months
- \$50/bbl
- $35\% \times 1 \times .25 \times 38,273 \times \$50 =$   
~\$120,650 royalty on oil

# Producing Wellbore



- FTP to LTP: 8,000 feet
- “Producing Wellbore” traversing Subject Tract: 2,625 feet
- Allocation:  $2,625/8,000 = 0.3281$  or  $\sim 33\%$





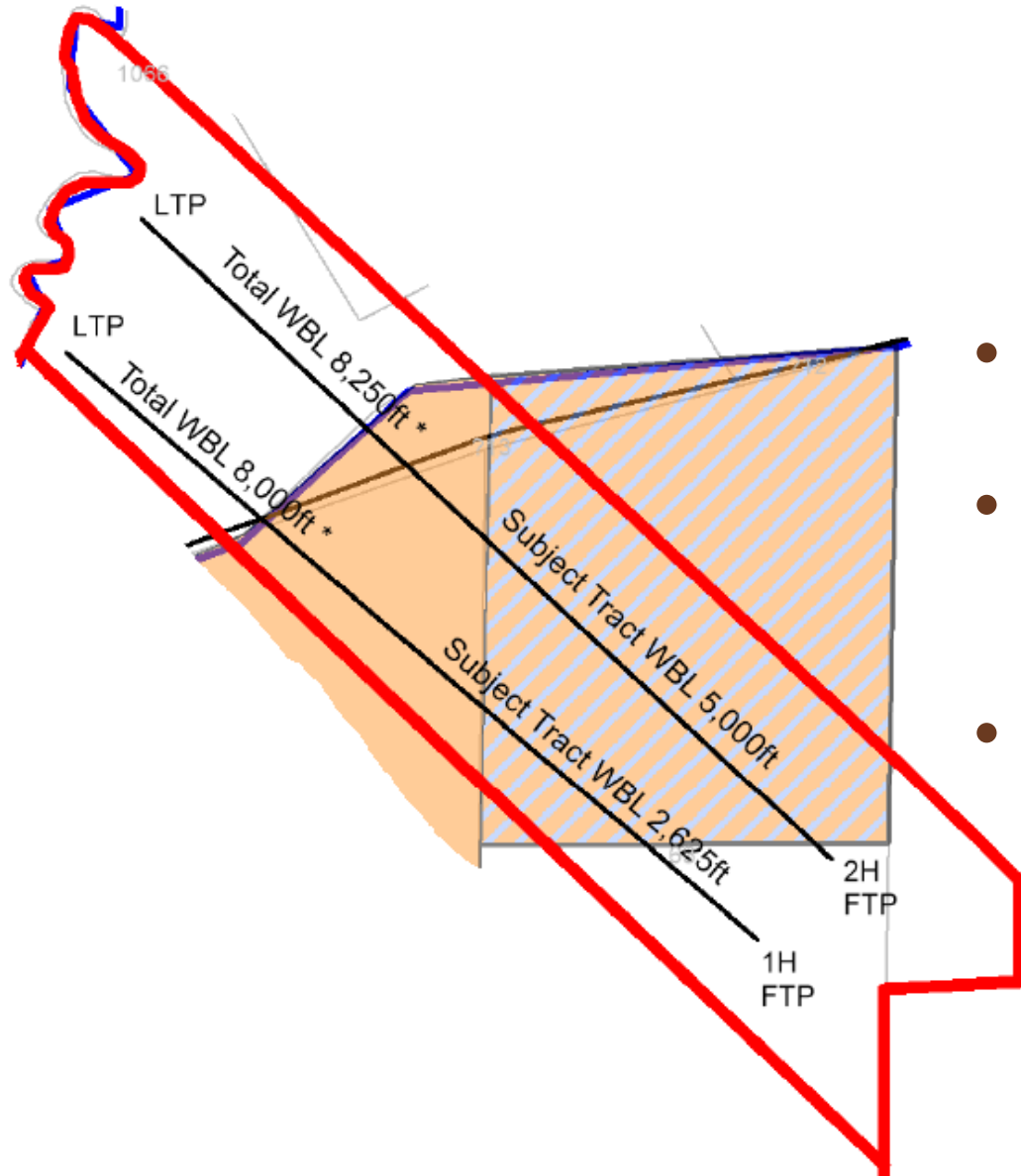
## Producing Wellbore

- 100% MI
- 25% Lease Royalty
- 38,273 bbl over 8 months
- \$50/bbl
- $33\% \times 1 \times .25 \times 38,273 \times \$50 =$   
~\$156,979 royalty on oil

