

WHAT YOU (YES, YOU) NEED TO KNOW TO DRILL AND COMPLETE AN OIL OR GAS WELL IN TEXAS

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THE COMMISSION'S JURISDICTION: WHAT DOES THE COMMISSION HAVE POWER TO DO?

1. The Commission has the power to prevent waste. That is, the power to prevent the loss of a significant volume of hydrocarbons that would otherwise be recovered.
2. Where the Commission acts under the police power of the state to prevent waste, it must do so without confiscation of property. That is, the Commission must provide interest owners the opportunity to produce their fair share of the hydrocarbons to which they are entitled and to protect them from the actions of other interest owners.
3. To the extent the surface and subsurface waters of the state may be affected by oil and gas operations subject to the Commission's jurisdiction, the Commission has the power to prevent harm to surface and subsurface waters.

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THE COMMISSION'S REGULATORY FRAMEWORK

1. Statewide Rules
 - A. Individual exceptions to the Statewide Rules for a lease or well
 - B. Reservoir or area exceptions to a statewide rule by Final Order
2. Special Field Rules
 - A. Exceptions to the Special Field Rules
3. Commission Generated Compliance Enforcement
4. Complaint or Protest Driven Compliance Enforcement

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Statewide Rules and Special Field Rules Are the Basic Instruction Manual for Drilling, Completing, Operating and Plugging Every Well in the State.

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THE APPLICATION TO DRILL

- Rule 5, 36,37,38,39,40, 86 and applicable special field rules
- Operations shall not be commenced until the permit has been granted and the waiting period has terminated.
- Forms W-1, W-IH, P-12, P-16 and Plat, possibly Form H-9 for H2S.

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