

Application for Texas Severance Tax Incentive Certification (ST-1)

User Guide

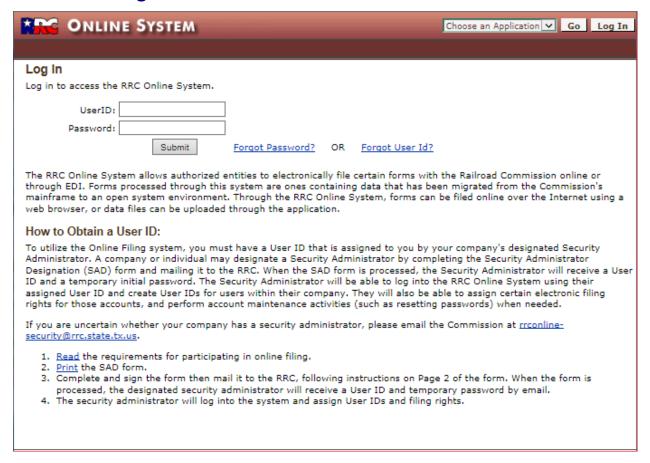
Railroad Commission of Texas
Information Technology Services Division
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RRC Online Login Screen

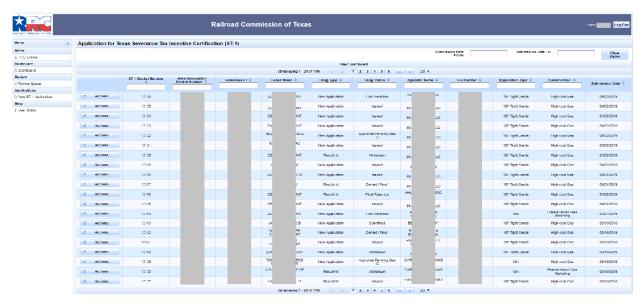


The RRC Online System page is your initial landing page. The RRC Online System allows authorized entities to electronically file forms with the RRC online. You must use your RRC-provided username and password to log into the RRC Online System. Applications can be filed online over the internet using a web browser.

RRC Website Minimum Usage Requirements

- Mozilla Firefox 32.0+ and Google Chrome 37.0+ are recommended for the best viewing results.
- Internet Explorer 9.0 and below is not recommended.
- JavaScript must be enabled.
- Pop-up blocking software must be disabled.

ST-1 User Dashboard



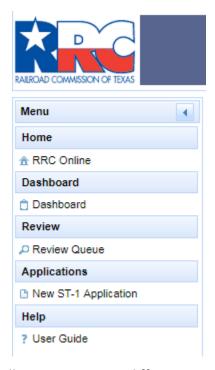
The ST-1 User Dashboard is the main landing page of the Severance Tax Incentive Certification site and provides you with the ability to view, sort, delete, or edit ST-1 applications that are in progress. From this page, you can also navigate to search functionality, as well as start the creation process for a new application.

When going to the *ST-1 User Dashboard*, you see a list of ST-1 applications that are in progress as well as information about those applications, such as application attributes and operator information.

Navigating the ST-1 Website

There are many ways of getting around the ST-1 website, and this section describes the navigational menus that will help you get to where you want to go.

Left Navigation Menu



The left-hand navigation menu allows you to go to different pages in the Railroad Commission of Texas' website. You can move to these new sections by clicking on one of the following links:

- 1. RRC Online Click the RRC Online link to go to the RRC Online System page.
- 2. *Dashboard* Click the **Dashboard** link to go to the *ST-1 Dashboard page* and view all In-Progress applications.
- 3. Review Queue (Internal RRC Users Only)— Click the **Review Queue** link to go to the Review Queue page and display all applications that are eligible for review for appropriate internal RRC users.
- 4. New ST-1 Application Click the **New ST-1 Application** link to go to the New ST1 Application page and begin all applications that meet specified parameters.
- 5. *User Guide* Click the **User Guide** link to be presented with a pdf copy of the user's manual.

List Navigation



You can navigate lists of information by following the instructions below:

- 1. Click the sort order button of any column to sort the application list by the column you select. Clicking it again reverses the order of the search results.
- 2. Click the text boxes under the column names and enter a full or partial word to filter the application list by strings that only contain the string you entered in the text box.
 - For example, if you enter "John", only results that contain the characters "John" are displayed. Removing the text returns the filter to its initial state.
- 3. The navigation bars at the top and the bottom of the list allow you to show more results on the page or quickly move from page to page.
 - a. The numbers 'Displaying 1 20 of 119' next to the navigation bar show you what page you are currently on, and how many applications total are in the list of applications.
 - b. Click the drop-down list 20 T in the navigation bar to select how many results per page you want to see in the list of applications.
 - c. Click the next button in the navigation bar to go to the next page of the list of applications. If you are on the last page, this button cannot be used.
 - d. Click the previous button in the navigation bar to go to the previous page of the list of applications. If you are on the first page, this button cannot be used.
 - e. Click the last button in the navigation bar to go to the last page of the list of applications. If you are on the last page, this button cannot be used.
 - f. Click the first button in the navigation bar to go to the first page of the list of applications. If you are on the first page, this button cannot be used.
 - g. Clicking the numbered buttons takes you directly to the page that corresponds to the number you clicked on.
- 4. Buttons change based upon the application status.

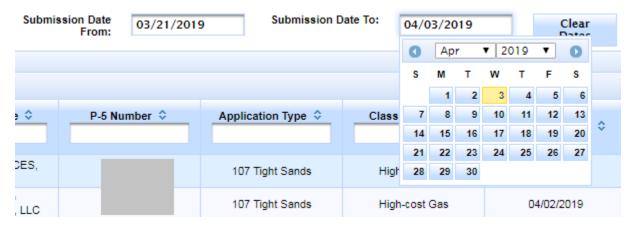
Filter Filings by Date

You can filter the ST-1 filings by date from the ST-1 User Dashboard page.