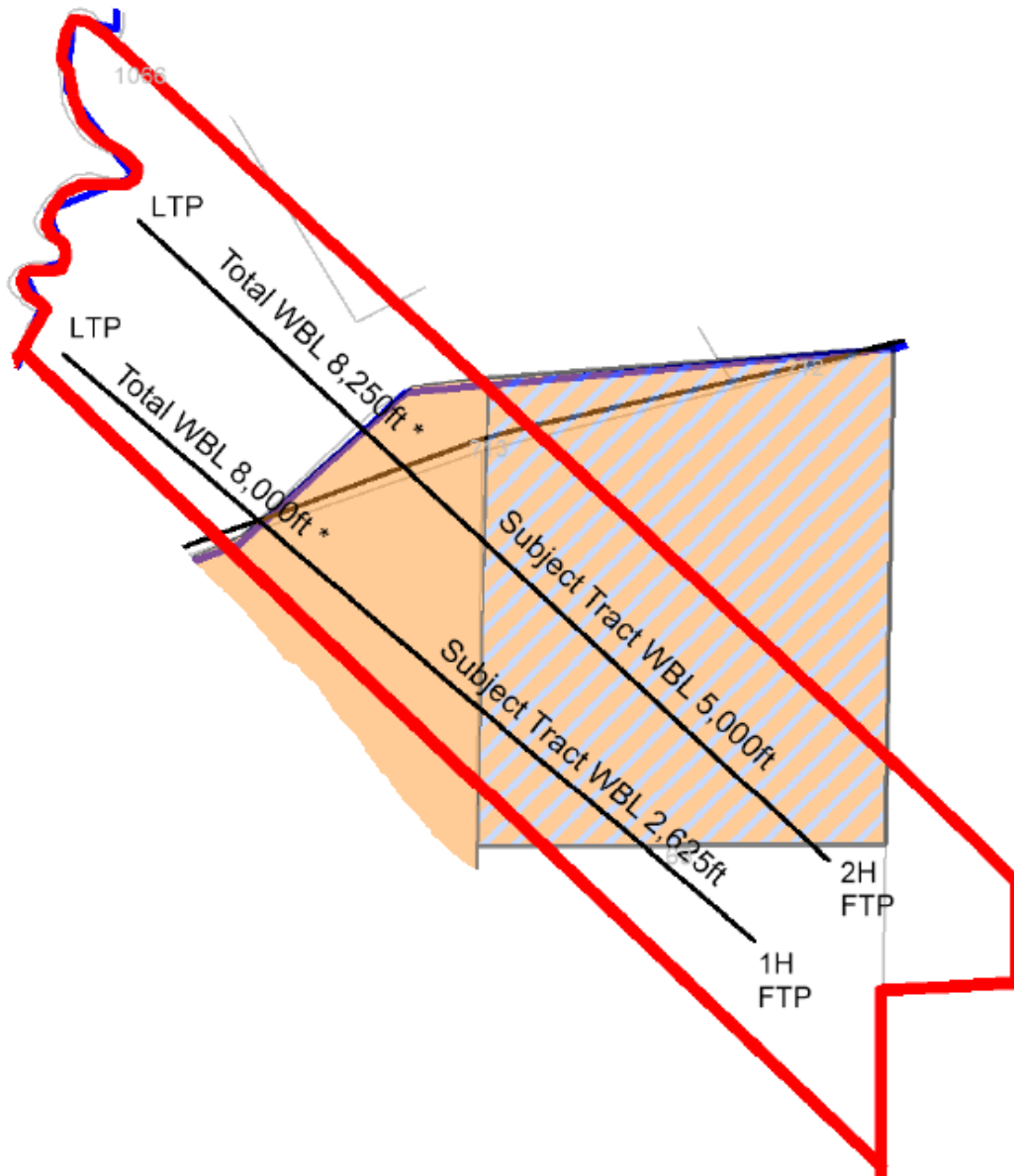
# Pooling vs. Allocation

- Royalty Based on Allocation: \$156,979
- Royalty Based on Pooling: \$169,296
- Difference (\$12,317)

