



FY2027 - 2031 RAILROAD COMMISSION OF TEXAS

STRATEGIC PLAN

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Strategic Plan

For the Fiscal Years 2027 to 2031

By

Railroad Commission of Texas

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Mission

We serve Texas by our stewardship of natural resources and the environment, our concern for personal and community safety, and our support of enhanced development and economic vitality for the benefit of Texans.

Guiding Principles

The Railroad Commission recognizes that ensuring the efficiency and effectiveness of its programs is more than allocating and expending resources responsibly. The Commission seeks to further develop systems, workforce, and infrastructure to address complex and evolving challenges to the state's energy industries. Robust and secure information management systems, collaboration to develop innovative solutions, a highly skilled and diverse workforce, and a commitment to sustainability are the pillars that support the efficiency, transparency, accountability, and effectiveness of RRC programs.

Agency Goals and Action Plans

The Railroad Commission of Texas (RRC) enters the 2027–2031 planning cycle with a clear mandate: protect public health and the environment, ensure the safe and reliable delivery of energy, and support the continued strength of the Texas economy. As the state’s primary energy regulator, the Commission oversees the full lifecycle of oil and gas development, pipeline safety, alternative fuels, surface mining, and natural gas utilities. This work affects millions of Texans and thousands of regulated entities across one of the most complex energy systems in the world.

The Commission’s mission is to serve Texas by our stewardship of natural resources and the environment, our concern for personal and community safety, and our support of enhanced development and economic vitality, and it guides every program and operational strategy. The 2027–2031 Strategic Plan builds on this mission by advancing four core goals:

- **Energy Resources:** Modernize regulatory systems, strengthen risk-based oversight, support emerging energy sectors, and ensure the orderly and efficient development of Texas oil and gas resources.
- **Safety Programs:** Expand risk-based inspections, improve pipeline data quality, strengthen enforcement, and enhance oversight of LPG/CNG/LNG safety programs.
- **Environmental and Consumer Protection:** Reduce environmental risks, accelerate orphan well plugging and site remediation, modernize surface mining oversight, and ensure just and reasonable natural gas rates.
- **Public Access and Transparency:** Modernize legacy systems, expand digital access to records, improve GIS and data tools, and strengthen customer service and public engagement.

Across all goals, the Commission is committed to disciplined governance, operational efficiency, and transparent decision-making. The agency continues to modernize its information systems, strengthen data governance, and expand public access to regulatory information. These efforts support a consistent and reliable information environment for operators, the public, and regulators, and ensure that Texans can easily understand the agency’s actions. The Commission’s work is grounded in accountability to taxpayers and fee payers, efficient use of appropriated funds, and continuous improvement. The agency’s regulatory responsibilities span the state’s regulated energy sectors including oil and gas development, pipelines, alternative fuels, and surface mining, and require a skilled workforce, modern technology, and strong interagency coordination. The 2027–2031 Strategic Plan positions the Commission to meet these needs while supporting the safe, reliable, and responsible development of Texas’ energy resources.

Operational Activities

1. To oversee the development of the state’s energy resources while protecting public health and the environment through an effective regulatory program that allows for the orderly and efficient development of oil and gas resources.

(All Actions Ongoing through 2031)

- Action 1. Continue to modernize regulatory systems to ensure timely, accurate, and efficient permitting and compliance activities that support the Commission’s statutory responsibilities.
- Action 2. Improve efficiency and consistency in reviewing drilling permit applications by monitoring processing timelines, application volumes, and staff processing averages.
- Action 3. Implement integrated hazard-mapping and data analytics tools to support risk-based regulatory decisions and improve underground injection oversight.
- Action 4. Support statewide water stewardship by advancing produced-water reuse and recycling initiatives that reduce disposal pressures and protect groundwater resources.
- Action 5. Implement standardized evaluation tools and streamlined workflows to ensure consistency and efficiency for hydrocarbon storage, waste management, and technical permitting.
- Action 6. Expand enterprise data platforms, analytics, and automation to strengthen permitting, compliance, and long-term resource planning.
- Action 7. Advance regulatory frameworks for emerging energy sectors, such as geothermal, brine mining, or carbon capture and storage to ensure new technologies can be safely explored while maintaining environmental protections.
- Action 8. Strengthen situational awareness of statewide oil and gas activity by tracking active rigs and annual production of Texas crude oil and natural gas, while improving the understanding of drilling trends by monitoring separately the number of horizontal and vertical drilling permit applications processed.
- Action 9. Use performance data to identify operational needs, improve program accountability, and strengthen regulatory effectiveness across all Goal 1 activities.

2. To protect public safety in the operation of the Texas pipeline system through regulatory oversight of the pipeline industry by inspection, compliance, and educational activities, and in the regulation of the LPG/CNG/LNG alternative fuels industries.

(All Actions Ongoing through 2031)

- Action 1. Expand risk-based inspection capacity to address growth in intrastate pipelines and regulated gathering lines, ensuring compliance with state and federal safety requirements.

- Action 2. Strengthen tracking and analysis of pipeline safety activities to support data-driven oversight.
- Action 3. Monitor inspection activity, violations identified, accident investigations, complaint investigations, and specialized program evaluations.
- Action 4. Evaluate inspection workloads and compliance trends by monitoring average inspections per inspector, violations per inspection unit, and violations per 100 miles of pipeline.
- Action 5. Improve statewide pipeline data quality to support accurate mapping and risk prioritization.
- Action 6. Strengthen enforcement of damage-prevention rules using data analytics to identify repeat violators and target outreach to reduce excavation-related incidents.
- Action 7. Operationalize upgraded tracking and analysis tools to support data-driven oversight of LPG, CNG, LNG safety activities.
- Action 8. Track licensing, certification, registration activity, and participation in LP-Gas training and continuing education courses.
- Action 9. Use performance data to identify operational needs, improve program accountability, and strengthen regulatory effectiveness across all Goal 2 activities.

3. To protect the environment and consumers by ensuring that fossil fuel extraction and energy production, storage, and delivery minimize harmful effects on the state's natural resources, and that just and reasonable natural gas rates promote a safe and efficient supply of natural gas.

(All Actions Ongoing through 2031)

- Action 1. Maintain comprehensive inspection schedules for oil and gas operations, aligning inspection frequency with risk, geography, and environmental sensitivity.
- Action 2. Ensure thorough and systematic facility inspections through consistent application of Commission rules.
- Action 3. Witness field activities conducted by operators as a critical safeguard against potential fraud or improper plugging to ensure environmental protection.
- Action 4. Improve surface mining regulatory efficiency by modernizing permitting, bond release, and inspection systems to ensure timely reclamation and compliance with federal requirements.
- Action 5. Support safe resource development by tracking uranium and coal permitting actions and inspection frequency.

- Action 6. Accelerate orphan well plugging and site remediation using state and federal funding, prioritizing wells that pose the highest environmental or public safety risks.
- Action 7. Prioritize reclamation at high-risk abandoned surface mine sites supporting long-term land and water protection at those sites.
- Action 8. Ensure consumer protection in natural gas markets through rate case analysis, including tariff, compliance, and escalator filings.
- Action 9. Audit gas utility tax payments to ensure accurate payment to the State of Texas of one-half of 1.0 percent tax imposed on the gross income of gas utilities.
- Action 10. Enhance emergency preparedness and response through interagency coordination and data tools that support rapid response to extreme weather and natural disasters.
- Action 11. Improve monitoring and enforcement of weatherization standards through regular inspections, tracking non-compliant facilities, and ensuring timely corrective action for designated critical infrastructure.
- Action 12. Use performance data to identify operational needs, improve program accountability, and strengthen regulatory effectiveness across all Goal 3 activities.

4. To provide the public access to information and facilitate efficiencies with regulated industries through communications and technologies that support effective regulatory programs, while preserving and increasing access to public information.

(All Actions Ongoing through 2031)

- Action 1. Enhance public access to Commission information by increasing the number of documents and electronic data reports provided to customers.
- Action 2. Expand digital availability of historical records by accelerating the imaging of non-digital Railroad Commission documents.
- Action 3. Strengthen transparency and customer service through more efficient delivery, retrieval, and modernization of Commission records.
- Action 4. Modernize legacy systems to increase the value and reach of Commission data with more datasets available in the Texas Open Data Portal.
- Action 5. Enhance public-facing GIS tools to provide more intuitive, customizable, and analytically rich mapping capabilities.
- Action 6. Continue public outreach and engagement efforts to assist stakeholders in navigating regulatory processes and participate in Commission activities.

Action 7. Foster collaboration and data sharing across divisions by strengthening Data Governance initiatives.

Action 8. Produce higher data quality scores and fewer data-related errors. Increase efficiency by leveraging artificial intelligence technologies that support effective regulatory programs.

Action 9. Use performance data to identify operational needs, improve program accountability, and strengthen regulatory effectiveness across all Goal 4 activities.

How Goals Support Statewide Objectives (All Goals)

The Railroad Commission's goals and operational strategies are structured to advance the statewide objectives established for all Texas agencies. These objectives reflect the State's expectation that agencies operate responsibly, deliver measurable value, and maintain the highest standards of public service. As the state's primary energy regulator, the Commission carries significant responsibility for protecting public safety, conserving natural resources, and supporting the continued strength of the Texas economy. Meeting these responsibilities requires disciplined governance, efficient operations, and a commitment to transparency and accountability.

The Commission's work spans the full lifecycle of energy development and gas utility oversight, affecting millions of Texans and thousands of regulated entities. By aligning its goals with statewide objectives, the Commission ensures that its regulatory activities not only fulfill statutory mandates but also contribute to broader state priorities. This alignment strengthens public trust, improves operational performance, and supports the safe, reliable development of Texas' energy resources.

The following section outlines how each of the Commission's goals supports these statewide objectives and demonstrates the agency's commitment to continuous improvement by ensuring the agency remains:

- Accountable to the taxpayers and fee payers of Texas,
- Efficient in delivering maximum results with minimal waste and without duplicative or non-core functions,
- Effective in fulfilling core responsibilities and continuously improving performance,
- Attentive to providing excellent customer service, and
- Transparent so that any Texan can understand the agency's actions.

The Commission demonstrates accountability by delivering services that fulfill its mission in a cost effective and efficient manner. Since the Texas Constitution was amended in 1890 to establish the Commission and empower it to regulate transportation rates and prevent discriminatory pricing practices, the agency has continually refined its operations to eliminate redundancies, improve efficiency, and strengthen customer service. As it celebrates its 135th anniversary, the Commission's commitment to transparency, service, and responsible stewardship has only deepened.

The Commission is mindful of every appropriated taxpayer dollar, with several methods of finance including self-funding through fees and fines collected from regulated industries. The agency's mission is to serve Texas by protecting natural resources and the environment, safeguarding

personal and community safety, and supporting responsible energy development. The Commission regulates energy production, storage, and delivery to minimize environmental impacts, ensure proper well spacing and density, establish financial assurance, and safeguard surface and subsurface water quality (Goal 1 and Goal 3). Texans rely on the Commission to ensure the safety and reliability of natural gas service, and to maintain the resilience of the state's natural gas supply chain (Goal 2 and Goal 3).

The Commission oversees the full lifecycle of oil and gas exploration and production from initial drilling permits to final well plugging (Goal 1 and Goal 3). Using a risk-based approach, the agency prioritizes inspections across hundreds of thousands of miles of intrastate pipelines and gathering lines, as well as Type R gathering lines subject to incident reporting. The Commission supports the safe delivery and use of LPG, CNG, and LNG through consistent inspections, compliance monitoring, and training (Goal 2).

Stakeholder engagement is central to the Commission's work. Staff regularly gather feedback to guide educational efforts and improve program delivery. Modernized data systems support transparency by making information more accessible to the public (Goal 4). These systems enhance visibility into Safety Programs (Goal 2) and Environmental and Consumer Protection activities (Goal 3), improving customer service for both industry and the public.

The Commission continues to advance technology solutions that improve access to records related to oil and gas development, well plugging responsibility, injection applications, and pollution prevention (Goal 1 and Goal 3). Data tools support inspection management for pipelines, alternative fuel installations, and surface mines (Goal 2 and Goal 3). The agency maintains extensive datasets and continually updates systems to ensure efficiency, accuracy, and accessibility (Goal 4). These efforts reduce redundancy, improve data quality, and support a "single source of truth" for regulated entities, the public, and regulators.