Filtering by Date from the Dashboard

From within the dashboard, you can filter for all filings within a specific set of dates.

- 1. Open the dashboard
- 2. Click on the **Submission Date From:** text box.
- 3. Click on the calendar display to choose your specified date
- 4. Click on the **Submission Date To:** text box
- 5. Click on the calendar display to choose your specified date



- 6. The selected results of your filtered dates, if they match your criteria, are displayed in the dashboard in the list on the page.
- 7. Click on the **Clear Dates** button display filings from all dates.

Filtering Search Results

After getting the results of your application or operator search, you can filter the results to show the information that you want to specify.



Click the text boxes under the column names and enter a full or partial word to filter the application list by strings that only contain the string you entered in the text box.

For example, if you enter "Submitted" in the **Filing Status** text box, only results that have an application status of *Submitted* are displayed. Removing the text removes the filter and returns the list to its initial state.



NOTE: Filing status can be determined in any application list by looking at the *Filing Status* column in the list.

Determining Filing Status

You can determine the status of your application by performing the following steps:

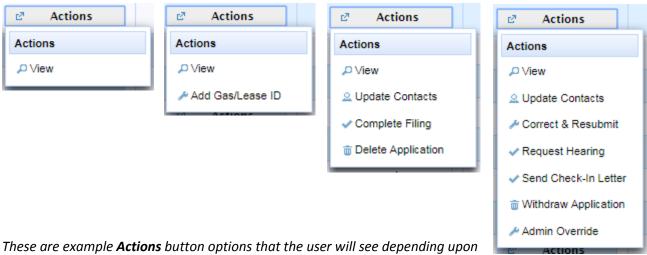
- 1. Search for the application you want to find the status for by going to the *Dashboard* page and searching for the application(s).
- 2. Once the results are returned, look at the *Filing Status* column. Applications can have the following statuses:
 - *In Progress* The application information has been saved but has not been submitted.
 - Submitted The application has been submitted for approval.
 - Under Review The application is currently under review by the RRC.
 - Approved Pending Gas ID The application has been approved lacking a GasID.
 System will automatically update once a GasID is issued to the gas lease via an approved completion (G-1); this will occur once the corresponding completion table is updated in an external process.
 - Issued The application has been approved.
 - First Rejection The application has been rejected the first time.
 - Second Rejection The application has been rejected the second time.
 - Denied (Final) The application has been rejected the third and final time or has been denied administratively as a result of a hearings or conference decision.
 - *Under Hearings Review* The application's filer has petitioned for a Hearing.

Actions Buttons for Filer

You can perform actions directly from the dashboard on existing filings by clicking on the **Actions** button.

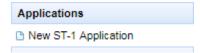
Actions

- **View**: this action allows the filer to view their filing in every status.
- Add Gas/Lease ID: this action allows the filer to add or modify the gas lease information prior to approval or if the filing as been approved pending a gas lease identifier.
- **Update Contacts**: this action allows the filer to update the primary and secondary email contacts; an application must be in a returned/rejected status to make updates.
- **Complete Filing**: this action allows the filer to update the form data for an incomplete application prior to submit.
- **Delete Application**: this action allows the filer to delete the application prior to submit.
- **Correct and Resubmit**: this action allows the filer to correct a returned application and resubmit for additional review.
- **Request Hearing**: (Internal Staff Only) this action allows the reviewer to put the form into a Hearing Requested form state after a filer has requested to do so externally. External actions are needed for the application to proceed through the hearings process as explained later.
- **Send Check-In Letter**: (Internal Staff Only) this action allows the reviewer to send a check-in letter for to the filer's listed contacts from the application.
- Withdraw Application: (Internal Staff Only) this action allows the reviewer to withdraw the form on behalf of the filer as explained later.
- **Admin Override**: (Internal Staff Only) this action allows the reviewer to perform follow-up approval or denial of an application following hearings or determinations as explained later.



the form state; please note that the furthest right example is for internal reviewers only.

Creating a New ST-1 Application



To start the application process, click the **New ST-1 Application** link on the *ST-1 User Dashboard* page; this takes you to the *ST-1* application page, where you can fill out a new ST-1 application.

The following sections show you how to fill out the ST-1 application using the online RRC website.



IMPORTANT: All fields in the application marked with an asterisk (*) are required fields. This data must be entered and completed before submitting the ST-1 application.

Application Screen Navigation

When creating or editing an application, each of the information sections can be collapsed or expanded by using the and/or buttons in the header before the information section. This allows you to economize the space on the application page.

Before collapse:

Incentive Type						
Incentive Type:	High-cost Gas	v	High Cost Gas Incentive:	107 Tight Sands	Area Desig Docket: *	ınation
if other, Specify:						
er collaps	se:					

Tab Navigation

You are presented with a series of tabs that you use to fill out additional application information. For a first time filing of an ST-1 application, the tabs appear as a reference and you must use the Next button to proceed. This ensures that your work is validated with the existing gas leases and drilling permit information available.

Application	Attachments	Additional Contacts	Optional Well Data	Submit
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You can also navigate to the next tab by clicking **Next** on any tab screen. Doing this moves you forward to the next tab. *Please note that this button will not save the data if exiting the application before using a save button. Using your browser buttons will also lose data.*

You can also navigate to the previous tab by clicking **Back** on any tab screen where available. Doing this moves you back to the previous tab.

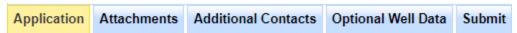
When viewing existing applications, clicking on these tabs automatically takes you to the page corresponding to the tab.



New Application Data

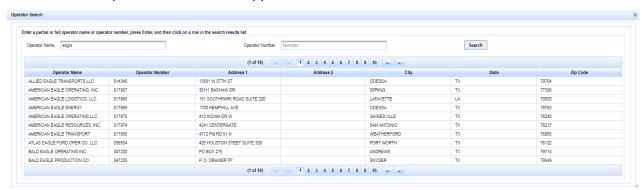
The following sections provide information about the tabs that contain application information. The fields on these tabs must be filled out correctly to submit a successful ST-1 application.