# Producing Wellbore



- FTP to LTP: 8,250 feet
- “Producing Wellbore” traversing Subject Tract: 5,000 feet
- Allocation:  $5,000/8,250 = 0.6060$  or  $\sim 60\%$



## Producing Wellbore

- 100% MI
- 25% Lease Royalty
- 38,273 bbl over 8 months
- \$50/bbl
- $60\% \times 1 \times .25 \times 38,273 \times \$50 =$   
~\$289,946 royalty on oil

# Pooling vs. Allocation

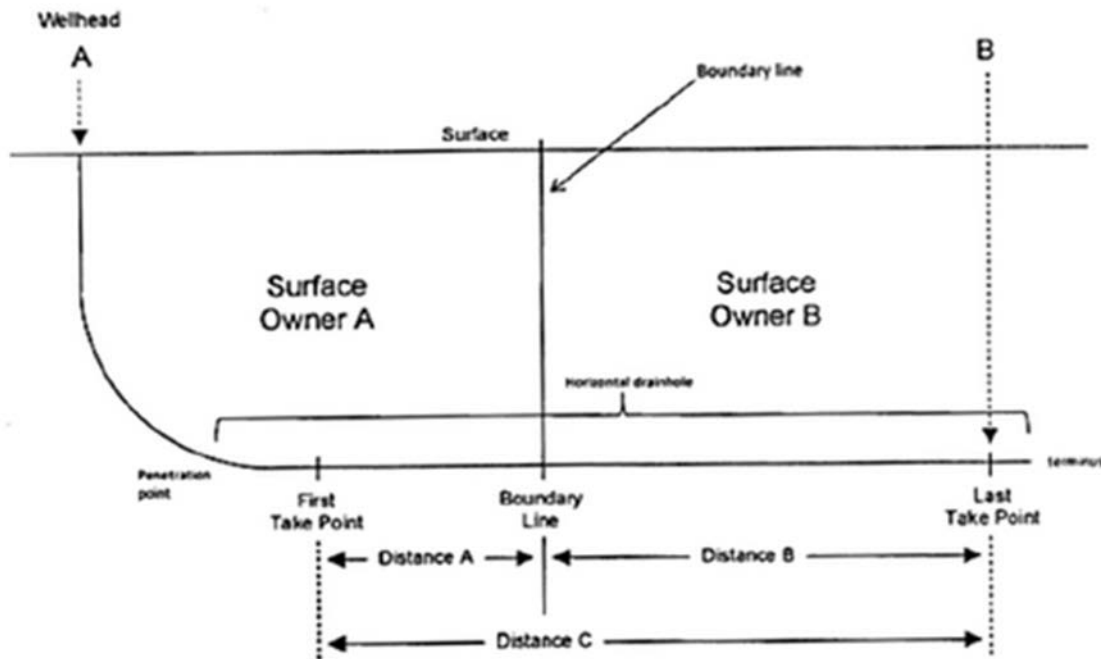
- Royalty Based on Allocation: \$289,846
- Royalty Based on Pooling: \$169,296
- Difference \$120,650

# Revenue Distribution

- Surface Acreage
- Wellbore Length
  - First Take to Last Take Point
  - Penetration to Terminus
  - Take Points: number of take points within subject tract, NPZs
  - Surface to Terminus: measured depth, not producing wellbore length



# Problem: Allocation Methods



- Length of Producing Wellbore:
  - FTP to LTP
  - Penetration to BHL/Terminus
- Non Take Points or Non Perf Zones
- Commingling of Production
- Surface Location of Well