Key transparency and modernization initiatives include:

- Modernizing the Public GIS Map Viewer to provide more detailed, business-specific map views and improve data reliability and usability.
- Using the agency's data warehouse and the Texas Open Data Portal to expand public access to datasets beyond what is currently available through legacy systems.
- Consolidating data and records access into a single interface to simplify public access and improve reporting capabilities.
- Providing real-time access to selected reportable data to increase consistency and transparency for operators and the public.
- Applying data governance standards to ensure consistency in data quality, security, availability, and reporting across all systems.
- Leveraging modern data science tools to support predictive and analytical insights and make certain non-confidential determinations available to the public.

The Commission's Office of Public Engagement advances transparency and accessibility by helping the public navigate Commission processes and participate in agency proceedings. Through outreach, education, and coordination with Communications and program offices, the team

ensures that public input informs agency operations and that Texans have clear pathways to engage with the Commission's work.

The Commission also maintains accountability through rigorous procurement and contracting practices. The Procurement and Contract Management Department follows the agency's Contract Management Guide, and designated staff maintain Certified Texas Contract Manager credentials. Contracting activities are closely coordinated with the Office of General Counsel to ensure compliance, oversight, and responsible use of public funds.

The Commission recognizes that achieving long-term efficiency and effectiveness requires more than responsible resource management. Addressing the evolving challenges of Texas' energy landscape necessitates robust information systems, rigorous, solutions-focused problem-solving, a highly skilled workforce, and an ongoing commitment to maintaining reliable and effective operations. These foundational elements reinforce the Commission's efforts to enhance transparency, accountability, and operational excellence. The agency's mission-critical responsibilities further depend on enterprise-level initiatives that promote consistency, efficiency, and data-driven decision-making across all programs, ensuring the Commission functions as a unified organization capable of meeting the state's current and future energy regulatory needs.

By applying risk-based practices, maintaining rigorous regulatory standards, and adapting to emerging operational needs, the Commission supports its core responsibilities to protect public safety, conserve natural resources, and support the continued strength of the Texas economy. These efforts reinforce the agency's mission and provide a strong foundation for effective and efficient operations.

Redundancies and Impediments

In carrying out its statutory responsibilities, the Commission also identifies statutory, regulatory, and administrative factors that may hinder its efficiency or limit the agency’s ability to fully achieve its mission. Evaluating these constraints is essential to ensuring that agency operations remain aligned with statewide objectives and that public resources are used responsibly. The following section outlines specific redundancies and impediments that affect the Commission’s ability to operate at full effectiveness, along with recommended changes to support more streamlined and efficient operations.

Table 1: Purchasing Authority Delegated to the Railroad Commission

<p>Service, Statute, Rule or Regulation (Provide Specific Citation if applicable)</p>	<p>Texas Government Code Section 2155.150 (Previously Sec. 2155.149 when H.B. 773 was passed in 2005) was amended. Texas Government Code Sec. 2155.150, reads in part:</p> <p>Certain Purchases by Railroad Commission of Texas. <i>(a) The Railroad Commission of Texas is delegated all purchasing functions relating to purchases under:</i></p> <p style="padding-left: 40px;">(1) Chapter 89, Natural Resources Code; (2) Sections 81.067 and 81.068, Natural Resources Code; and (3) Chapters 131 and 134, Natural Resources Code.</p>
<p>Describe why the Service, Statute, Rule or Regulation is Resulting in Inefficient or Ineffective Agency Operations</p>	<p>There is inconsistency in various agencies’ interpretation of Delegated Authority. During the 86th Legislative Session in 2019, Section 2155.150 was amended. The Amendment was set out in S.B. 1587. The amendment added the Abandoned Mine Land (AML) program to the preexisting oil and gas regulation and cleanup fund and abandoned well program as goods and services that are not required to be submitted to the Office of the Comptroller of Public Accounts (CPA) for various purchasing functions. The Senate Research Center’s bill analysis for S.B. 1587 indicates the expressed legislative intent was that the RRC by law does not have to submit to the CPA certain purchasing functions. The bill analysis dated July 7, 2019, states “The Agency already retains this authority, by law for abandoned well program and oil and gas regulation and cleanup fund.”</p>
<p>Provide Agency Recommendation for Modification or Elimination</p>	<p>Provide clarification and uniformity of delegated authority related to all RRC program areas that fall under Texas Government Code Section 2155.150; Chapter 89, Natural Resources Code; Sections 81.067 and 81.068, Natural Resources Code; and Chapters 131 and 134, Natural Resources Code.</p>

<p>Describe the Estimated Cost Savings or Other Benefit Associated with Recommended Change</p>	<p>Texas Government Code Section 2155.150 (previously 2155.149) intent was to provide procurement efficiencies for RRC’s abandoned well program and AML program through delegated authority. The delegated authority allowing RRC to not seek certain external reviews for plugging and remediation contracts under these two programs save RRC staff resources, time, and agency dollars, while streamlining the acquisition of services or goods in procurements of such specialized nature as those following under Chapter 89 Natural Resources Code, Section 81.067 and 81.06.</p>
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Table 2: Unexpended Balance Authority Across Biennia for the Purpose of Environmental Cleanup

<p>Service, Statute, Rule or Regulation (Provide Specific Citation if applicable)</p>	<p>34 TAC § 5.56</p>
<p>Describe why the Service, Statute, Rule or Regulation is Resulting in Inefficient or Ineffective Agency Operations</p>	<p>The Railroad Commission contracts for millions of dollars annually for environmental cleanup. Based on the administrative code, the expenditures are charged to the appropriation year in which the services are rendered. Due to a variety of factors such as logistics, weather, worker availability, the Commission may issue a work authorization for cleanup work in the latter half of a fiscal year, but the work might not occur until September in the following fiscal year. At the end of a biennium, this results in encumbered funds being lapsed appropriations and reduced appropriations in the first year of the next biennium.</p>
<p>Provide Agency Recommendation for Modification or Elimination</p>	<p>A Railroad Commission rider in the General Appropriation Act could allow the Commission to move the balances of unspent appropriations from the prior biennium into the current biennium for the purposes of environmental cleanup.</p>
<p>Describe the Estimated Cost Savings or Other Benefit Associated with Recommended Change</p>	<p>This would result in a more efficient use of state funds as the Commission can fully utilize appropriations for their intended purpose.</p>

Table 3: Use of Contract Travel Services

<p>Service, Statute, Rule or Regulation (Provide Specific Citation if applicable)</p>	<p>Texas Gov’t Code §2171.055 34 TAC §20.408</p>
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<p>Describe why the Service, Statute, Rule or Regulation is Resulting in Inefficient or Ineffective Agency Operations</p>	<p>34 TAC §20.408 outlines the specific exceptions allowed for Texas state agencies to use non-contract travel services (hotels, airlines, rental cars) instead of those mandated by the State Travel Management Program (STMP). These exceptions, detailed by the Texas Comptroller, typically apply when non-contract options offer lower costs, are unavailable, or meet special needs. While the rule provides limited exceptions and encourages agencies to purchase travel services at rates lower than the contract travel services rates, the current contracted hotel booking service has been inefficient. The contracted service provider causes the agency to spend significant time correcting double billing errors (e.g., direct billing via the contract and billing to an employee’s personal credit card).</p>
<p>Provide Agency Recommendation for Modification or Elimination</p>	<p>The Texas Comptroller should explore additional options outside the singular current contracted vendor to allow agencies the autonomy to choose the contracted vendor that works best for them and allows for the most efficient and cost-effective services to each agency. It would be most beneficial to have a contractor that guarantees the lodging expense will not exceed the maximum lodging reimbursement rate allowed. The current vendor issues often involve rate inconsistencies, booking errors, and customer service challenges. Reported problems include discrepancies between searched and actual rates, potential phishing risks, and difficulties with cancellations or refunds.</p>
<p>Describe the Estimated Cost Savings or Other Benefit Associated with Recommended Change</p>	<p>The benefit would be multiple contractors for state agencies to utilize to ensure the agency travelers have discounted rates on transient travel while doing business for the State of Texas. Each agency could select the vendor or vendors that work best for them and offer the best rates that do not exceed the maximum lodging amounts.</p>

Natural Disaster-Related Redundancies and Impediments (If Applicable)

Not applicable. The Railroad Commission did not identify any statutory changes that could help in its response to natural disasters.

Rulemaking

The Railroad Commission’s rulemaking processes are principally driven by statutory mandates enacted during legislative sessions and the resulting bills. The Commission has primary responsibility under specific Federal programs, and rulemaking is occasionally required to implement changes adopted by the relevant Federal agencies. In addition, The Commission updates its rules periodically due to changes in technology or operating practices adopted by the regulated industries.

With a substantial portion of the Commission’s rulemaking activities required by statute, these rules are integral to the Commission’s effective administration of its programs and services. At the

same time, the Commission maintains a proactive posture by monitoring the Texas Register to identify developments in existing regulations that may affect its jurisdiction or necessitate rulemaking action. Consistent with this approach, all rules are subject to ongoing review through both staff analysis and public input to maintain continued relevance and effectiveness.

Within this broader framework, public participation remains a critical component to the rulemaking process. During the formal notice and comment period, industry, stakeholders and the public are afforded the opportunity to provide substantive input on proposed rules. The Commission systematically reviews and responds to all submitted comments and, where appropriate, incorporates that feedback to refine and strengthen the final rules. In addition, members of the public may petition the Commission to initiate rulemaking pursuant to the Texas Administrative Code [“TAC”] Chap. 16, § 1.301. In evaluating such petitions, the Commission assesses the potential impact on all affected parties, balances any public burdens, and carefully considers the safety implications of the proposed rule.

The Commission also employs targeted flexibility to achieve regulatory objectives without compromising safety. For example, a waiver process is established within the LP-Gas safety requirements set forth in Chapter 9 of the TAC. The Commission provides a formal mechanism through which members of the public may request exceptions to specific rules. Pursuant to 16 TAC § 9.27, an applicant may seek an exception to Chapter 9 rules by demonstrating, among other considerations, that the proposed exception will not adversely affect public health or safety.

Similarly, the Commission has expanded access to required safety training through alternative means. Under 16 TAC § 9.55 and as implemented in 2022, individuals may obtain a waiver from the RRC’s Dispenser Operation certification and training requirements upon successful completion of training and examination consistent with the guidelines established by the Propane Education and Research Council (PERC). This section also permits companies to apply for approval to offer the PERC-based courses for the Dispenser Operations training and certification. As a result of this change, individuals now have multiple pathways to satisfy training requirements and achieve certification with the Alternative Fuels Safety Department.

Overall, the Commission’s rulemaking framework balances statutory obligations with proactive oversight and meaningful public participation. By integrating legislative mandates, stakeholder input, and targeted regulatory flexibility, where appropriate, the Commission maintains rules that are current, practical, and protective of public safety and the environment while supporting the effective administration of its programs.

The issues identified in this section underscore the need for targeted statutory and administrative adjustments to strengthen the Commission’s operational effectiveness. Ensuring that regulatory requirements remain current and protective of public safety is essential to maintaining a reliable and accountable regulatory system. By clearing operational barriers and sustaining a disciplined, responsive rulemaking process, the Commission enhances its ability to execute its mission efficiently and uphold the highest standards of regulatory oversight.

Schedule A: Budget Structure

Goal 1: Energy Resources

To oversee the development of the state’s energy resources while protecting public health and the environment through an effective regulatory program.

Objective 1.1

Provide for the orderly and efficient development of oil and gas resources while preventing waste, protecting the correlative rights of mineral interest owners, and conserving the state’s oil and natural gas resources.

Outcome Measures

- 1.1.1 Percent of oil and gas wells that are active

Strategy 1.1.1 Energy Resource Development

Protect correlative rights and prevent waste while maximizing opportunities for the development of lignite, oil, and gas resources through well site permitting, production allowables, production rule reviews, and exception processing.