Application Tab

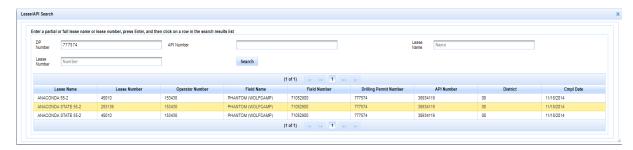


The *Application* tab contains the information that was originally gathered when filling out a new Application for Texas Severance Tax Incentive Certification for Statewide Rule 101.

Specify the operator of the gas lease by first clicking on Search Operator
 Search Operator ; a pop-up screen will appear that requests the Operator Name or Operator Number. Click on the appropriate operator from the list of results displayed to set the operator for the ST-1 application.



2. Specify the gas lease of the filing by first clicking on **Search DP/API/Lease**search DP/API/Lease; a pop-up screen will appear that requests *DP Number* (Drilling Permit), *API Number*, *Lease Name*, or *Lease Number*. Click on the appropriate lease from the list of results displayed to set the gas lease for the ST-1 application.



Specify the incentive type of the filing by choosing either High Cost Gas or Flared/Vented Gas Marketing. Each of these selections has its own functionality and requirements for filing.



High-Cost Gas Filing 107 Tight Sands

4. Specify the incentive type as High-Cost Gas and the High Cost Gas Incentive as 107 Tight Sands. For this type of filing, the **Area Designation Docket** is a required value.



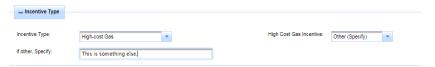
High-Cost Gas Filing 107 Deep Gas

5. Specify the incentive type as High-Cost Gas and the High Cost Gas Incentive as 107 Deep Gas. For this type of filing, the Area Designation Docket is not required.



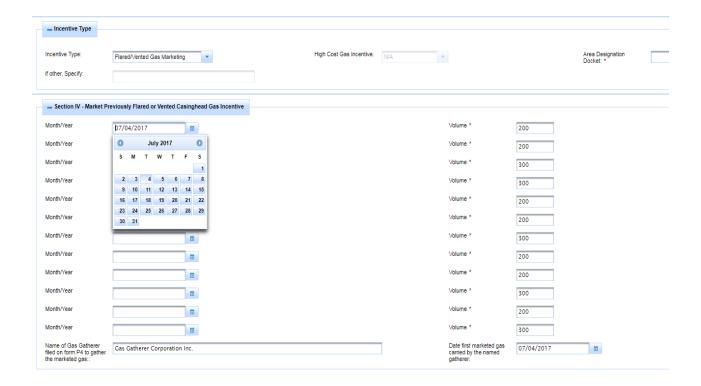
High-Cost Gas Filing Other (Specify)

6. Specify the incentive type as High-Cost Gas and the High Cost Gas Incentive as Other (Specify). For this type of filing, the Area Designation Docket is not required. A subsequent text box If Other, Specify is required for the filer to describe the nature of the incentive type in free text.



Flared/Vented Gas Marketing

7. Specify the incentive type as Flared/Vented Gas Marketing. High Cost Gas Incentive, Area Designation Docket, and If Other, Specify are not applicable to this filing type. The filer must complete every **Month/Year** date entry and corresponding **Volume** items. Name of Gas Gatherer filed on form P-4 to gather the marketed gas must be completed with free text. Date first marketed gas carried by the named gatherer must be completed with the date selection.



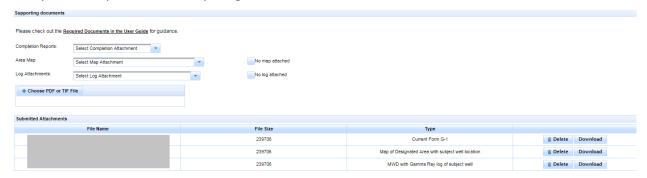


NOTE: The *Application* tab determines the filing requirements. Each filing type has its own requirements and an error message will display and/or the filer will not be able to proceed to the next tab (Attachments) if those filing requirements are not met by the filer.

Attachments Tab

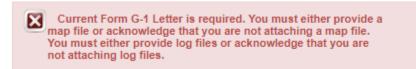


The Attachments tab is where you upload any attachments that you have that are associated with the ST-1 application you are filing. These supporting documents have three types: Completion Reports, Area Map, Log Attachments.





IMPORTANT: A copy of the *Current Form G-1* is required. The other attachment types are recommended but only required on a case-by-case basis depending on gas lease. An error message will appear if a Current G-1 and other attachments are not added as seen below and the filer will be prevented from proceeding with the filing.



- 1. Use the drop-down list and choose the type of file you are uploading for each category of *Completion Reports, Area Map*, and *Log Attachments*; the requirements for these files in support of the ST-1 application may be determined by the statewide rule, well characteristics, and/or reviewer's discretion.
- 2. Click the **Choose PDF or TIF File** button tile browser, browse to the image file you want to upload and click the **Open** button. Selecting a file after clicking **Choose** automatically uploads the selected attachments and adds it to the list of *Upload Files*.
- 3. If no supporting file is attached for the *Area Map* category, a confirmation message will appear notifying the user that he/she is acknowledging that a map file is not being attached; The filer will have to select the checkbox next to 'No Map Attached'.



4. If no supporting file is attached for the *Log Attachments* category, a confirmation message will appear notifying the user that he/she is acknowledging that a log file is not being attached; The filer will have to select the checkbox next to 'No Log Attached'.



5. To delete any of the uploaded files, click the **Delete** button Delete on the filer's screen to confirm the deletion of the file from the ST-1 application.