TRINITY MINERAL MANAGEMENT

# Legislative Updates & Sunset Commission Report

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# Legislative process

“... a large number of bills are never reported out of committee. Thus, committee action is the first crucial step in the process by which a bill becomes law.” - Guide to Legislative Information by Research Division of the Texas Legislative Council – [Texas Legislature Online](http://www.texaslegislature.com)



The screenshot shows the Texas Legislature Online interface for Bill Stages. The page title is "Texas Legislature Online Bill Stages". The navigation menu includes Home, My TLO, House, Senate, Legislation (highlighted), Search, Committees, and Calendars. Below the navigation menu, there are tabs for History, Text, Actions, Companions, Amendments, Authors, Sponsors, Captions, and Bill Stages (highlighted). The main content area displays "Bill: HB 1552", "Legislative Session: 84(R)", and "Author: Craddick". A horizontal timeline shows seven stages: Stage 1 Filed (2/18/2015), Stage 2 Out of House Committee, Stage 3 Voted on by House, Stage 4 Out of Senate Committee, Stage 5 Voted on by Senate, Stage 6 Governor Action, and Stage 7 Bill Becomes Law. A red 'X' is placed between Stage 1 and Stage 2, indicating that the bill did not progress beyond the first stage.

Stage	Description	Date
Stage 1	Filed	2/18/2015
Stage 2	Out of House Committee	
Stage 3	Voted on by House	
Stage 4	Out of Senate Committee	
Stage 5	Voted on by Senate	
Stage 6	Governor Action	
Stage 7	Bill Becomes Law	

# Legislative process

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- Calendaring
- Bills which have not even made it out of committee can be attached to other bills previous to a vote

# Horizontal Well Options

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- Pool the acreage
- Create a Production Sharing Agreement (PSA)
- Create an Allocation Well

# Pooling Clauses

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9. POOLING: Lessee is expressly denied the right to pool or unitize any part of the leased premises. Further, Lessee is denied the right to seek or consent to the forced pooling of any part of the leased premises under the Mineral Interest Pooling Act or other pooling statutes of Texas without Lessor's consent.

4. At its option, Lessee is granted the right and authority to pool, unitize, or combine the land covered by this Lease or any portion of it as to oil and/or gas, with any other land covered by this Lease, and/or with any other land, lease, or leases in the immediate vicinity of the leased premises, when in Lessee's judgment it is necessary or advisable to do so in order to explore, develop, and operate the leased premises in compliance with the spacing rules of the Railroad Commission of Texas, or other lawful authority, or when to do so would, in the judgment of Lessee, promote the conservation of oil and/or gas in and under and that may be produced from the leased premises. Units pooled for oil shall not substantially exceed 40 acres each in area, and units pooled for gas shall not substantially exceed 640 acres each in area,



# EOG Resources, Inc. v. Klotzman

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Proposal for decision (PFD) issued on June 25<sup>th</sup>, 2013 by the RRC hearings division

“The examiners find no Texas statute, Commission Statewide Rule or Commission Final Order authorizing “allocation” wells. There is no Commission form on which to apply for “allocation” wells. All permits for “allocation” wells have been filed on a Form PSA-12, a form adopted by the Commission effective September, 2011, which is used to file for Production Sharing Agreement well permits. Apparently, prior applications for “allocation” wells have been routinely administratively granted. There has been no notice to potentially affected parties and there has been no investigation by the Commission as to the facts of the applications.”

“It’s better to ask for forgiveness than permission”




# “It’s better to ask for forgiveness than permission”

From the Railroad commission Drilling Permits (W-1) Online Filing User Guide:

4. For horizontal wells, if you are applying for a special permit type, select the *Horizontal Wellbore Type (PSA, Allocation, or Stacked Lateral)*. If you select *Stacked Lateral*, provide the permit number of the “record” or “parent” well in the *Status Number* field.
5. In the *W-1 Defaults* section, enter the *Lease name* and the *Well number*. (For a new drill, the well number is the next number available for wells on the lease.)  
For your well number, you are allowed six characters. The first character can be either alpha or numeric. The second, third, and fourth characters are numeric only. The fifth and sixth characters are alpha only.
6. Enter the *Total Vertical Depth* to which the well is to be drilled.