Output Measures

- 1.1.1.1 Number of organizations permitted or renewed
- 1.1.1.2 Number of drilling permit applications processed
- 1.1.1.3 Number of wells monitored

Efficiency Measures

- 1.1.1.1 Average number of cases completed by examiner
- 1.1.1.2 Average number of wells monitored per analyst
- 1.1.1.3 Percent of permit applications processed within established time frames
- 1.1.1.4 Average number of days to process a drilling permit

Explanatory Measures

- 1.1.1.1 Number of active oil and gas rigs
- 1.1.1.2 Annual calendar year production of Texas crude oil
- 1.1.1.3 Annual calendar year production of Texas natural gas
- 1.1.1.4 Number of horizontal drilling permit applications processed
- 1.1.1.5 Number of vertical drilling permit applications processed

Goal 2: Safety Programs

Advance safety in the delivery and use of Texas petroleum products, including LPG/LNG/ CNG, and in the operation of the Texas pipeline system through training, monitoring and enforcement, and promote, educate, and enforce regulations for underground damage prevention.

Objective 2.1

Improve public safety through regulatory oversight of the pipeline industry by inspection, compliance, and educational activities.

Outcome Measures

- 2.1.1 Average number of pipeline safety violations per equivalent 100 miles of pipe identified through inspections

Strategy 2.1.1 Pipeline Safety

Ensure the safe operation of pipelines through permitting, field inspections, accident investigations and emergency response.

Output Measures

- 2.1.1.1 Number of pipeline safety inspections performed
- 2.1.1.2 Number of pipeline safety violations identified through inspections
- 2.1.1.3 Number of pipeline accident investigations or complaint investigations performed
- 2.1.1.4 Number of Pipeline Specialized Program Inspections

Efficiency Measures

- 2.1.1.1 Average number of pipeline field inspections per field inspector

Strategy 2.1.2 Pipeline Damage Prevention

Support education and public awareness efforts to inform the public about damage prevention laws, compliance, and penalties.

Output Measures

- 2.1.2.1 Number of excavation damage enforcement cases completed

Objective 2.2

Ensure safety through regulation of the LPG/CNG/LNG alternative fuels industries.

Outcome Measures

- 2.2.1 Average Number of LPG/CNG/LNG Violations
- 2.2.2 Percent of LPG/CNG/LNG inspections with non-compliance items cited where a notice of correction was received

Strategy 2.2.1 Regulate Alternative Fuel Sources

Protect the health, safety and welfare of the general public by ensuring the safe storage, transportation of Liquefied Petroleum Gas, Compressed Natural Gas, and Liquefied Natural Gas as alternative fuel sources through safety education, accident investigation, inspection and enforcement of safety regulations.

Output Measures

- 2.2.1.1 Number of LPG/CNG/LNG safety inspections performed
- 2.2.1.2 Number of LPG/CNG/LNG safety violations identified through inspections
- 2.2.1.3 Number of LPG/CNG/LNG accident investigations and special investigations performed
- 2.2.1.4 Number of LPG/CNG/LNG qualifying examinations administered and licenses, certifications and registrations
- 2.2.1.5 Number of individuals attending LP-Gas training or continuing education courses

Efficiency Measures

- 2.2.1.1 Average number of LPG/CNG/LNG safety inspections per inspector
- 2.2.1.2 Percent of LPG/CNG/LNG Completion Reports processed within 30 business days of receipt
- 2.2.1.3 Percent of Applications to Install LPG/CNG/LNG Facility processed within 30 business days of receipt

Goal 3: Environmental and Consumer Protection

To protect the environment and consumers by ensuring that energy production, storage, and delivery minimize harmful effects on the state’s natural resources, and that just and reasonable natural gas rates promote a safe and efficient supply of natural gas.

Objective 3.1

Reduce the occurrence of environmental violations associated with fossil fuel extraction and energy production in Texas.

Outcome Measures

- 3.1.1 Percentage of oil and gas facility inspections that identify environmental violations
- 3.1.2 Percent of wells not inspected in last five years
- 3.1.3 Percent of Total Well Population Inspected

Strategy 3.1.1 Oil and Gas Monitoring and Inspections

Assure that Oil and Gas permitted activities comply with applicable state regulations through field inspections, witnessing tests, monitoring reports, processing applications and enforcement actions.

Output Measures

- 3.1.1.1 Number of oil and gas facility inspections performed
- 3.1.1.2 Number of enforcement referrals for legal action due to oil and gas rule violations
- 3.1.1.3 Number of oil and gas environmental permit applications and reports processed
- 3.1.1.4 Number of lease severances or well seals initiated
- 3.1.1.5 Number of district-initiated issuance of severance/seal orders
- 3.1.1.6 Number of oil and gas facility inspections with no violation

Efficiency Measures

- 3.1.1.1 Average number of oil and gas facility inspections performed by district office staff

Explanatory Measures

- 3.1.1.1 Number of UIC wells and other facilities subject to regulation
- 3.1.1.2 Number of statewide rule violations
- 3.1.1.3 Number of Major Statewide Rule Violations
- 3.1.1.4 Percent of violations corrected within 90 days

Strategy 3.1.2 Surface Mining Monitoring and Inspections

Assure that Surface Mining permitted activities comply with applicable state and federal regulations through field inspections, witnessing tests, monitoring reports, processing applications and enforcement actions.

Output Measures

- 3.1.2.1 Number of coal mining inspections performed
- 3.1.2.2 Number of coal mining permit actions processed
- 3.1.2.3 Percent of uranium exploration sites inspected monthly

Efficiency Measures

- 3.1.2.1 Average number of staff review days required to process uranium exploration permitting actions
- 3.1.2.2 Percent of coal permitting actions completed within statutory review time frames

Explanatory Measures

- 3.1.2.1 Annual calendar year production of Texas lignite coal

Objective 3.2

Identify and abate environmental and public health threats through voluntary operator actions or with use of state or federal funds.

Outcome Measures

- 3.2.1 Percentage of orphaned wells plugged with state managed funds
- 3.2.2 Percentage of identified abandoned pollution sites investigated, assessed, or cleaned up with state managed funds

Strategy 3.2.1 Oil and Gas Well Plugging and Remediation

Protect public health and the environment by identifying, assessing, and prioritizing sites that require the use of state managed funds for well plugging and remediation.

Output Measures

- 3.2.1.1 Number of abandoned pollution sites investigated, assessed, or cleaned up with the use of state managed funds
- 3.2.1.2 Number of orphaned wells managed plugged with state managed funds
- 3.2.1.3 Total aggregate plugging depth of orphaned wells plugged with state managed funds

Efficiency Measures

- 3.2.1.1 Average number of days to complete abandoned state managed site clean-up
- 3.2.1.2 Average number of days to plug an orphaned well with the use of state managed funds

Explanatory Measures

- 3.2.1.1 Number of identified abandoned pollution sites that are candidates for state managed funded cleanup

- 3.2.1.2 Number of complex operator initiated cleanups monitored and evaluated
- 3.2.1.3 Number of orphaned wells approved for plugging
- 3.2.1.4 Number of known orphaned wells in non-compliance with the Commission plugging rule
- 3.2.1.5 Number of wells plugged, by operators, without the use of state managed funds
- 3.2.1.6 Percentage of active well operators who have more than 25 percent of their wells inactive
- 3.2.1.7 Number of shut-in/inactive wells

Strategy 3.2.2 Surface Mining Reclamation

Protect public health and the environment by identifying, assessing, and prioritizing mine lands that require the use of federal funds for reclamation and provide oversight for operator-initiated reclamation.

Explanatory Measures

- 3.2.2.1 Percentage of abandoned surface mine sites on which reclamation has been initiated

Objective 3.3

Maintain competitive prices and adequate natural gas supplies for Texas energy consumers.

Outcome Measures

- 3.3.1 Average Texas residential gas price for Commission regulated utilities as a percentage of the national average residential gas price

Strategy 3.3.1 Gas Utility Compliance

Oversee natural gas utility rate structures that promote safe, efficient, and reliable supply at a reasonable cost and audit regulated gas utilities to ensure compliance with rate structures and submission of Gas Utility Taxes.

Output Measures

- 3.3.1.1 Number of audits conducted
- 3.3.1.2 Number of Gas Utility dockets and cases filed
- 3.3.1.3 Number of gas utilities compliance, tariff, and escalator filings

Efficiency Measures

- 3.3.1.1 Average number of audits per auditor

Objective 3.4

Establish critical infrastructure compliance standards, regulate natural gas supply chain entities for power generation requirements, and mitigate system outage risks during extreme weather events.

Strategy 3.4.1 Critical Infrastructure Weather Preparedness

Ensure that designated facilities incorporate weatherization and reliability standards and practices through communication, inspections, processing applications, and monitoring reports.

Output Measures

- 3.4.1.1 Number of weatherization inspections conducted
- 3.4.1.2 Number of facilities out of weatherization compliance

Explanatory Measures

- 3.4.1.1 Percent of facilities that are required to weatherize that are non-compliant with weatherization standards
- 3.4.1.2 Total number of designated critical infrastructure facilities

Goal 4: Public Access to Information and Services

Strive to maximize electronic government and to minimize paper transactions by developing technological enhancements that promote efficient regulatory programs and preserve and increase access to public information.

Objective 4.1

Increase efficiency in providing public access to information and provide more efficient interaction with regulated industries.

Strategy 4.1.1 Public Information and Services

Collect, maintain, and preserve oil and gas data submitted to the Commission; provide efficient public access to this information; provide regulated industries the ability to conduct their business with the Commission electronically.

Output Measures

- 4.1.1.1 Number of documents provided to customers by Information Services
- 4.1.1.2 Number of reports provided to customers from electronic data records
- 4.1.1.3 Number of Railroad Commission records imaged from non-digital formats

Schedule B: List of Measure Definitions

Strategy 1.1.1 Energy Resource Development

Outcome 1.1.1: Percent of Oil and Gas Wells That Are Active

Definition: This is the number of active wells on the oil and gas proration schedule expressed as a percentage of the total wells (active and inactive) on schedule. Active wells include all producing wells and injection and other service wells.

Data Limitations: The active or inactive classification of wells is based on well status and production information reported by the oil or gas operator. Wells are classified as active or inactive directly from information reported by the operator and in some cases, programmatically adjusted based on whether or not production has been reported over a period of time. Inaccurate or delinquent reporting can impact the accuracy of the data.

Data Source: Data is collected electronically through RRC computer systems, which provide well status information for wells monitored by the Commission. This program is run monthly.

Methodology: Sum the total of active and inactive wells on the oil and gas schedule to get the total number of wells. Divide the number of active wells by the total number of wells on schedule to get the percentage of wells that are active.

Purpose: This measure provides an indication of the effectiveness of efforts to increase opportunities for oil and gas resource development and sustain production levels (e.g. severance tax incentive programs).

Calculation Method: Noncumulative

Target Attainment: High

Priority: High

Key Measure: Yes

New Measure: No

Percent Measure: Yes

Output 1.1.1.1: Number of Organizations Permitted or Renewed

Definition: This is a count of new organizations added to the P-5 database and organizations that renewed their organization report during the reporting period. Organizations performing operations within the jurisdiction of the Railroad Commission must have an approved organization report (Form P-5) on file with the Commission. Active organizations are required to renew their organization report (Form P-5) annually.

Data Limitations: Data is based on a “snapshot” of statistics taken at the end of two consecutive months and may not be an exact reflection of activity within the current reporting period. However, the variance will self-correct over the following three months.

Data Source: Form P-5 organization report data is maintained in a mainframe database. The count of organizations permitted and renewed each month is manually calculated from consecutive monthly Form P-5 system summaries. Organization reports processed for changes in information are not included in the measure.

Methodology: To get the number of organizations permitted and renewed for each month in the reporting cycle: (a) subtract the number of active organizations at the end of the previous month from the number of active organizations at the end of the current month to obtain the net change in active organizations; (b) add the number of organizations which expired at the beginning of the current month to the net change in active organizations. Sum the totals for each month in the reporting cycle to get the total number of approved organizations permitted and renewed during the reporting cycle. Recalculate the year-to-date total each quarter by summing the counts for each quarter.

Purpose: This measure is intended to show the number of operators authorized to engage in oil and gas activity in Texas.

Calculation Method: Cumulative

Target Attainment: High

Priority: High

Key Measure: No

New Measure: No

Percentage Measure: No

Output 1.1.1.2: Number of Drilling Permit Applications Processed

Definition: The number of drilling permit applications processed during the reporting period.

Data Limitations: Drilling permit applications processed have well-defined parameters and are easily identified. The count may not include permits that are received but are incomplete and have not been built into the computer system, or corrections to previously filed reports.

Data Source: Counts of drilling permit applications processed are available from computer – generated statistical listings and maintained in the Drilling Permit section and on-line query programs.