6. If you wish to view the uploaded file, click the **Download** button download will occur through your browser, with Internet Explorer and Google Chrome indicating the download in a banner at the bottom of the browser screen.

Additional Contacts Tab

Application	Attachments	Additional Contacts	Optional Well Data	Submit
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The Additional Contacts tab contains filer contact information to be included with the filing record.

1. The filer must fill-in the **Contact Information** items in the Additional Contacts tab. This data is free text for the operator to identify their Name, Address, City, State, Phone Number, and official correspondence E-Mail. This information will be stored with the filing and used by the reviewer for correspondence and all generated letters.

 Contact Information 		
Name:		
Address 1:	Address 2:	
City:	State:	Zip:
Phone Number:	eMail:	

IMPORTANT: The <u>e</u>-mail addresses that the filer inputs into these items will be the official correspondence addresses of record for the application's generated letters (Approval, Rejection, Withdrawal, Denial). If the filer does not accurately provide working e-mail addresses, then the generated letters will be sent to whichever e-mail address that the filer provides. The online system only validates that the format of the e-mail address is correct, not the validity of the e-mail address. If a non-working or non-responsive e-mail address is used, the filer will have to contact the appropriate RRC staff to resolve the gaps in correspondence. It is highly suggested to set one of the e-mail addresses to an organizational group inbox to avoid problems with e-mail correspondence due to employee turnover. The Railroad Commission is not responsible for resolving correspondence issues created by internal personnel changes of operator organizations.





NOTE: The *Contact Information* listed will not update a filer's organizational P-5 information. To update P-5 operator data, the filer must contact the RRC's P-5 department to request changes.

As an option, the filer may fill-in the second Contact Information box to include another
point-of-contact for the application. This second contact is also optional, but highly
suggested to ensure that there is more than one e-mail address for the generated
letters to be received.

Optional Well Data Tab

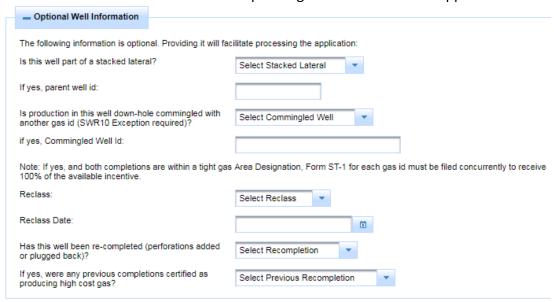


The Optional Well Data tab contains informational questions to be completed by the filer and then verified by the reviewer meant to provide well classification data necessary for the review of the Severance Tax Incentives evaluation by both the RRC and the Texas Comptroller of Public Accounts (TxCPA); all data collected on this tab is optional for the filer to complete, but is meant to significantly improve the processing times of applications by allowing filers to self-identify their gas leases' characteristics.



IMPORTANT: The filing operator is not required to complete these questions, but it is highly suggested that the information is provided to enhance administrative capabilities of RRC and TxCPA staff. RRC reviewing staff should never reject the ST-1 application for incomplete data in this optional section; if the filer provides inaccurate data, then the reviewer will overwrite the data fields during review with corrected data for the application's historical record.

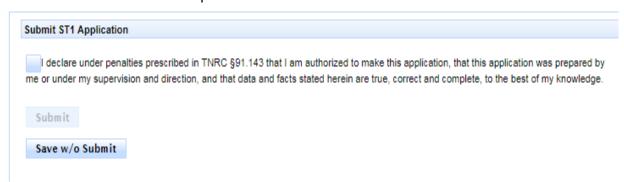
- 1. The filer should indicate answers to each question listed on the page. The dropdown selections will default to 'No'.
- 2. If a question is answered 'Yes', then the filer should also answer the follow-on question; indicating the well identifiers or dates in the accompanying text boxes; these are intended to be filled-in with the corresponding Gas Lease ID where applicable.



Submit Tab

Application Attachments Additional Contacts Optional Well Data Submit

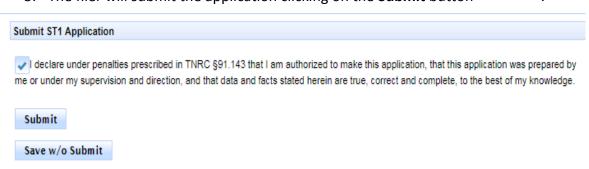
The Submit tab is the final step in the filer's workflow.



- 1. The filer should click on the checkbox to declare the truth an accuracy of the filing; this is required for the application's submission and the **Submit** button will be inaccessible until the declaration is acknowledged by clicking it.
- 2. The filer has the option to save the application without submitting by clicking on the Save w/o Submit button ; this will prompt a warning message to indicate to the filer that the application will not be submitted without additional actions performed.



3. The filer will submit the application clicking on the **Submit** button Submit.



4. The filer will receive a confirmation message on the screen upon successfully submitting the application.

Thank you, your application has been submitted successfully. Please click here to go back to dashboard.

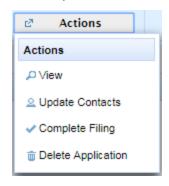
5. The filer's dashboard will update to include the recently submitted application.



Updating a Saved Application

You can update your saved application from the ST-1 User Dashboard.

- 1. The Actions button displays next to each application in the dashboard. From the actions button, you can perform the following actions:
 - o View, Update Contacts, Complete Filing, Delete Application



- 2. Choose the applicable button for **View**, **Update Contacts**, **Complete Filing**, or **Delete Application**.
 - o Click the **View** button to view the application in its current state as the last saved version; in *View*, the application is not editable.
 - Click the **Update Contacts** button to add or change the contacts that notification letters will be sent to as points of contact.
 - Click the Complete Filing button application to make ready for submit.