# “It’s better to ask for forgiveness than permission”

From the Railroad commission website (presentation re: P-16 online form) :



## PSA Wells, Allocation Wells and Stacked Laterals


(please hit save to see errors on this page)  [Edit Operator Address](#)

**\*Purpose of Filing**  New Drill  Recompletion  Reclass  Field Transfer  Reenter

**Expedite**

**\*Wellbore Profiles**  Vertical  Horizontal  Directional  Sidetrack

**Horizontal Wellbore Type**  
(for Horizontal Wellbore Profiles only)  PSA  Allocation  Stacked Lateral **Status Number (for Stacked Lateral only)**



# PSA vs Allocation wells

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As of February 2016

- PSA Permits – 1533
- Allocation Well Permits - 1737

# Allocation Wells – HB 1552

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- Introduced to the Texas House February 18, 2015 by Representative Tom Craddick
- Companion Bill Introduced to Senate as SB 919 March 3, 2015 by Senator Troy Fraser



# Natural Resources Code

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- The Natural Resources Code is the defining document that gives the TRRC its operational guidelines with respect to regulating the Oil and Gas industry.
- Chapter 81 – Railroad Commission of Texas
- Chapter 85 – Conservation of Oil and Gas
  - Sec. 85.046 - Waste
- Chapter 86 – Regulation of Natural Gas
- Chapter 88 – Control of Oil Property
- Chapter 89 – Abandoned Wells
- Chapter 91 – Provisions Generally Applicable
  - Sec. 91.501 - 507 – Information Required
  - Sec. 91.751 – 755 – Notice or Permit for Certain Oil and Gas Operations
- Chapter 102 – Pooling

# HB 1552 Text

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Section 85.046, Natural Resources Code, is amended by adding Subsection (d) to read as follows:

(d) Unless expressly prohibited by a lease, deed, or other contract, an operator or lessee with the right to drill an oil or gas well on or produce or develop oil or gas from each tract independently may, under a permit issued by the commission, drill, operate, and produce oil or gas from an oil or gas well that traverses multiple tracts in order to prevent waste, promote conservation, or protect correlative rights.

# HB 1552 Text

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If there is not an agreement among any of the affected owners of royalty or mineral

interests in the tracts regarding the manner in which production from the well shall be allocated among the tracts, the production shall be allocated to each tract in the proportion that the operator or lessee reasonably determines reflects the amount produced from each tract. The operator or lessee must send written notice of the production allocation to each affected royalty or mineral interest owner at the owner's last known address.

# HB 1552 Text

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If an owner of a royalty or mineral interest in a tract enters into an agreement with the

operator or lessee regarding the manner in which production from the well shall be allocated to the tract, the agreement prevails over the allocation determined by the operator or lessee under this subsection.

# HB 1552 Text

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On application of an affected person, the commission, after notice and opportunity for hearing, may determine whether a production allocation under this subsection:

- (1) will harm the correlative rights of the working or royalty interest owners;
- (2) is necessary to prevent waste or adequately protect the correlative rights of the affected owners; and
- (3) accurately attributes to each affected interest owner its fair share of the aggregated production.

# HB 1552 – What happened?

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- Filed – Feb. 18, 2015
- Read first time – Mar. 9, 2015
- Referred to Energy Resources Committee – Mar. 9, 2015
- House Committee Public Hearing – Apr. 6, 2015
- ...

# HB 3068 – Division Order Bill

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AN ACT relating to the information required to be provided by a payor of proceeds from the sale of oil or gas from an oil or gas well to a payee on the request by the payee

- Filed – Mar. 11, 2015
- Read first time – Mar. 23, 2015
- Referred to Energy Resources Committee – Mar. 23, 2015
- ...



# HB 3068 Text

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Section 91.402, Natural Resources Code, is amended by adding Subsection (d-1) to read as follows:

- (d-1) A payee that receives a division order from a payor in compliance with Subsection (c) may request that the payor provide to the payee the formula used to calculate the payee's fractional or decimal interest in production as stated in the division order, the information used to determine the payee's fractional or decimal interest in production, or the fractional or decimal interest in production of each payee.