Methodology: Sum the monthly totals of drilling permit applications processed during the three months within the reporting period to get the reporting period total. When calculating the second, third, and fourth quarter, recalculate the year-to-date total by summing quarter totals.

Purpose: This measure is an indication of oil and gas exploration and development activity. Drilling permits are required before wells can be drilled and completed, recompleted or reentered. This measure is intended to be an indicator of industry activity.

Calculation Method: Cumulative

Target Attainment: High

Priority: High

Key Measure: Yes

New Measure: No

Percentage Measure: No

Output 1.1.1.3: Number of Wells Monitored

Definition: The number of active and inactive oil, gas, and service wells carried on the master oil and gas schedule in the mainframe database. The schedule shows all known wells currently assigned to an operator and regulated by the Commission.

Data Limitations: The count of wells monitored only reflects wells that have been built to schedule by personnel after review of the required paperwork and determination of well status. The count does not include wells that have been reported to the Commission but not built to schedule because of permit or paperwork problems or other processing delays.

Data Source: Well counts are computer generated monthly from a database containing oil and gas schedule information. A separate count is generated for wells carried on the oil schedule and wells carried on the gas schedule. Before a well is placed on schedule, a well completion package of forms must be filed as required by Commission rules. The forms become a part of the historical record for each well after they are audited and approved. All wells stay on the schedule and are monitored for compliance with applicable statewide rules until the well is properly plugged.

Methodology: Sum the count of wells carried on the oil schedule and the count of wells carried on the gas schedule as of the last month of the reporting period. For the year-to-date total average the well counts for the reported periods.

Purpose: This measure provides an indication of the number of wells that are currently being operated under the Commission's jurisdiction and monitored by the Commission for regulatory compliance.

Calculation Method: Noncumulative

Target Attainment: High

Priority: High

Key Measure: Yes

New Measure: No

Percentage Measure: No

Efficiency 1.1.1.1: Average Number of Cases Completed Per Examiner

Definition: On average, the number of cases, on which final Commission action has been taken (typically a final order has been entered and any motion for rehearing has been disposed of), handled by each oil and gas examiner during the period.

Data Limitations: Because of the significant variance in the complexity of cases and the length of hearings, the average, while a reasonable guideline, often does not accurately reflect the speed or efficiency with which cases are handled. Similarly, the variance can cause comparisons between reporting periods to be misleading.

Data Source: Docket records, Case Administration Service Electronic System (CASES), and monthly reports.

Methodology: Sum of cases completed divided by number of hearing examiners (both legal and technical) assigned cases during the period.

Purpose: Provides guidelines indicating performance and volume of measures of completed cases requiring examiner action in the Hearings Division.

Calculation Method: Cumulative

Target Attainment: High

Priority: Medium

Key Measure: No

New Measure: No

Percentage Measure: No

Efficiency 1.1.1.2: Average Number of Wells Monitored Per Analyst

Definition: On average, the number of active and inactive oil, gas and service wells on the master oil and gas schedules that are being monitored for regulatory compliance by proration analysts that perform well analysis and set proration allowables.

Data Limitations: The count of wells monitored only includes wells that have been built to schedule by personnel after review of the required paperwork and determination of well status. The count does not include wells that have been reported to the Commission but not built to schedule because of permit or paperwork problems or other processing delays. Efficiency calculations are based on budgeted positions and are not adjusted for temporary vacancies.

Data Source: There are two sources of data used to calculate this measure: 1) the number of wells maintained on the oil and gas master schedules; and 2) the number of personnel positions performing proration work. Well counts are computer generated monthly from a database containing oil and gas schedule information. A separate count is generated for wells carried on the oil schedule and wells carried on the gas schedule. The number of personnel positions are those budgeted to perform proration work.

Methodology: Sum the count of wells carried on the oil schedule and the count of wells carried on the gas schedule as of the last month of the reporting period. Divide the sum by the number of proration analyst positions budgeted as of the last month of the reporting period. For the year-to-date average, average by the number of reporting periods.

Purpose: This measure is intended to show how efficiently wells on schedule are being monitored.

Calculation Method: Noncumulative

Target Attainment: High

Priority: High

Key Measure: Yes

New Measure: No

Percentage Measure: No

Efficiency 1.1.1.3: Percent Permit Applications Processed within Time Frames

Definition: This measure includes enhanced recovery and disposal permits, pit permits, land farming and land treatment permits, land apply permits, stationary treatment facility permits, letter of authority permits, recycling permits, minor permits, domestic waste water permits, waste hauler permits, reclamation plant permits, and other permits. The targeted time frame for the review of environmental permits is established by agency rules or agency standard operating procedures.

Data Limitations: Applications are excluded from the count when suspended from processing in accordance with either agency rules or agency policy.

Data Source: This is a comparison of review time frames for all permitting actions completed during the reporting period, compared to the respective review time frame. Databases that track the processing of permit action requests are maintained within the Oil and Gas Division. Key processing milestones are documented within the databases by logging the date of the event. Permit action reviews are considered complete when a deficiency letter or final action/decision letter is sent to the permittee. The number of staff review days is based on the number of calendar days beginning on the stamped receipt date and ending on the date staff completes its review with a deficiency letter or final action/decision letter. Review of initial and subsequent submittals are treated separately.

Methodology: Divide the number of actions with review time frames at or less than the review times by the total number of actions completed in the review period. Multiply this quotient by 100.

Purpose: The measure illustrates the overall performance of staff in meeting review time frames.

Calculation Method: Noncumulative

Target Attainment: Low

Priority: Low

Key Measure: No

New Measure: No

Percentage Measure: Yes

Efficiency 1.1.1.4: Average Number of Days to Process a Drilling Permit

Definition: The average number of staff days required to review and process a drilling permit application during the reporting period.

Data Limitations: Drilling permit application processing time is a well-defined parameter and is easily identified. The average may not include permits that are received but are incomplete and have not been built into the computer system, or corrections to previously filed reports. Processing time calculated for this measure will exclude time periods associated with hearings and exceptions to Commission rules.

Data Source: The processing time of each drilling permit application is available from computer-generated statistical listings and maintained in the Drilling Permit section and on-line query programs.

Methodology: Average the time per drilling permit application processed during the three months within the reporting period to get the reporting period average. The second, third, and fourth quarter averages are calculated as discrete, non-cumulative averages.

Purpose: This measure provides an indication of staff's timeliness to process drilling permits, which are required before wells can be drilled. This measure may also be an indicator of industry activity.

Calculation Method: Noncumulative

Target Attainment: Low

Priority: Undefined

Key Measure: Yes

New Measure: No

Percentage Measure: No

Explanatory 1.1.1.1: Number of Active Oil and Gas Rigs

Definition: This is the average number of oil and gas drilling rigs that were actively being used during the last fiscal year to explore for or develop oil or natural gas.

Data Limitations: Rig count data is compiled by Baker Hughes; its accuracy is not within the control of the agency.

Data Source: The rig count data are taken from a report issued by Baker Hughes (industry standard) titled U.S. Monthly Averages by State. The report is downloaded from the Baker Hughes Internet web site.

Methodology: Use the monthly rig count number shown under “Total Texas” for each month of the fiscal year. Add the monthly numbers and divide that sum by 12 to obtain the average number for the fiscal year.

Purpose: The number of active rigs directly impacts the level of drilling activity in the state. It is a quantitative indicator of the industry’s operating environment. Comparing the rig count from year to year provides an indication of industry trend for new operations in Texas.

Calculation Method: Noncumulative

Target Attainment: High

Priority: Low

Key Measure: No

New Measure: No

Percentage Measure: No

Explanatory 1.1.1.2: Annual Calendar Year Production of Texas Crude Oil

Definition: The reported amount of crude oil produced in Texas expressed as barrels of oil.

Data Limitations: Some monthly oil production is reported late or inaccurately and revisions to a particular month’s production can continue for several months into the future. Confident annual calendar year volumes for oil are typically not available until at least 6 months after the end of the calendar year.

Data Source: All Texas oil producers are required to report their monthly production by lease. Volumes are required to be reported by the last day of the month following production. This information is maintained on a Commission database and reported monthly on the website.

Methodology: Oil is reported and maintained in a Commission database in barrels. The number will be the sum of each month’s data and reported on a calendar year basis.

Purpose: Production of crude oil is important to the economy of the state and the United States since energy prices are largely controlled by supply and demand. If the supply of energy is declining, it is an indicator of higher energy prices.

Calculation Method: Noncumulative

Target Attainment: High

Priority: Medium

Key Measure: No

New Measure: No

Percentage Measure: No

Explanatory 1.1.1.3: Annual Calendar Year Production of Texas Natural Gas

Definition: The reported amount of natural gas produced in Texas expressed as thousand cubic feet.

Data Limitations: Some monthly natural gas production is reported late or inaccurately and revisions to a particular month's production can continue for several months into the future. Confident annual calendar year volumes for natural gas are typically not available until at least 6 months after the end of the calendar year.

Data Source: All Texas natural gas producers are required to report their monthly production by well. Volumes are required to be reported by the last day of the month following production. This information is maintained on a Commission database and reported monthly on the website.

Methodology: Natural gas is reported and maintained in a Commission database in thousand cubic feet (Mcf). The number will be the sum of each month's data and reported on a calendar year basis.

Purpose: Production of natural gas is important to the economy of the state and the United States since energy prices are largely controlled by supply and demand. If the supply of energy is declining, it is an indicator of higher energy prices.

Calculation Method: Noncumulative

Target Attainment: High

Priority: Medium

Key Measure: No

New Measure: No

Percentage Measure: No

Explanatory 1.1.1.4: Number of Horizontal Drilling Permits Applications Processed

Definition: The number of horizontal drilling permit applications processed during the reporting period.

Data Limitations: Drilling permit applications processed have well-defined parameters and are easily identified. The count may not include permits that are received but are incomplete and have not been built into the computer system, or corrections to previously filed reports.

Data Source: Counts of drilling permit applications processed, including an indicator of whether the well is classified as "Horizontal", are available from computer-generated statistical listings and maintained in the Drilling Permit section and on-line query programs.

Methodology: Sum the monthly totals of drilling permit applications processed where the application indicates that the well is a "Horizontal" well during the three months within the reporting period to get the reporting period total. When calculating the second, third, and fourth quarter, recalculate the year to-date total by summing quarter totals.

Purpose: This measure is an indication of oil and gas exploration and development activity. Drilling permits are required before wells can be drilled and completed, recompleted or reentered. This measure is intended to be an indicator of industry activity.

Calculation Method: Noncumulative

Target Attainment: High

Priority: Medium

Key Measure: No

New Measure: No

Percentage Measure: No

Explanatory 1.1.1.5: Number of Vertical Drilling Permit Applications Processed

Definition: The number of vertical drilling permit applications processed during the reporting period.

Data Limitations: Drilling permit applications processed have well-defined parameters and are easily identified. The count may not include permits that are received but are incomplete and have not been built into the computer system, or corrections to previously filed reports.

Data Source: Counts of drilling permit applications processed, including an indicator of whether the well is classified as “Horizontal”, are available from computer-generated statistical listings and maintained in the Drilling Permit section and on-line query programs.

Methodology: Sum the monthly totals of drilling permit applications processed where the application indicates that the well is not a “Horizontal” well during the three months within the reporting period to get the reporting period total. When calculating the second, third, and fourth quarter, recalculate the year-to-date total by summing quarter totals.

Purpose: This measure is an indication of oil and gas exploration and development activity. Drilling permits are required before wells can be drilled and completed, recompleted or reentered. This measure is intended to be an indicator of industry activity.

Calculation Method: Noncumulative

Target Attainment: High

Priority: Medium

Key Measure: No

New Measure: No

Percentage Measure: No

Strategy 2.1.1 Pipeline Safety

Outcome 2.1.1: Average Number of Safety Violations

Definition: Average number of safety violations noted per 100 miles for distribution, transmission, and hazardous liquid pipeline systems inspected.

Data Limitations: None.

Data Source: Each pipeline safety inspection documents the number of miles inspected and the number of violations found. Data are collected during field inspections and maintained within the RRC PIPES application by pipeline system.

Methodology: An average number of violations per 100 miles of pipe for each of the three types of systems (distribution, transmission, and hazardous liquid) will be determined by dividing the number of violations by the mileage of pipe that was inspected. These three averages will then be averaged to get a single equivalent statewide number for all of the pipeline systems, other than master meter systems, within the state that are inspected each year.