Correcting a Rejected Application

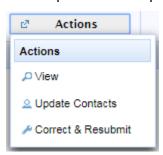
You can correct an application rejected for errors or missing data from *the ST-1 User Dashboard*. You will know that your application has been rejected by looking at the *Filing Status* column on the dashboard for a rejected status type. You should have also received a Request for Additional Data (RAD) Letter via e-mail indicating the details of the needed changes to make the application acceptable with an additional review for approval.

Example Rejection Email with attached RAD Letter:

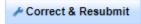


- 1. Look at the dashboard for your application and verify that it has a rejected status; this indicates that the application needs corrections.
 - Example of filing status:

 First Rejection
- 2. Click on the **Actions** button
- 3. The dropdown will display with options:



4. Choose the **Correct and Resubmit** option to re-enter the application.



- 5. Re-enter the application to make the required corrections and resubmit your application when done. You will not be able to edit the *operator information* or the *lease/field information on a submitted application*; The RRC requires a new application filing to prevent operators from filing placeholders or shuffling dates between gas leases for tax incentives. You may edit the *incentive type*, attachments, additional contacts, optional well data, and comments sections.
- 6. Upon resubmitting the application, the status will return to *submitted* and it will appear in the reviewer's work queue for an additional review.

Deleting an Application

If you want to delete an application in your application list, follow the instructions below:

- 1. In the list of applications on your ST-1 User Dashboard page, find the application you want to delete; only applications that are not yet submitted can be deleted.
- 2. Click **Actions** | **Delete** next to the application.
- 3. You are asked to confirm your decision. Click Yes to delete the application or click No to return to the application list. After clicking Yes, the application is removed from your ST-1 Home Dashboard.



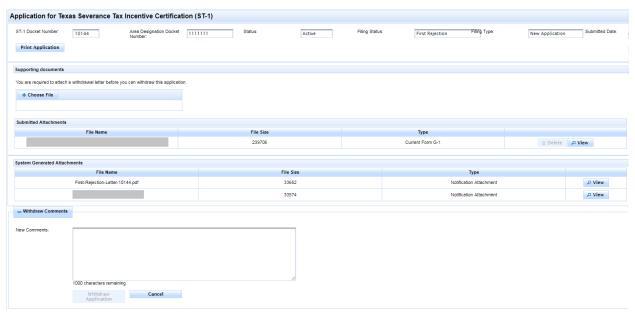


IMPORTANT: An application cannot be deleted if it has already been submitted to the RRC. If an application has already been submitted, then the application can be withdrawn by the filer by requesting the withdrawal in the steps below. Only workin-progress non-submitted applications can be deleted.

Withdrawing an Application

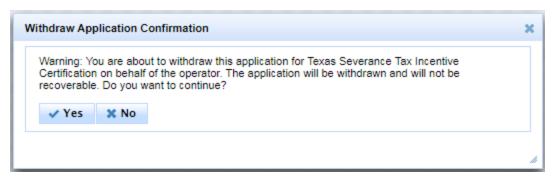
Withdrawing an application is possible if a filer submits an ST-1 application in error and wishes to pull back the filing from a reject status. Withdrawals of applications can only occur after an application has been submitted and rejected and must be requested by the filer to be withdrawn by the reviewer. A filer may delete a work-in-progress application. A filer may not delete an application in a submitted or reject status. An application must be rejected at least once prior to withdrawal. To withdraw an application in your application list, request from the RRC Staff reviewer to withdraw the application on your behalf. In the following steps, an outline of the process is explained including both the filer's and reviewer's actions:

- 1. External filer should request in writing to withdraw the application. The ST-1 docket number and any other associated identifying information about the filing should be provided to allow for the reviewer to find the correct application filing.
- 2. The RRC reviewer should acknowledge receipt of the withdrawal request offline. Using the Dashboard, the reviewer should find the application from the list of filings.
- 3. The RRC reviewer should click on the **Actions** button for the filing in a reject state.
- 4. The RRC reviewer should click on the **Withdraw Application** button Withdraw Application to initiate the withdrawal process of the application. The following screen will appear to the reviewer once the options is selected to withdraw the application:



The RRC reviewer will attach the withdrawal request as a PDF or e-mail to the application to ensure that the correspondence is recorded. Comments will also be added to summarize the reason for withdrawal.

5. When the RRC reviewer clicks on the Withdraw Application button, a warning message will appear to confirm the intent to withdraw the application.



- 6. Once the withdrawal is confirmed by the RRC reviewer, the filing status will appear as *Withdrawn* on the dashboard.
- 7. An e-mail confirmation with a PDF of the withdrawal letter will be sent to all contacts listed for correspondence on the application:



Please see the attached document for information regarding your filing.

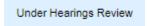
Requesting a Hearing for an Application

Requesting a Hearing for an online application is possible if a filer applies with special circumstances needing review and wishes to escalate the application to a review with RRC Hearings Division. Requesting a Hearing can only occur after an application has been submitted and rejected and must be requested by the filer to escalate the application to a hearings review. As the RRC Online does not have current capabilities to interface with the Hearings Division, the actual process for the ST-1 application to receive a hearing occurs externally from this system; the RRC Online ST-1 application places the filing into an indefinite status while it is awaiting the hearing and gives the RRC reviewer the ability to override the status to assign the approval or denial decision reached in hearings or conference.

- 1. External filer should request in writing to escalate the filing to a hearing. The ST-1 Docket Number and any other associated identifying information about the filing should be provided to allow for the reviewer to find the correct application filing.
- 2. The RRC reviewer should acknowledge receipt of the hearings request offline. Using the **Dashboard**, the reviewer should find the application from the list of filings.
- 3. The RRC reviewer should click on the **Actions** button for the filing while it is in a reject state.
- 4. The RRC reviewer should click on the **Request Hearing** button initiate the hearings review of the application. The following warning message will appear to the reviewer once the option is selected to initiate the hearings process:



5. Once Yes is selected from the warning message, the filing status of the application will change to *Under Hearings Review*

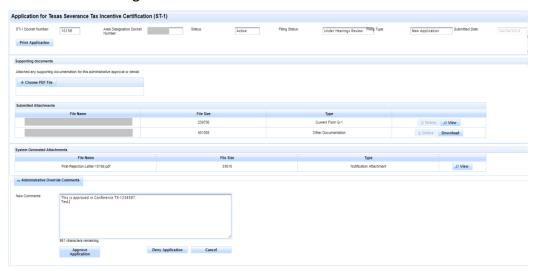


6. The application will remain in the *Under Hearings Review* status until a decision is reached by at Commissioners' Conference. The application will be taken offline during the hearings process and additional documents may be requested by the appropriate RRC staff.