# HB 3068 Text

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If the payee's interest in production is subject to a pooling or unitization agreement, the payor may comply with this subsection by providing to the payee detailed information regarding where in the real property records of the county in which the well is located the pooling or unitization agreement that shows the relevant fractional or decimal calculation formula is recorded. The payor must provide the required formula, information, or division of interest to the payee not later than the 21st day after the date the payor receives the request.

# HB 3946 – Retained Acreage

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AN ACT relating to the effect of operations in a unit created under the provisions of an oil or gas lease following the expiration of the primary term of the lease

- Filed – Mar. 13, 2015
- Read first time – Mar. 23, 2015
- Referred to Energy Resources Committee – Mar. 23, 2015
- ...

# HB 3946 Text

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SECTION 1. Subtitle C, Title 3, Natural Resources Code, is amended by adding Chapter 104 to read as follows:

## CHAPTER 104. VOLUNTARY POOLING

Sec. 104.001. APPLICABILITY. (a) This chapter applies only to a unit created voluntarily under the provisions of an oil or gas lease. In the event of a conflict between this chapter and the provisions of an oil or gas lease entered into before September 1, 2015, the provisions of the lease prevail.

(b) This chapter does not apply to land:

- (1) that is owned by this state; or
- (2) in which this state has an interest, directly or indirectly.

# HB 3946 Text

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Sec. 104.002. EFFECT OF OPERATIONS IN UNIT IN SECONDARY TERM OF LEASE. If only part of a tract subject to an oil or gas lease is pooled into a unit for an oil or gas well, unit production of oil or gas, unit operations, or payment of shut-in royalties from a unit gas well will not serve to hold the lease in force as to any area outside the unit after the fifth anniversary of the date the primary term of the lease expires.

# Other Bills

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SB 1392 – an act relating to the recovery of stranded oil, gas, or oil and gas from depleting Cenozoic Era reservoirs – pending in committee

HB 1946 – an act relating to the appraisal for ad valorem tax purposes of a real property interest in oil or gas in place – subject to call

HB 2581 – an act relating to governmental actions affecting private property rights in certain oil and gas wells – pending in committee

HB 3198 – an act relating to permitting for injection wells in certain oil and gas producing counties – pending in committee

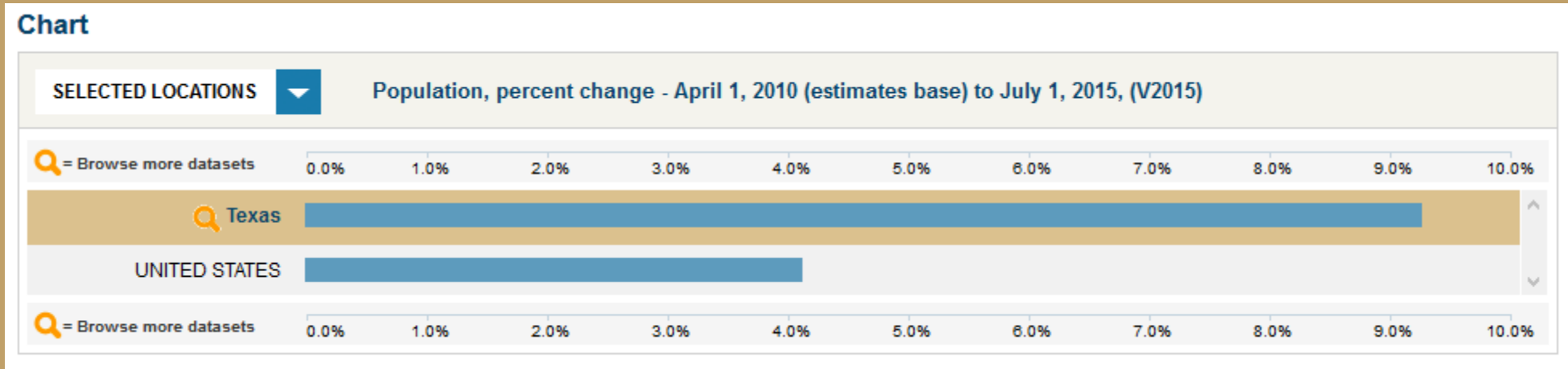
# Eminent Domain – TexansForPropertyRights.com