Purpose: To determine the level of compliance by the various segments of the pipeline industry, a trending level can be established with this Outcome. The Commission's Pipeline Safety program can be compared to other state or federal programs by type of pipeline to determine the level of compliance by the industry.

Calculation Method: Noncumulative

Target Attainment: Low

Priority: High

Key Measure: Yes

New Measure: No

Percent Measure: No

Output 2.1.1.1: Number of Pipeline Safety Inspections Performed

Definition: A total of the standard and follow-up comprehensive safety compliance inspections conducted on intrastate hazardous liquids and natural gas pipelines.

Data Limitations: None.

Data Source: All safety inspections are conducted using inspections forms to record the data relevant to the safety inspection, in addition to data from other sources entered into the RRC PIPES application. All of the data are maintained in the RRC PIPES application.

Methodology: RRC PIPES application can be utilized to total the number of standard and follow-up comprehensive inspections conducted within any prescribed time interval to calculate the number of inspections conducted. The inspection will be considered complete based on the supervisor-

approved date of the inspection. All standard and follow-up comprehensive inspections approved within the time period selected will be totaled.

Purpose: Standard and follow-up comprehensive safety inspections are conducted on pipeline facilities to monitor compliance with Commission safety regulations. Inspections are conducted on various types of facilities and tracked by the system and evaluation type.

Calculation Method: Cumulative

Target Attainment: High

Priority: High

Key Measure: Yes

New Measure: No

Percentage Measure: No

Output 2.1.1.2: Number of Pipeline Safety Violations Identified through Inspections

Definition: Safety inspections identify violations of Commission safety regulations for pipeline facilities. Violations are listed by each particular code section and associated with each individual safety inspection.

Data Limitations: None.

Data Source: The inspection reports include information on the type of regulated entity and all observed violations. The data is transferred into the RRC PIPES application.

Methodology: The source of data is the RRC PIPES application.

Purpose: Safety inspections are conducted to determine the compliance with the Commission's safety regulations for pipeline systems. Noncompliance with the safety regulations are identified and recorded on the field inspections data sheets and recorded into the RRC PIPES application.

Calculation Method: Cumulative

Target Attainment: Low

Priority: High

Key Measure: No

New Measure: No

Percentage Measure: No

Output 2.1.1.3: Number of Pipeline Accident Investigations or Complaint Investigations

Definition: In addition to routine standard and follow-up comprehensive safety inspections, incident and accident investigations are conducted on pipeline facilities to determine operators' compliance with Commission safety regulations. Incident and accident investigations are conducted in the event an incident or accident occurs on a pipeline facility; these may also be initiated through public complaints.

Data Limitations: None.

Data Source: Using RRC PIPES, the number of incident, accident, and other special investigations can be determined. Each inspection or investigation requires an on-site visit, which includes the completion of a field report that documents what the inspector found as well as the amount of time spent conducting the investigation.

Methodology: RRC PIPES can be used to total the number of incident, accident, and other special inspections conducted within any prescribed time interval to calculate the number of inspections conducted. The inspection will be considered complete based on the supervisor-approved date of the inspection. All incident, accident, and other special inspections approved within the time period selected will be totaled.

Purpose: Incident and accident investigations are conducted to determine the probable cause of the incident and to determine if an operator's non-compliance may have contributed to the incident. Special investigations are conducted to respond to consumer/public complaints.

Calculation Method: Cumulative

Target Attainment: High

Priority: Medium

Key Measure: No

New Measure: No

Percentage Measure: No

Output 2.1.1.4: Number of Pipeline Specialized Program Inspections

Definition: A total of the specialized program inspections conducted on intrastate hazardous liquids and natural gas pipelines.

Data Limitations: None.

Data Source: All safety inspections are conducted using inspection forms to record the data relevant to the safety inspection, in addition to data from other sources entered into the RRC PIPES application. All of the data are maintained in the RRC PIPES application.

Methodology: RRC PIPES can be utilized to total the number of specialized program inspections conducted within any prescribed time interval to calculate the number of inspections conducted.

The inspection will be considered complete based on the supervisor-approved date of the inspection. All specialized program inspections approved within the time period selected will be totaled.

Purpose: Specialized program inspections are conducted to monitor such activities as new construction, operator qualification programs, integrity management programs, drug and alcohol programs, public awareness and damage prevention programs, and operation, maintenance and emergency manual plans.

Calculation Method: Cumulative

Target Attainment: Undefined

Priority: Undefined

Key Measure: No

New Measure: No

Percentage Measure: No

Efficiency 2.1.1.1: Average Number of Pipeline Field Inspections Per Field Inspector

Definition: Each inspector is required to conduct a minimum number of field inspections. This summarizes the number of inspections completed during any specific time frame and the number of inspectors available to conduct inspections.

Data Limitations: There is no separate allowance for inspections where multiple inspectors conduct an inspection. In this instance the inspection will only be counted once.

Data Source: The data are collected in the RRC PIPES application as part of the inspection process. Each inspection records the inspector performing the inspection and the time the inspection was conducted. The number of field personnel is maintained in the section.

Methodology: The total number of all types of inspections (standard and follow-up comprehensive inspections, and incident, accident, and other special inspections) completed and approved during each reporting period is divided by the number of inspectors available to conduct inspections.

Purpose: To maintain adequate staffing levels and projections for workload within fiscal years, it is important to use the average of inspections per inspectors.

Calculation Method: Cumulative

Target Attainment: High

Priority: High

Key Measure: Yes

New Measure: No

Percentage Measure: No

Strategy 2.1.2 Pipeline Damage Prevention

Output 2.1.2.1: Number of Excavation Damage Enforcement Cases Completed

Definition: The number of excavation damage enforcement and complaint cases completed.

Data Limitations: None.

Data Source: Data will be obtained from the Commission's online system (TDRF) used to collect data regarding damages to underground facilities and all enforcement actions taken as a result of the damage to those facilities.

Methodology: The data will be collected from the Commission's online damage reporting system regarding the number of enforcement cases and complaints processed over a designated time period.

Purpose: This measure indicates the effectiveness of the Commission's damage prevention enforcement program to increase awareness of compliance requirements and reduce the number of damages to intrastate pipeline systems by tracking the enforcement activity regarding damage prevention violations.

Calculation Method: Cumulative

Target Attainment: High

Priority: Undefined

Key Measure: Yes

New Measure: No

Percentage Measure: No

Strategy 2.2.1 Regulate Alternative Fuel Sources

Outcome 2.2.1: Average Number of LPG/CNG/LNG Violations

Definition: Each safety inspection will identify and record any violation of the LPG/CNG/ LNG safety regulations. The average number of violations per inspection can be used as a benchmark for the state of the LPG/CNG/LNG industry.

Data Limitations: None.

Data Source: Each field inspection documents the number of violations and this data is entered into the LIS Oracle database system. The number of inspections by type and number of violations by type can be retrieved from this system. Each site that is inspected is considered one inspection.

Methodology: The total number of violations noted is divided by the total number of inspections completed to determine the average number of safety violations per inspection.

Purpose: The Commission's LPG/CNG/LNG safety program conducts field investigations and inspections of stationary and mobile installations to determine compliance with the Commission's safety regulations. By determining the average number of violations per inspection, the overall effectiveness of the program can be monitored by comparing the trend of reported average violations per year.

Calculation Method: Noncumulative

Target Attainment: Low

Priority: Low

Key Measure: No

New Measure: No

Percent Measure: No

Outcome 2.2.2: Percent of LPG/CNG/LNG Inspections with Non-compliance Items

Definition: For all inspections where items were cited to be out of compliance a non-compliance letter is sent to the facility/equipment's owner/operator and, in most cases, the facility/equipment's supplier. The owner/operator/supplier is given 45-days from the date of the letter to correct all non-compliance items. The non-compliance letter can be used to submit notice of corrections. If a notice of correction is not received a follow-up letter is sent to all parties removing the installation from service until the corrections are made and notice is sent to the Commission.

Data Limitations: None.

Data Source: The non-compliance letter sent date and the notice of correction received date are tracked in the LIS database. Any notice of correction received after the follow-up letter is also entered into LIS.

Methodology: The total number of corrections notices received divided by the number of inspections where citations are listed (by rule number per inspection) multiply by 100 to determine the percentage of non-compliance inspections where notice of correction was received. The number of inspections with citations and the notice of correction are calculated using the LIS database.

Purpose: The number of corrections would help to determine where resources may need to be concentrated to verify compliance at installations where confirmation has not been received.

Calculation Method: Noncumulative

Target Attainment: Low

Priority: Medium

Key Measure: No

New Measure: No

Percent Measure: Yes

Output 2.2.1.1: Number of LPG/LNG/CNG Safety Inspections Performed

Definition: A total of the onsite safety inspections conducted on jurisdictional LPG/LNG/CNG stationary and mobile installations. Excludes ‘Compliance Disposed’ inspections; for example, where duplicate records are removed as a result of an onsite inspection.

Data Limitations: None.

Data Source: All safety inspections are conducted using data collection sheets to record data relevant to safety evaluations. Inspections are tracked within the AFOS database by evaluation type. All of the data is transferred into the Commission’s AFOS database each week by the inspector that conducts the inspection.

Methodology: The total number of LPG/CNG/LNG inspections conducted within a prescribed time interval is calculated using the AFOS database.

Purpose: Onsite inspections are conducted on jurisdictional LPG/LNG/CNG installations to monitor compliance with Commission safety regulations. The more inspections that are performed the more likely violations and hazardous conditions will be identified and corrected; reducing the risk of personal injury and property damage.

Calculation Method: Cumulative

Target Attainment: Undefined

Priority: Undefined

Key Measure: Yes

New Measure: No

Percentage Measure: No

Output 2.2.1.2: Number of LPG/LNG/CNG Safety Violations Identified through Inspection

Definition: Safety inspections identify violations of Commission safety regulations for LPG/LNG/CNG facilities, vehicles and mobile equipment. Violations are listed by each particular code section and associated with each individual safety inspection.

Data Limitations: None.

Data Source: The inspection reports include information on the type of installation and all observed violations. The data is transferred into the Commission's AFOS database.

Methodology: The source of data is the AFOS database.

Purpose: Safety inspections are conducted to determine the compliance with the Commission's safety regulations for LPG/LNG/CNG installations. Noncompliance with the safety regulations are identified and recorded on the field evaluation data sheets. The owners or operators of stationary

installations or vehicle/mobile equipment cited for violations are notified of the safety issues and afforded a specific time frame to take corrective action or remove the installation or vehicle/mobile equipment from service.

Calculation Method: Cumulative

Target Attainment: Undefined

Priority: Undefined

Key Measure: No

New Measure: No

Percentage Measure: No

Output 2.2.1.3: Number of LPG/CNG/LNG Investigations

Definition: In addition to routine safety inspections, special investigations and accident investigations are conducted on LPG/CNG/LNG facilities, vehicles and mobile equipment to determine compliance with Commission safety regulations. Investigations of unsafe installations or practices are initiated by complaints from individuals in the regulated industries or from the public. Licensees are required by Commission rules to report incidents or accidents involving LPG/CNG/LNG at installations or on equipment they own, operate or service.

Data Limitations: None.

Data Source: Division staff enters accidents and complaints into an access database, and final approval inspections, follow-up re-inspections and other special inspections are entered in the AFOS database.

Methodology: Adding the totals from each database equals the total number of accidents and special inspections.

Purpose: Accident investigations are conducted to determine the probable cause of the incident and to determine if non-compliance with applicable safety regulations may have contributed to the incident. Special investigations are conducted to monitor new construction and installation activities, approve large stationary installations and certain vehicles, and to respond to consumer/public/industry complaints. Special investigations also include certain follow up inspections to determine compliance from a previous inspection.

Calculation Method: Cumulative

Target Attainment: Low

Priority: Low

Key Measure: No

New Measure: No

Percentage Measure: No

Output 2.2.1.4: Number of LPG/CNG/LNG Exams Administered

Definition: Persons engaged in jurisdictional LPG, CNG and LNG activities are required to be licensed, certified or registered with the Railroad Commission. Individuals who perform jurisdictional LPG, CNG and LNG activities are required to be certified. To obtain a certification a person must pass a written examination. Forms, fees and insurance must be filed with the division to obtain a license, and certain licenses require cargo tank motor vehicles and delivery units to be registered with the Commission. Licensed master and journeyman plumbers and air-conditioning and refrigeration (ACR) licensees who perform certain LPG or CNG activities may register for an exemption with the Commission in lieu of maintaining a current Railroad Commission license or certification. Persons who have completed specified courses through the Propane Education and Research Council (PERC) may also apply for Railroad Commission certification through exemption. Annual renewal of each license, certification and/or registration is required.