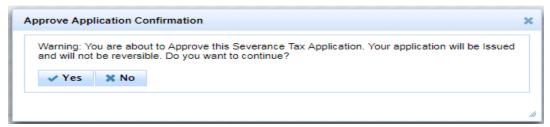
7. Once a decision is reached, the RRC reviewer will be notified of the decision and will revisit the online application in the *User Dashboard*. The RRC reviewer will click on the **Actions** button and choose **Admin Override** to assign the hearing decision to the filing.



8. After clicking on **Admin Override**, the RRC reviewer will be directed to a page to allow supporting documentation to be attached and comments provided to summarize the results. The reviewer may **Approve Application** or **Deny Application** to assign the final decision to the filing or **Cancel** to leave the screen without action.



9. A warning message will appear notifying the reviewer that the application will be approved or denied and that the action will be irreversible once done.

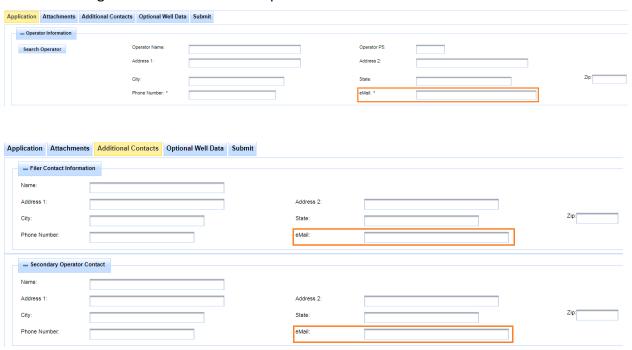


10. An e-mail confirmation of the final decision will be sent to the contacts listed in the application.

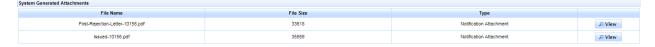


Correspondence Letters

When an application has an event-specific letter generated, the specific letter will be sent to the e-mail contacts provided in the *Application* tab within *Operator Information* subsection and in the *Additional Contacts* tab within each provided *Filer Contact Information* and *Secondary Operator Contact* subsection. In the images below are the three locations that filer e-mail addresses are gathered for official correspondence between the filer and reviewer.



Also, the system will store the generated letter to the **Attachments** tab within the **System Generated Attachments** List for the filer and reviewer to access the letters via the application.





IMPORTANT: RRC Online System will generate approval letters for only High-Cost Gas filings. The RRC Online System will not generate letters for Marketing Previously Flared or Vented Casinghead Gas filings; in rare instances, RRC staff will provide additional correspondence for the filer as needed in an offline setting.

Issued Approval Letter Example

The approval letter is issued once an application is reviewed and approved by both the Administrative Reviewer and the Technical Reviewer. Once issued, the approval letter provides the required information about the gas lease to the Comptroller of Public Accounts and certifies that the gas lease is eligible for the severance tax incentive.

Christi Craddick, Chairman Ryan Sitton, Commisioner Wayne Christian, Commissioner



Danny Sorrells Assistant Executive Director, Director Oil and Gas

Paul Dubois

Assistant Director, Technical Permitting

RAILROAD COMMISSION OF TEXAS

OIL AND GAS DIVISION

Tax Exemption Certification 04/23/2019

Operator Name Mailing Address on P-5

Docket Number: 10052

Lease Name:

Spud Date: 04/01/2019 ST-1 Rec. Date: 04/23/2019 Gas ID Number:

Field Name: HAWKVILLE (EAGLEFORD

SHALE)

Completion Date: 04/10/2019 Certification Date: 04/23/2019

Dear Operator Name

A review has been made of the above referenced Texas Tax Code Section 201.057 application for high-cost gas state severance tax incentive certification. The application has been found to satisfy the requirements of the Railroad Commission of Texas, Statewide Rule 101

Approval Comments

To qualify, the person responsible for paying the tax must first apply to the Comptroller of Public Accounts by submitting a copy of this letter with the Comptroller of Public Accounts application Form AP-180. For further restrictions and requirements, refer to House Bill 2424, enacted by the 78th Texas Legislature in 2003. Other filing and reporting information may be obtained by calling the Comptroller at 1-800-531-5441 Ext. 34455 (Nationwide Toll-Free) or 1-512-463-4600.

It is the applicant's responsibility to notify the Railroad Commission in writing if it is determined that a gas well previously certified as producing high-cost gas no longer qualifies.

If you have questions, please call the Engineering Unit at 512-463-1126 or please contact:

RRC Reviewer

1701 NORTH CONGRESS AVENUE POST OFFICE BOX 12967 AUSTIN, TEXAS 78711-2967 PHONE: 512/463-7158 FAX: 512/463-7000 TDD 800/735-2989 OR TDY 512/463-7284 AN EQUAL OPPORTUNITY EMPLOYER HTTP://WWW.RRC.TEXAS.GOV

Withdrawal Letter Example

The withdrawal letter is issued once an application is withdrawn by the action of the reviewer at the request of the filer; the withdrawal letter is the official notification from the RRC to the filer that an application was withdrawn.