# Eminent Domain - Texas population growth

Texas Population (source: U.S. Census Bureau– www.census.gov)



<i>Population</i>	
 Population estimates, July 1, 2015, (V2015)	27,469,114
 Population estimates base, April 1, 2010, (V2015)	25,146,105
 Population, percent change - April 1, 2010 (estimates base) to July 1, 2015, (V2015)	9.2%

# Eminent Domain – who has the power?

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- The power of eminent domain is recognized in both the United States and Texas Constitutions. The Fifth Amendment of the United States Constitution provides that private property may not be taken for public use without just compensation. Article I, Section Seventeen of the Texas Constitution, likewise, prohibits the taking, damaging or destruction of property for public use without adequate compensation being made.
- Under Texas law, only a governmental entity or a private entity granted the power of eminent domain under law is permitted to condemn property.
- Examples of private entities authorized by law to condemn property include gas or electric corporations, groundwater conservation districts, and common carrier pipelines.

# Eminent Domain – Past legislation

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- SB 18 – 2001 - Passed
  - Pre-lawsuit discovery
  - Timelines for initial and final offers
  - Permit strike of one special commissioner
  - Compensation for “material” impairment of access
- SB 474 – 2015 – Failed
  - When awarded at least 120% of final offer in litigation, landowner reimbursed for out of pocket costs (appraisals, court costs, attorney fees)

# Eminent Domain – 85<sup>th</sup> legislature (2017)

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- Landowner out of pocket
  - Award of 125% more than final offer
- Bona fide offer requirements
  - Basic information
    - Number of pipelines
    - Pipeline diameter
    - Clear definition of product
    - Surface use
    - Double ditch install method
    - Right to future damages
    - Limit access to other property

# Eminent Domain – 85<sup>th</sup> legislature (2017)

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- Valuation of easements
  - Allow presentation as evidence details of price paid for surrounding previously negotiated transactions
- Bond requirements
  - Require bond posted upon appeal
- Possession and Use agreements: Enforceability
  - No sovereign immunity
  - Liability
- Possession and Use Agreements: Property Taxes
  - When the condemning authority has possession, but title has not passed, the landowner is still required to pay taxes

# Eminent Domain – 85<sup>th</sup> legislature (2017)

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- Royalty Payments
  - Allow for negotiation of rental or royalty payments
- Appraisals –discovery
  - Extend requirement for appraisal to be at least 3 days prior to hearing

# Texas Sunset Advisory Commission

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- In 1977, the legislature created the Sunset process to question the need for and success of agencies carrying out the responsibilities of state government
- The Sunset process works by setting an automatic termination (Sunset) date on which an agency will be abolished unless a bill is passed to continue it
- Agencies are reviewed every 12 years



## The Sunset Process

**1**

**Sunset Staff Evaluation**

Sunset staff performs extensive research and analysis to evaluate the need for, performance of, and improvements to the agency under review.

**Sunset Commission Staff**

- Reviews agency's Self-Evaluation Report
- Receives input from interested parties
- Evaluates agency and identifies problems
- Develops recommendations
- Publishes staff report

Public input is confidential

### Sunset Publishes Staff Report

**2**

**Sunset Commission Deliberation**

The Sunset Commission conducts a public hearing to take testimony on the staff report and the agency overall. Later, the Commission meets again to vote on which changes to recommend to the full Legislature.

**Public Hearings**

- Sunset staff presents its report and recommendations
- Agency presents its response
- Sunset Commission hears public testimony
- Staff compiles all testimony for Commission consideration
- Sunset Commission meets again to consider and vote on recommendations

Public input is published on the website

### Sunset Commission Recommends Action

**3**

**Legislative Action**

The full Legislature considers Sunset recommendations and makes final determinations.