Data Limitations: None.

Data Source: All data for LPG, CNG and LNG examinations, certification, licenses and registrations are entered into the Commission's AFOS database.

Methodology: The totals can be calculated using reports from the AFOS database.

Purpose: Persons who perform jurisdictional LPG, CNG or LNG activities in Texas are required by statute to hold a license or registration from the Commission. All licensees must have insurance and employees performing jurisdictional activities must be certified by testing on safety regulations. Licensees, certified employees, and registrants must renew annually. Licensees with transports must register each truck annually.

Calculation Method: Cumulative

Target Attainment: High

Priority: Low

Key Measure: No

New Measure: No

Percentage Measure: No

Output 2.2.1.5: Number Attending LP-Gas Training or Continuing Education

Definition: Individuals attending are those that complete attendance of a training or continuing education course provided either in a classroom or online.

Data Limitations: None.

Data Source: Commission records of courses. For courses that confer Railroad Commission training or continuing education credit, instructors report the number of individuals completing the course to the training coordinator in writing at the end of each work week. Information from these reports is entered into the Commission's LIS Oracle training Database. For non-credit training courses and seminars, training hours are recorded in a separate Excel spreadsheet.

Methodology: Retrieve from the LIS Oracle training database the total number of individuals attending each training or continuing education course online or in-person. Retrieve from the non-credit training class Excel spreadsheet listing the total number of individuals attending the training course. Add these two totals and report the sum.

Purpose: This measure tells how much technical training the division provides annually to alternative fuels technicians, other industry personnel, emergency responders, and consumers, e.g., alternative fuels school bus fleet operators, and emergency responders. The more training that is provided, the more likely industry personnel, emergency responders and consumers are to competently and safely operate alternative fuels equipment and installations and respond to emergencies.

Calculation Method: Cumulative

Target Attainment: Undefined

Priority: Undefined

Key Measure: No

New Measure: No

Percentage Measure: No

Efficiency 2.2.1.1: Average Number of LPG/CNG/LNG Safety Inspections Per Inspector

Definition: Each alternative fuels inspector is required to conduct a minimum number of on-site safety inspections. This measure summarizes the number of evaluations completed during any specific time frame and the number of inspectors available to conduct inspections.

Data Limitations: There is no separate allowance for a safety inspection in which multiple inspectors collaborate to complete the inspection. In such an instance the inspection will only be counted once and credited to a single inspector.

Data Source: The data is collected in the Commission's AFOS database as part of the inspection process. A record of each inspection is entered into the database that includes the name of the inspector and the time spent conducting the inspection. The number of field personnel is maintained by the division.

Methodology: The number of safety inspections completed during each reporting period is divided by the number of inspectors available to conduct inspections.

Purpose: To maintain adequate staffing levels and projections for workload within fiscal years, it is important to use the average number of inspections performed by inspectors.

Calculation Method: Cumulative

Target Attainment: Undefined

Priority: Undefined

Key Measure: No

New Measure: No

Percentage Measure: No

Efficiency 2.2.1.2: Percent of LPG/CNG/LNG Reports Processed within 30 Days

Definition: Completion reports are received when smaller capacity alternative fuel containers, racks or cascades are installed at non-residential facilities. The aggregate capacity of containers at a site is used to determine if a completion report is submitted. The aggregate capacities for each fuel type are less than: 10,000 gallons for LPG, 84,500 standard cubic feet for CNG and 15,540 gallons for LNG. Completion reports should be processed within 30 business days of receipt.

Data Limitations: None.

Data Source: The completion report received date is entered in the AFOS database. The data entry date is automatically tracked by the AFOS S database.

Methodology: If the completion report data entry date is thirty business days or less than the completion report received date, then the completion report was entered in the required time frame. The total number of completion reports entered within the required time frame divided by the number of completion reports received, multiply by 100 to determine the percentage of completion reports processed within 30 business days of receipt.

Purpose: The installations reported on completion reports are used to create the inspectors' annual schedule of installations that are due for inspection, including installations that have never been inspected. Inspectors will also inspect new installations that are not on their schedule; included in the inspection process for new installations is verification of a completion report on file. Completion reports must be entered in a timely manner to ensure proper verification.

Calculation Method: Noncumulative

Target Attainment: High

Priority: Medium

Key Measure: No

New Measure: No

Percentage Measure: Yes

Efficiency 2.2.1.3: Percentage of Applications to Install LPG/CNG/LNG Facility Processed

Definition: Applications to Install LPG/CNG/LNG Facility (Plans) are received prior to the installation of larger capacity alternative fuel containers or cascades at non-residential facilities. The aggregate capacity of containers at a site is used to determine if plans are submitted. The aggregate capacities for each fuel type are as follows: 10,000 gallons or more for LPG, 84,500 standard cubic

feet or more for CNG and 15,540 gallons or more for LNG. Plans should be processed within 30 business days of receipt.

Data Limitations: None.

Data Source: The application to install LPG/CNG/LNG facility's received date is entered in the AFOS database. If the application is incomplete a letter will be sent to the applicant notifying them of deficiencies found with their application; if the application is complete then the applicant will receive a letter granting construction of the installation.

Methodology: If the deficiency letter or construction approval letter date is thirty business days or less than the application to install LPG/CNG/LNG facility (application) received date, then the application was processed in the required time frame. The total number of applications processed within the required time frame divided by the number of applications received, multiply by 100 to determine the percentage of applications processed within 30 business days of receipt.

Purpose: Applications to install LPG/CNG/LNG facility must be processed within a timely manner to allow industry proper time to plan the construction of these installations. Construction cannot begin until the application is approved by AFS.

Calculation Method: Noncumulative

Target Attainment: High

Priority: Medium

Key Measure: No

New Measure: No

Percentage Measure: Yes

Strategy 3.1.1 Oil and Gas Monitoring and Inspections

Outcome 3.1.1: Percent of Oil and Gas Inspections That Identify Violations

Definition: The percentage of the total number of oil and gas facility inspections performed where at least one pollution-related violation was detected. Pollution-related violations include violations of Statewide Rules 8, 9, 13, 14, 17, 20, 21, 46, 81, 91, 95, 96, 97, and 98 (water protection, disposal wells, well completion and plugging, wellhead pressure, fire prevention and swabbing, fluid injection, brine mining, oil spills, hydrocarbon storage, and hazardous waste management) and violations of 16 TAC Chapter 4, Subchapter B (Commercial Recycling) and Subchapter F (Oil and Gas NORM).

Data Limitations: The number of non-compliant leases and facilities is affected by the health of the oil and gas industry, or the lack thereof. Increases/decreases in personnel and priority of inspection assignments also affect these numbers.

Data Source: Data is captured in the Inspection, Compliance, and Enforcement system. Statistical reports are generated monthly.

Methodology: This percentage is calculated by dividing the total number of oil and gas facility inspections where at least one pollution-related violation was detected by the total number of oil and gas facility inspections.

Purpose: This percentage measures the level of activity for the Commission's district offices associated with potential environmental threats, and is an indicator of the overall level of compliance by oil and gas operators in protecting the environment. From this percentage, a statistical projection of the number of compliant and non-compliant facilities and required Commission staffing may be deduced.

Calculation Method: Noncumulative

Target Attainment: Low

Priority: High

Key Measure: Yes

New Measure: No

Percent Measure: Yes

Outcome 3.1.2: Percent of Wells Not Inspected in Last Five Years

Definition: This figure represents the percent of the wells completed more than five years prior to the end of the reporting period that have not been inspected by district staff within the five years prior to the end of the reporting period.

Data Limitations: Not all inspections require the same amount of time to complete due to the travel time required to reach the lease where the well is located, the complexity of the job, and the number of violations identified at the well. Some inspections (such as well casing cementing operations, well plugging operations, and injection/disposal well mechanical integrity tests) are more time consuming and are performed to verify compliance rather than identify violations. These factors impact the number of wells inspected by district office staff, which has a direct impact on number of wells not inspected. Increases/decreases in personnel and priority of inspection assignments also affect this number.

Data Source: Data is collected in the Inspection, Compliance, and Enforcement (ICE) system.

Methodology: From the ICE system, identify all wells inspected during the five-year period prior to the end of the reporting period. From wellbore records as of the end of the reporting period, identify all wells on schedule that were completed more than five years prior to the end of the reporting period (the reviewed population). By comparing the two data sets, exclude all wells in the reviewed population where an inspection occurred within the five-year period. The percentage of the well population not inspected in 5 years is the number of uninspected wells divided by the number of wells in the reviewed population.

Purpose: The percentage of the total well population not inspected in the last 5 years measures how efficiently the Commission's district office staff conducts inspections of all completed oil and gas wells. This measure serves as a management tool to predict future inspection assignments.

Calculation Method: Noncumulative

Target Attainment: Undefined

Priority: Undefined

Key Measure: No

New Measure: No

Percent Measure: Yes

Outcome 3.1.3: Percent Of Total Well Population Inspected

Definition: This figure represents the percent of the total well population inspected by district staff for the reporting period.

Data Limitations: None.

Data Source: Data is collected in the Inspection, Compliance, and Enforcement (ICE) system. Statistical reports are generated monthly.

Methodology: This data is generated monthly from the ICE system by an automated report that provides the total number of oil and gas wells inspected during the reporting period and the number of oil and gas wells on schedule. The report determines the percentage of total well population inspected by dividing the number of wells inspected by the number of oil and gas wells on schedule. The denominator will be the number of wells as of 8/31 of the preceding fiscal year.

Purpose: The percent of the total well population inspected measures how efficiently the Commission's district office staff conducts inspections of oil and gas wells and measures the activity for the Commission's district office staff. By tracking the percent of total well population inspected, it is possible to determine the total number of wells that can be inspected during a specific period. This measure serves as a management tool to predict future inspection performance.

Calculation Method: Noncumulative

Target Attainment: High

Priority: Medium

Key Measure: No

New Measure: No

Percent Measure: Yes

Output 3.1.1.1: Number of Oil and Gas Well and Facility Inspections Performed

Definition: This measure represents the total number of oil and gas well and facility inspections performed by district staff and documented by a work report during the reporting period.

Data Limitations: Many factors impact the amount of time required to perform an inspection including type of inspection, number/magnitude of detected violations, travel time, and weather conditions. As the time required to perform inspections increases, the overall number of inspections performed decreases. Increases/decreases in personnel and priority of inspection assignments also affect this number.

Data Source: Data is captured in the Inspection, Compliance, and Enforcement (ICE) system. Statistical reports are generated monthly.

Methodology: This measure is generated monthly from the ICE system by an automated report that provides the total number of oil and gas well and facility inspections performed during the reporting period.

Purpose: The number of oil and gas well and facility inspections performed measures the level of activity for the Commission's district offices. A subset of this number measures the level of compliance (or non-compliance) by oil and gas operators.

Calculation Method: Cumulative

Target Attainment: High

Priority: High

Key Measure: Yes

New Measure: No

Percentage Measure: No

Output 3.1.1.2: Number of Enforcement Referrals for Legal Action

Definition: The total number of statewide rule violations of oil and gas leases and facilities referred to the Office of General Counsel, Enforcement section, wherein the responsible operator failed to initiate timely action to bring the lease or facility in compliance with statewide rules.

Data Limitations: None.

Data Source: Statistics on referrals to the Enforcement section are maintained in a Field Operations section spreadsheet application.

Methodology: This number is generated monthly by summing the total number of statewide rule violations referred by the Field Operations section spreadsheet application for the reporting period.

Purpose: This measure represents the level of non-compliance at the district office level that requires further enforcement action by the Commission.

Calculation Method: Cumulative

Target Attainment: Low

Priority: Undefined

Key Measure: No

New Measure: No

Percentage Measure: No

Output 3.1.1.3: Number of Oil and Gas Environmental Permit Applications and Reports Processed

Definition: The number of oil and gas environmental permit applications processed for underground injection well (enhanced recovery, disposal, hydrocarbon storage and brine mining), waste hauler permits, recycling, storage, treatment, reclamation, separation and disposal activities, and monitoring reports for UIC well volumes, pressures and mechanical integrity tests, pressure tests or fluid level readings for inactive wells, and other periodic monitoring reports for facilities with environmental permits.