Christi Craddick, Chairman Ryan Sitton, Commisioner Wayne Christian, Commissioner



Danny Sorrells Assistant Executive Director, Director Oil and Gas

Paul Dubois

Assistant Director, Technical Permitting

RAILROAD COMMISSION OF TEXAS

OIL AND GAS DIVISION

Withdrawal of ST-1 Application Notice

Operator Name Mailing Address on P-5	04/04/2019	
Docket Number: 10142	Gas ID No:	
Lease Name:	Field Name: EAGLEVILLE (EAGLE FORD-2)	
Dear Operator Name : The above referenced docket number has been withdrawn due to:		
Withdrawal Reason	Comments	
If you have any questions, please contact RRC Reviewer		

1701 NORTH CONGRESS AVENUE POST OFFICE BOX 12967 AUSTIN, TEXAS 78711-2967 PHONE: 512/463-7158 FAX: 512/463-7000 TDD 800/735-2989 OR TDY 512/463-7284 AN EQUAL OPPORTUNITY EMPLOYER HTTP://WWW.RRC.TEXAS.GOV

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Request for Additional Data / Rejection #1 Letter Example

The Request for Additional Data (RAD) letter is issued once a review determines that an application has errors or missing information that must be corrected before an application can be approved. The RAD letter is initiated by a rejection by one or both reviewers and will be issued once both reviewers have had a chance to notify the filer of required application corrections to prevent unnecessary additional issuances of the RAD letter.

Christi Craddick, Chairman Ryan Sitton, Commisioner Wayne Christian, Commissioner



Danny Sorrells Assistant Executive Director, Director Oil and Gas

Paul Dubois

Assistant Director, **Technical Permitting**

RAILROAD COMMISSION OF TEXAS

OIL AND GAS DIVISION

First Rejection Notice 04/24/2019

Docket Number: 10012 Gas ID No: Field Name: BIG WELLS (SAN MIGUEL) Lease Name: Dear Your application for Severance Tax Exemption Certification under Texas Tax Code Section 201.057 has been reviewed for compliance with the state filing requirements. The following additional information is needed to make the application complete:

Please include the docket number on all correspondence concerning this application. You will be notified when the status of your application changes.

If you have questions, please call the Engineering Unit at 512-463-1126 or please contact:

1701 NORTH CONGRESS AVENUE POST OFFICE BOX 12967 AUSTIN, TEXAS 78711-2967 PHONE: 512/463-7158 FAX: 512/463-7000 TDD 800/735-2989 OR TDY 512/463-7284 AN EQUAL OPPORTUNITY EMPLOYER HTTP://WWW.RRC.TEXAS.GOV

Request for Additional Data / Rejection #2 Letter Example

The second Request for Additional Data (RAD2) letter is issued once a second review determines that an application has errors or missing information that must be corrected before an application can be approved. The RAD2 letter is initiated by a rejection by one or both reviewers and will be issued once both reviewers have had a chance to notify the filer of required application corrections to prevent unnecessary additional issuances of the RAD2

Christi Craddick, Chairman Ryan Sitton, Commisioner Wayne Christian, Commissioner



Danny Sorrells Assistant Executive Director. Director Oil and Gas

Paul Dubois

Assistant Director. Technical Permitting

RAILROAD COMMISSION OF TEXAS

OIL AND GAS DIVISION

Second Rejection Letter 04/24/2019

Docket Number: 10015

Lease Name:

Gas ID No:

Field Name: SABLE (SAN ANDRES)

Dear

The additional information received 04/24/2019 in support of your application for Severance Tax Exemption Certification under Texas Tax Code Section 201.057 has been reviewed. The following additional information is needed to make the application complete.

Please include the docket number on all correspondence concerning this application. You will be notified when the status of your application changes.

Note: The Texas Administrative code, Title 16, Part 1 Chapter 1 Rule 201 states that an applicant may make no more than two supplemental filings to complete an application. If, after the next supplemental submission, the application is still incomplete, the division or section shall administratively deny the application.

If you have questions, please call the Engineering Unit at 512-463-1126 or please contact: RRC Reviewer

1701 NORTH CONGRESS AVENUE POST OFFICE BOX 12967 AUSTIN, TEXAS 78711-2987 PHONE: 512/463-7158 FAX: 512/463-7000 TDD 800/735-2989 OR TDY 512/463-7284 AN EQUAL OPPORTUNITY EMPLOYER HTTP://WWW.RRC.TEXAS.GOV

Denial / Rejection #3 Letter Example

The third Request for Additional Data (RAD3) / Denial letter is issued once a third review determines that an application has errors or missing information that must be corrected before an application can be approved. The Denial/RAD3 letter is initiated by a rejection by one or both reviewers and will be issued once both reviewers have had a chance to notify the filer of required application corrections to prevent unnecessary additional issuances of the Denial/RAD3 letter. While the Denial letter is final, a filer may request a hearing or submit additional data within thirty days of the issuance of the letter before the application is set to a final status of denied where no additional changes may be initiated.

Christi Craddick, Chairman Ryan Sitton, Commisioner Wayne Christian, Commissioner



Danny Sorrells Assistant Executive Director, Director Oil and Gas

Paul Dubois

Assistant Director, Technical Permitting

RAILROAD COMMISSION OF TEXAS

OIL AND GAS DIVISION

Final Rejection Notice 04/24/2019

Docket Number: 10015

Gas ID No:

Field Name: SABLE (SAN ANDRES)

Dear

Lease Name:

Your application (Form ST-1) for Severance Tax Exemption Certification under Texas Tax Code Section 201.057 has been reviewed for compliance with the Commission's Rule at 16 Texas 3.101, relating to certification for severance tax exemption or reduction for gas produced from high-cost gas wells (Statewide Rule 101).

Your application cannot be administratively approved because the subject well:

A hearing may be scheduled at your written request received no later than 30 days from the date of this letter.