**Texas Legislature**

- Sunset bill on an agency is drafted and filed
- Sunset bills go through normal bill processes
- The Senate and the House conduct committee hearings and debate the bill
- Bill passes or fails adoption
- Governor signs, vetoes, or allows bill to become law without signature

Agency continues with improvements.

Agency is abolished but may continue business for up to one year.



OR



# TRRC Sunset review

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- The 85<sup>th</sup> legislative session will see the 3<sup>rd</sup> Sunset Review of the TRRC since 2010
- At the end of the 84<sup>th</sup> legislative session (2015) a proposal to delay the agency's review until 2021 was rejected and the legislature ordered another full review

# Issues and recommendations

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- Issue 1 – Continue the Railroad Commission of Texas for 12 years with a name that reflects the Agency’s important functions
- Key recommendation
  - Change the name of the Railroad Commission of Texas to the Texas Energy Resources Commission and continue the agency for 12 years

# Issues and recommendations

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- Issue 2 – Contested hearings and Gas utility oversight are not core Commission functions and should be transferred to other agencies to promote efficiency, effectiveness, transparency, and fairness
- Key recommendations
  - Require the use of State Office of Administrative Hearings for contested gas utility cases
  - Require the Railroad Commission to use the State Office of Administrative Hearings for all other contested case hearings
  - Transfer gas utility regulation from the Railroad Commission to the Public Utility Commission

# Issues and recommendations

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- Issue 3 – Oil and Gas monitoring and enforcement need improvements to effectively ensure public safety and environmental protection
- Key recommendations
  - Require the Railroad Commission to develop a strategic plan for the Oil and Gas Division that tracks and measures the effectiveness of monitoring and enforcement
  - Require the Railroad Commission to develop in rule a process for issuing expedited penalties for minor violations
  - Direct the Railroad Commission to accurately track and report the number of oil and gas violations annually
  - Direct the Railroad Commission to develop a definition of repeat violations in rule and report the number of repeat violations on its website
  - Direct the Railroad Commission to audit a sample of oil and natural gas production reports and transportation reports
  - Direct the Railroad Commission to develop a policy to require production reports to be filed electronically

# Issues and recommendations

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- Issue 4 – Insufficient and Inequitable Statutory Bonding Requirements Contribute to the Large Backlog of Abandoned Wells
- Key recommendation
  - Amend blanket bond requirements in statute to better reflect risk and increase equitability

# Issues and recommendations

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- Issue 5 – Improved Oversight of Texas’ Pipeline Infrastructure Would Help Further Ensure Public Safety
- Key recommendations
  - Authorize the Railroad Commission to enforce damage prevention requirements for interstate pipelines
  - Authorize the Railroad Commission to create a pipeline permit fee

# Issues and recommendations

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- Issue 6 – The Railroad Commission’s Contracting Procedures Are Improving, but Continued Attention Is Needed
- Key recommendations
  - Direct the Railroad Commission to centralize all contract administration functions by September 1, 2016
  - Direct the Railroad Commission to implement and keep updated contracting best practices as outlined by recent legislation and the comptroller
  - Direct the Railroad Commission’s executive director to report quarterly to the commissioners at their open meetings regarding the status of contracting improvements



# Issues and recommendations

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- Issue 7 – The Railroad Commission’s Statute Does Not Reflect Standard Elements of Sunset Reviews
- Key recommendations
  - Apply the Sunset across-the-board recommendation regarding alternative dispute resolution to the Railroad Commission
  - Allow the Oil and Gas Regulation and Cleanup Fund Advisory Committee to expire
  - Continue requiring the Railroad Commission to submit its report on the Oil and Gas Regulation and Cleanup Fund to the Legislature

# What can I do?

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- Understand the issues and the process
- Contact Senators and Representatives
- Testify at committee hearings in the 85<sup>th</sup> legislature
- Talk to neighbors
- [www.TLMA.org](http://www.TLMA.org)
- [www.TexansForPropertyRights.com](http://www.TexansForPropertyRights.com)
- [www.capitol.state.tx.us](http://www.capitol.state.tx.us)
- [www.sunset.texas.gov](http://www.sunset.texas.gov)