Data Limitations: Can be affected by any data entry delays.

Data Source: Count the total number of permit applications processed and monitoring reports received and reviewed during the reporting period. Data is maintained within the mainframe and databases. Includes: Fluid injection wells (Forms H-1), disposal wells (Forms W-14), hydrocarbon wells (Forms H-4), brine mining wells (Forms H-2), pit applications (Forms H-11), recycling applications, minor permit applications, domestic waste water applications, discharge applications, land farming applications, pipeline hydrostatic test permit applications, new/renewal waste hauler permit applications (Forms WH-1), UIC well monitoring reports (Forms H-10), UIC completion reports (Forms W-2/G-1), inactive well test reports (Forms H-15), pressure test reports for UIC wells (Forms H-5), brine mining well monitoring/test reports, and hydrocarbon storage monitoring/test reports (Forms H-10H).

Methodology: Add the number of permit applications processed and monitoring reports received and reviewed during the reporting period.

Purpose: This measure provides an indication of Oil & Gas division staff workloads and oil and gas activity in the state.

Calculation Method: Cumulative

Target Attainment: High

Priority: Undefined

Key Measure: Yes

New Measure: No

Percentage Measure: No

Output 3.1.1.4: Number of Actions Initiated through Issuance of Severance/Seal Orders (HQ)

Definition: This measure is the total number of actions initiated during the reporting period to terminate the authority of an operator to operate an oil lease or gas well through issuance of severance/seal orders due to violations of oil & gas rules.

Data Limitations: Many factors affect the level of lease severance/well seal activity. Universal compliance with the Commission rules or prompt resolution of any violations prior to initiation of additional enforcement action by the Commission is desirable and would result in lower reported counts; compliance and speed of resolution are matters within the control of industry rather than the agency.

Data Source: Data on each lease severance/well seal action is accumulated throughout the reporting period within the Commission's mainframe-based Severance/Seal system. Statistical reports are generated quarterly.

Methodology: This measure is generated quarterly by the Oil & Gas Division through a database query that provides the total number of lease severance/well seal processes initiated during the reporting period. Actions closed and reinitiated are excluded to avoid duplication of counts.

Purpose: The number of lease severances and well seals initiated is an indicator of industry compliance with Commission rules. The severance/seal process is an early and effective response to rule violations and often leads to prompt compliance.

Calculation Method: Cumulative

Target Attainment: Low

Priority: Low

Key Measure: No

New Measure: No

Percentage Measure: No

Output 3.1.1.5: Number of District-initiated Issuance of Severance/seal Orders

Definition: This measure is the total number of district office actions initiated during the reporting period to terminate the authority of an operator to operate an oil lease or gas well through issuance of severance/seal orders due to violations of oil and gas rules identified through field inspections.

Data Limitations: Many factors affect the level of lease severance/well seal activity. Universal compliance with the Commission rules or prompt resolution of any violation prior to initiation of additional enforcement action by the district office is desirable and would result in lower reported counts; compliance and speed of resolution are matters within the control of industry rather than the agency.

Data Source: Data on each lease severance/well seal action is accumulated throughout the reporting period within the Commission's mainframe-based Severance/Seal system. Statistical reports are generated quarterly.

Methodology: This measure is generated quarterly by the Oil and Gas Division through a database query that provides the total number of lease severance/well seal processes initiated by the district office during the reporting period. Actions closed and reinitiated are excluded to avoid duplication of counts.

Purpose: The number of lease severances and well seals initiated by the district office is an indicator of industry compliance with the Commissions' pollution and safety related rules. The severance/seal process is an early and effective response to pollution and safety related rule violations and often lead to prompt compliance.

Calculation Method: Cumulative

Target Attainment: Low

Priority: Medium

Key Measure: No

New Measure: No

Percentage Measure: No

Output 3.1.1.6: Number of Well and Facility Inspections Performed with No Violation

Definition: This measure represents the total number of oil and gas well and facility inspections by district staff where no violation of any statewide rule is documented.

Data Limitations: None.

Data Source: Data is captured in the Inspection, Compliance, and Enforcement (ICE) system. Statistical reports are generated monthly.

Methodology: This data is generated monthly from the ICE system by an automated report that provides the total number of oil and gas well and facility inspections performed by district staff where no violation of any statewide rule is documented.

Purpose: The purpose of this measure is to identify the level of compliance by oil and gas operators as identified through inspections conducted by Commission district offices.

Calculation Method: Noncumulative

Target Attainment: Low

Priority: High

Key Measure: No

New Measure: No

Percentage Measure: No

Efficiency 3.1.1.1: Average Number of Oil and Gas Well and Facility Inspections Performed

Definition: This measure represents the average number of oil and gas well and facility inspections performed by district office staff and documented by a work report during the reporting period.

Data Limitations: An inspection encompasses a well or other oil and gas well and facility. Not all inspections require the same amount of time to complete due to the travel time required to reach the well or facility, the complexity of the job, and the number of violations identified at the well or facility. Some inspections (such as well casing cementing operations, well plugging operations, and injection/disposal well mechanical integrity tests) are more time consuming and are performed to verify compliance rather than identify violations. These factors impact the average number of inspections performed by district office staff. Increases/decreases in personnel and priority of inspection assignments also affect this number.

Data Source: Data is captured in the Inspection, Compliance, and Enforcement (ICE) system. Statistical reports are generated monthly.

Methodology: This measure is generated monthly from the ICE system by an automated report that provides the total number of oil and gas well and facility inspections performed during the reporting period and the total number of district office staff performing the inspections. The report determines the average number of inspections performed by dividing the total inspections by the total number of district office staff performing the inspections.

Purpose: The average number of oil and gas well and facility inspections performed measures how efficiently the Commission's district office staff conducts the inspections. The number also measures the level of activity for the Commission's district office staff. By tracking the average number of inspections performed, it is possible to determine the total number of inspections that can be performed during a specified period. This measure serves as a management tool to predict future inspection performance.

Calculation Method: Cumulative

Target Attainment: High

Priority: High

Key Measure: Yes

New Measure: No

Percentage Measure: No

Explanatory 3.1.1.1: Number of UIC Wells and Other Facilities Subject to Regulation

Definition: Number of permitted environmental facilities, waste hauler facilities (vehicles), and permitted UIC wells carried on the schedule.

Data Limitations: This is a constantly changing number since operators activate and deactivate facilities every day.

Data Source: Commission databases house relevant data. This number includes permitted hydrocarbon storage facilities (wells), permitted brine mining wells, active environmental permits and facilities, active UIC wells, and vehicles permitted by oil and gas waste haulers.

Methodology: Add vehicles permitted by oil and gas waste haulers shown on PC database, permitted UIC wells as shown on the schedule and active environmental permits and facilities permitted under Rules 8, 9, 46, 57, 81, 95, 96, and Chapter 4 Subchapter B.

Purpose: The sum of these units is indicative of our regulatory tasks and allow for better allocation of resources for and prioritization of inspection and monitoring of wells and environmental facilities.

Calculation Method: Noncumulative

Target Attainment: Low

Priority: Medium

Key Measure: Yes

New Measure: No

Percentage Measure: No

Explanatory 3.1.1.2: Number of Statewide Rule Violations

Definition: This measure represents the total number of statewide rule violations reported by district office staff as a result of oil and gas wells and facility inspections.

Data Limitations: None.

Data Source: The number of rule violations noted is maintained in the Inspection Compliance, and Enforcement (ICE) system.

Methodology: The number is generated by an automated report from the ICE system that tallies the number of inspections and violations during the reporting period. These reports are generated monthly. This measure counts unique violations at the initial point of discovery through field inspection.

Purpose: Oil and gas wells and facility inspections are used to identify violations and initiate correction. The Commission takes appropriate enforcement action to achieve compliance on all reported rule violations including legal enforcement action, if necessary.

Calculation Method: Noncumulative

Target Attainment: Low

Priority: High

Key Measure: No

New Measure: No

Percentage Measure: No

Explanatory 3.1.1.3: Number of Major Statewide Rule Violations

Definition: This figure represents the total number of major statewide rule violations reported by district office staff as a result of oil and gas wells and facility inspections.

Data Limitations: None.

Data Source: The number of major statewide rule violations is maintained in the Inspection, Compliance & Enforcement (ICE) system.

Methodology: This number is generated by an automated report from the ICE system that tallies the number of inspections and major violations during the reporting period. These reports are generated monthly. This measure counts unique, major violations at the initial point of discovery through field inspection.

Purpose: Oil and gas wells and facility inspections are used to identify major violations and initiate correction. The Commission takes appropriate enforcement action to achieve compliance on all reported major rule violations including legal enforcement action, if necessary.

Calculation Method: Noncumulative

Target Attainment: Low

Priority: High

Key Measure: No

New Measure: No

Percentage Measure: No

Explanatory 3.1.1.4: Percent of Violations Corrected within 90 Days

Definition: This figure represents the number of statewide rule violations documented by district staff inspections that were resolved within 90 days.

Data Limitations: None.

Data Source: Data is captured in the Inspection, Compliance, and Enforcement (ICE) system.

Methodology: Identify and tally all statewide rule violations documented by district staff initial inspection during the period beginning 90 days before the beginning of the reporting period and ending 90 days before the end of the reporting period. For all identified rule violation within this population, identify and tally all statewide rule violations corrected (brought into compliance) within 90 days following the initial inspection. The percentage of violations corrected within 90 days is the number of statewide rule violations corrected (brought into compliance) within 90 days divided by the total number of statewide rule violations identified.

Purpose: The percent of violations corrected within 90 days is an indicator of industry response to correct violations.

Calculation Method: Noncumulative

Target Attainment: High

Priority: High

Key Measure: No

New Measure: No

Percentage Measure: Yes

Strategy 3.1.2 Surface Mining Monitoring and Inspections

Output 3.1.2.1: Number of Coal Mining Inspections Performed

Definition: The total number of inspections conducted during the fiscal year to assure mining operations are conducted in compliance with issued permits and applicable regulations.

Data Limitations: The frequency and type of inspections are dependent in part on the level of mining, reclamation or exploration activities that are ongoing during the reporting period.

Data Source: The number of inspections is documented through reports prepared for each on-site inspection of permitted mining operations. Inspection reports are prepared and filed in the administrative records for each mining permit.

Methodology: The number of inspections is a cumulative count of all types of inspections performed during a reporting period. This number is determined from a review of the files for each mining permit and exploration registration.

Purpose: This measure identifies the number of field inspections conducted to monitor the activities of permitted mining operations. On-site inspections of mining operations are the primary means to ensure that mining and reclamation is being conducted in accordance with the approved permit.

Calculation Method: Cumulative

Target Attainment: High

Priority: Undefined

Key Measure: Yes

New Measure: No

Percentage Measure: No

Output 3.1.2.2: Number of Coal Mining Permit Actions Processed

Definition: The number of coal mining permit actions reviewed and processed to completion during the fiscal year. Permit actions include: applications for new permits, permit renewals, transfers, or revisions, exploration registrations renewed or issued, reclamation bond adjustments and releases, monitoring report evaluations, applications for blaster certifications, construction design documents and certifications, and initiation of the extended responsibility period.

Data Limitations: The number and timing of permit action requests is determined by the mining industry and not controlled by the Commission. Specifically, many of the construction design documents are affected by seasonal weather conditions; therefore creating a workload that is not necessarily linear over the evaluation period.

Data Source: The permit actions are tracked in a database with the decision document entry marking the completion of the permit action review. These decision documents consist of Commission orders, administrative approval letters, acknowledgement letters, blaster certificates, and exploration registrations.

Methodology: The number of permit actions completed is a cumulative count of all actions with a decision document issued during a reporting period. This number is determined from a query of the permit actions database for actions completed during the reporting period.

Purpose: This measure provides a numeric count of the major administrative and technical reviews performed by the staff. The majority of program staff resources are allocated to these reviews, which are required to demonstrate mining operations are conducted in compliance with administrative and technical performance standards contained in the regulations or Commission orders.

Calculation Method: Cumulative

Target Attainment: High

Priority: Undefined

Key Measure: No

New Measure: No

Percentage Measure: No

Output 3.1.2.3: Percent of Uranium Exploration Sites Inspected Monthly

Definition: The percentage of uranium exploration permits inspected monthly during the fiscal year to assure exploration and plugging operations are conducted in compliance with issued permits and applicable regulations.