If you have questions, please call the Engineering Unit at 512-463-1126 or please contact: RRC Reviewe Sincerely,

1701 NORTH CONGRESS AVENUE POST OFFICE BOX 12967 AUSTIN, TEXAS 78711-2967 PHONE: 512/463-7158 FAX: 512/463-7000 TDD 800/735-2989 OR TDY 512/463-7284 AN EQUAL OPPORTUNITY EMPLOYER HTTP://WWW.RRC.TEXAS.GOV

Administratively Denied Letter Example

The Administratively Denied Letter is issued once a reviewer administratively overrides the application status to deny the application; this is reserved for special circumstances only, such as a hearings or conference decision.

Christi Craddick, Chairman Ryan Sitton, Commisioner Wayne Christian, Commissioner



Danny Sorrells Assistant Executive Director, Director Oil and Gas

Paul Dubois

Assistant Director, Technical Permitting

RAILROAD COMMISSION OF TEXAS

OIL AND GAS DIVISION

Administratively Denied Letter 04/24/2019

Attn: Gas ID No: Docket Number: 10001 Field Name: LITTLE MAXEY (FUSSELMAN) Lease Name: Dear

Your Application (Form ST-1) for a Severance Tax Exemption Certification under Section 201.057 of the Texas Tax Code has been reviewed for compliance with the Commission's Rule at 16 Texas Administrative Code 3.101, relating to Certification for Severance Tax Exemption or reduction for gas produced from high-cost gas wells (Statewide Rule 101).

Your application cannot be administratively approved because the subject well:

Please include the docket number on all correspondence concerning this application.

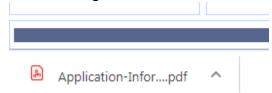
If you have questions, please call the Engineering Unit at 512-463-1126 or please contact:

1701 NORTH CONGRESS AVENUE POST OFFICE BOX 12967 AUSTIN, TEXAS 78711-2967 PHONE: 512/463-7158 FAX: 512/463-7000 TDD 800/735-2989 OR TDY 512/463-7284 AN EQUAL OPPORTUNITY EMPLOYER HTTP://WWW.RRC.TEXAS.GOV

Viewing an Application

You can view in progress or submitted applications in PDF format directly from the list displayed on your *ST-1 User Dashboard* page.

- 1. Click the **Actions** button Actions next to the application you want to see.
- 2. Click the **View** button.
- 3. The system will automatically direct you to the Application tab of the application filing; the data will display on tabs in a similar format to the filing workflow.
- 4. Click on the **Print Application** button. Print Application button. It is in the top-left of the screen next to the menu and below the application title.
- 5. The PDF will generate as a file in the bottom-left corner of your browser.



6. Click on the arrow $^{\wedge}$ to either open or save the PDF.

Application Submission, Workflow, and Approval

Logging into the Application for Severance Tax Incentive Certification (ST-1) Application

To log in to the ST-1 application, please see the <u>RRC Online Login Screen section</u> earlier in this document.

User Roles and Permissions

The following is a list of the actions you can perform as an external filer of the ST-1 system:

- You can log into the ST-1 online system.
- You can read an existing ST-1 application.
- You can file a new ST-1 application.
- You can correct and resubmit a returned/rejected ST-1 application.
- You can delete a work-in-progress application not yet submitted to the RRC.
- You can withdraw a submitted ST-1 application by requesting to do so from RRC reviewer.
- You can set correspondence e-mail addresses within applications to receive generated correspondence letters.

Creating ST-1 Applications

To create new ST-1 applications, please see the <u>Creating a New ST-1 Application section</u> earlier in this document.

ST-1 Dashboard

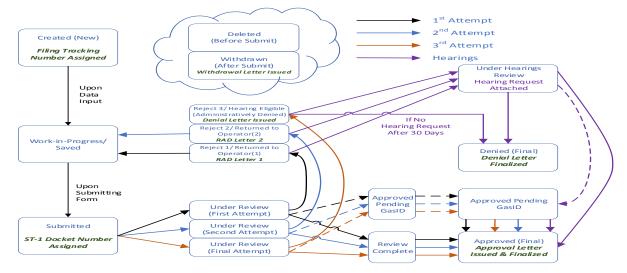
Your *ST-1 User Dashboard* page provides a method for you to facilitate tracking of Statewide Rule 101 applications through the approval process. When you log in, on your *ST-1 Dashboard* page, you are presented with a list of your applications.

You can only see your own applications within your *User Dashboard* list.

You cannot change a submitted application. If you need to change the application, you must contact the RRC Engineering Unit of Technical Permitting so that the status can be changed to *Returned*.

Workflow Process

This section outlines the workflow for the ST-1 application process.



- 1. Create a new application and save it; the application is saved in an *In Progress* state at this point. You can save your application at any time and return to it for further editing until it is submitted.
- 2. Once the application is complete, submit it by clicking the **Submit** button on the certification page. This puts the application into *Submitted* status.
- 3. The application is then moved to an internal review queue. Once the RRC reviewer opens the application, it will be set to an *Under Review* state. The determination of the reviewer will automatically generate and e-mail correspondence letters to the e-mail addresses provided within the application. When under review, the RRC makes one of the following determinations about the application:
 - If the application is *not approved* by the RRC, it is returned to you and put into a *Returned* state. You can make your edits and then resubmit it to the RRC, where they can reconsider a determination about the application.
 - If the application is *approved* by the RRC, the process is finished, and the application is put into an *Issued* state. The application process is completed at this point.
 - If the application is *denied* a third time by the RRC, you are sent a final RAD letter, and the process is completed at this point. The application is put into the *Denied* state. After thirty days, the application is no longer eligible for a hearing and it will remain in a *Denied* state.
- 4. Once the process is completed and if the application is approved, then the ST-1 docket number is issued to the approved application, and the process is complete.

Additional Help

If you need additional assistance or have questions about your Severance Tax Incentive (ST-1) application, please contact the Engineering Unit of the RRC's Oil & Gas Division. Contact information can be found on the <u>RRC Locations</u> page of the <u>RRC website</u>.