Data Limitations: Uranium inspections are conducted during exploration drilling and recovery operations which is dependent upon market price and demand of uranium. When the price of uranium rises above a market determined price per pound, companies begin exploration activities which require inspection. Any price below the market determined price per pound, uranium exploration is put on hold while the companies wait for the market price to rise, resulting in the

possibility that zero sites will require an inspection in a given quarter making the percentage calculation mathematically indeterminate.

Data Source: The percentage of exploration permits inspected monthly is documented through reports prepared for each on-site inspection of permitted exploration operations. Inspection reports are prepared and filed in the administrative records for each permit.

Methodology: Divide the cumulative count of active permit inspections conducted during the reporting period by the number of active permit months for the reporting period. A permit is considered active when an operator is actually conducting exploration and plugging operations in the field.

Purpose: This measure identifies the percentage of uranium exploration permits inspected monthly to monitor the activities of permitted exploration operations. On-site inspections of exploration operations are the primary means to ensure that exploration and site-restoration is being conducted in accordance with the approved permit.

Calculation Method: Noncumulative

Target Attainment: Low

Priority: Undefined

Key Measure: No

New Measure: No

Percentage Measure: Yes

Efficiency 3.1.2.1: Average Number of Days to Process Uranium Exploration Permitting Actions

Definition: The average number of staff days required to review uranium exploration permit actions. These actions include new, revised and renewal applications.

Data Limitations: The ability to meet the efficiency measure may be influenced if more complex permit actions are submitted for review during the reporting period than estimated in establishing the target.

Data Source: The measure is based on a count of the number of staff review days for all uranium exploration permit action requests completed during the reporting period. A database is maintained within the Surface Mining and Reclamation division that tracks the processing of permit action requests. Processing milestones are documented with a database entry logging the date of the event. Permit action reviews are considered complete when a deficiency letter or Director's final decision letter is sent to the permittee. The number of staff review days is based on the number of calendar days beginning on the stamped receipt date until the date staff review is complete resulting in a deficiency letter or director's final decision letter.

Methodology: Divide the aggregate total number of staff review days by the number of uranium exploration permit action reviews completed for the reporting period.

Purpose: The measure illustrates the responsiveness of staff in meeting target review timeframes for uranium exploration permit actions.

Calculation Method: Cumulative

Target Attainment: Low

Priority: Low

Key Measure: No

New Measure: No

Percentage Measure: No

Efficiency 3.1.2.2: Percent of Coal Permitting Actions within Statutory Time Frames

Definition: The percent of total projects within the review period with total staff review days at or less than the statutory review time frame.

Data Limitations: The staff-review time for different types of permitting actions can vary significantly, dependent on the complexity of the permit revision. The ability to meet the performance measure may be influenced if more complex permit actions are submitted for review during the reporting period than estimated in establishing the performance measure target.

Data Source: This is a comparison of review time frames for all permitting actions completed during the reporting period, compared to the respective statutory review time frame. These include all significant and non-significant permitting actions. A database is maintained within the Surface Mining and Reclamation Division that tracks the processing of permit action requests. Key processing milestones are documented with a database entry logging the date of the event. Permit action reviews are considered complete when the director's final decision letter is sent to the permittee. The number of staff days is a count of all calendar days beginning on the stamped receipt date of an administratively complete application until the date of the director's final decision letter.

Methodology: Divide the number of actions with review time frames at or less than the statutory review times by the total number of actions completed in the review period. Multiply this quotient by 100.

Purpose: The measure illustrates the overall performance of staff in meeting statutory review time frames identified in Texas Natural Resources Code, Chapter 134, Section 134.085.

Calculation Method: Noncumulative

Target Attainment: Low

Priority: Low

Key Measure: No

New Measure: No

Percentage Measure: Yes

Explanatory 3.1.2.1: Annual Calendar Year Production of Texas Lignite Coal

Definition: The reported amount of lignite coal produced in Texas year expressed in tons.

Data Limitations: Annual calendar lignite production is not required to be reported until March of each year for the previous year.

Data Source: All Texas lignite coal producers are required to report to the Commission and the federal Department of the Interior their annual production by mine. This information is maintained on a Commission database and can also be extracted from federal reports.

Methodology: The total number will be summed from production reports submitted in March of each year.

Purpose: Production of lignite coal is important to the economy of the state and the United States since energy prices are largely controlled by supply and demand. If the supply of energy is declining, it is an indicator of higher energy prices.

Calculation Method: Noncumulative

Target Attainment: Undefined

Priority: Undefined

Key Measure: No

New Measure: No

Percentage Measure: No

Strategy 3.2.1 Oil and Gas Well Plugging and Remediation

Outcome 3.2.1: Percent of Known Orphaned Wells Plugged w/State-Managed Funds

Definition: The ratio of the number of wells plugged with the use of state managed funds to the total number of orphaned wells. An orphaned well is a well for which production of oil or gas or another activity under the jurisdiction of the Commission has not been reported to the Commission for the preceding 12 months, and for which the Commission-approved organization report (Form P-5) has been delinquent over one year. State managed funds include the Oil and Gas Regulation and Cleanup Fund and other funds appropriated to the agency.

Data Limitations: Does not distinguish between complex and/or deep pluggings which may be more time consuming, and have higher costs associated with them and routine shallow pluggings which may be more readily addressed, and less costly. The number of orphaned wells identified by the Commission's mainframe system is a dynamic number that changes daily.

Data Source: An automated database captures the number of wells plugged with state managed funds. A separate automated database captures the number of orphaned wells.

Methodology: The percentage is calculated by dividing the number of orphaned wells plugged by the number of wells that are orphaned.

Purpose: Provides an indication of the effectiveness of the state managed well plugging program.

Calculation Method: Noncumulative

Target Attainment: Undefined

Priority: Undefined

Key Measure: Yes

New Measure: No

Percent Measure: Yes

Outcome 3.2.2: Percent Pollution Sites Investigated, Assessed, Cleaned with State-Managed Funds

Definition: Percentage of identified pollution sites investigated, assessed, or cleaned up with state-managed funds.

Data Limitations: While the percentage is a reflection of effectiveness it is dependent on the identification of abandoned pollution site candidates. Abandoned sites that have not yet been identified cannot be captured. A candidate site may consist of multiple cleanup activities due to the varying complexity of the sites and the need for multiple work orders to ensure a cost effective cleanup.

Data Source: An automated database captures the completion of abandoned pollution site investigations, assessments, and cleanups. Pollution sites are identified primarily through inspections, referrals from District Office field personnel and the general public.

Methodology: This percentage is calculated by dividing the number of abandoned pollution sites investigated, assessed, or cleaned up using the Oil and Gas Regulation and Cleanup Fund and other state funds appropriated to the agency by the number of identified abandoned pollution sites.

Purpose: Provides an indication of the effectiveness of the cleanup program.

Calculation Method: Noncumulative

Target Attainment: Undefined

Priority: Undefined

Key Measure: No

New Measure: No

Percent Measure: Yes

Output 3.2.1.1: Number of Abandoned Sites Investigated, Assessed or Cleaned Up with State Funds

Definition: Number of clean up activities at abandoned pollution sites where an investigation, assessment, or clean up is completed with the use of Oil and Gas Regulation and Cleanup Fund or other state funds appropriated to the agency.

Data Limitations: Does not distinguish between major sites that are complex, time consuming, and costly and minor sites that may be smaller, more readily addressed, and less costly. Factors affecting this measure include availability of funds, number of identified abandoned sites, and availability of qualified contractors.

Data Source: An automated database captures the completion of abandoned pollution site investigations, assessments, and cleanups. Pollution sites are identified primarily through inspections, referrals from District Office field personnel and the general public.

Methodology: A cumulative count of the number of abandoned pollution cleanup activities that are completed at abandoned pollution sites with monies from the Oil and Gas Regulation and Cleanup Fund and other state funds appropriated to the agency. A cleanup activity is considered completed when the final invoices for the cleanup activity are approved for payment by the Site Remediation Section.

Purpose: Provide an indication of the effectiveness of the cleanup program for abandoned sites requiring the use of state managed funds.

Calculation Method: Cumulative

Target Attainment: Low

Priority: Undefined

Key Measure: Yes

New Measure: No

Percentage Measure: No

Output 3.2.1.2: Number of Orphaned Wells Plugged with State-Managed Funds

Definition: The number of orphaned wells plugged by the Commission with the use of the Oil and Gas Regulation and Cleanup Fund and other funds appropriated to the agency.

Data Limitations: The number of wells plugged with state managed funds includes only those wells that have been physically plugged, have been invoiced by the plugging contractor, and whose invoice has been approved for payment by the Field Operations Section. Due to the complexity of some well plugging operations, higher plugging costs may be incurred, reducing the number of wells actually plugged within budget constraints. Factors affecting this measure include: availability of funds, number of approved wells, availability of qualified contractors, and availability of field inspectors to supervise operations.

Data Source: The number of wells plugged with the Oil and Gas Regulation and Cleanup Fund and other state funds is maintained in the Field Operations section OFCU Database. Monthly Field Operations reports generate the number of wells plugged with state funds.

Methodology: A cumulative count of the number of wells plugged with monies from the Oil and Gas Regulation and Cleanup Fund and other funds appropriated to the agency.

Purpose: This measure shows the level of well plugging activity conducted by the Commission to protect the environment. It represents the number of wells from the pool of orphaned wells that are plugged with state funds.

Calculation Method: Cumulative

Target Attainment: Undefined

Priority: Undefined

Key Measure: Yes

New Measure: No

Percentage Measure: No

Output 3.2.1.3: Total Aggregate Plugging Depth of Orphaned Wells Plugged with State-Managed Funds

Definition: The total footage of the plugging depth for all orphaned wells plugged by the Commission with state managed funds.

Data Limitations: Does not distinguish between complex and/or deep pluggings which are more time consuming, and routine shallow pluggings which are more readily addressed.

Data Source: The OFCU database captures the plugging depth for all wells plugged with state managed funds.

Methodology: Calculated by summing the plugging depth of each well plugged for a given period.

Purpose: Provides an indication of the effectiveness of the plugging program for wells requiring the use of state managed funds.

Calculation Method: Cumulative

Target Attainment: Undefined

Priority: Undefined

Key Measure: Yes

New Measure: No

Percentage Measure: No

Efficiency 3.2.1.1: Average Number of Days to Complete State-Managed Abandoned Site Clean-up

Definition: Average number of days to complete state managed site cleanup activities.

Data Limitations: Does not distinguish between major sites, which may be complex, costly and require more time to complete and minor sites, which may be more rapidly completed.

Data Source: An automated database captures the beginning and completion of site cleanups.

Methodology: Calculation is based on the date the abandoned site cleanup file is closed minus the date the activity is authorized in the database. The results are then summed for all site cleanup activities and divided by the total number of site cleanup activities completed during the period. A cleanup activity is considered completed when the final invoice for the cleanup activity is approved for payment by the Site Remediation Section.

Purpose: Provides an indication of the efficiency of state managed cleanups.

Calculation Method: Noncumulative

Target Attainment: Low

Priority: Undefined

Key Measure: No

New Measure: No

Percentage Measure: No

Efficiency 3.2.1.2: Average Number of Days to Plug an Orphaned Well with State-Managed Funds

Definition: The average number of days required to complete the plugging of a well using state managed funds.

Data Limitations: Due to the complexity and/or depth variations of some well plugging operations, longer plugging times may be incurred, thereby increasing the average number of days to plug a well.

Data Source: The OFCU database captures the beginning and completion date of well plugging on a lease basis.

Methodology: The average is calculated by subtracting the file closure date from the bid award date on a lease basis to obtain a cumulative total days for all wells plugged. This number is then divided by the total number of wells plugged with the use of state-managed funds.

Purpose: Provides an indication of the efficiency of the state managed well plugging program. By tracking the average number of days to plug a well, it is possible to determine the total number of wells that can be plugged during a specified period. This measure serves as a management tool to predict future well plugging performance and staffing needs.

Calculation Method: Noncumulative

Target Attainment: Undefined

Priority: Undefined

Key Measure: No

New Measure: No

Percentage Measure: No

Explanatory 3.2.1.1: Number of Abandoned Sites That Are Candidates for State-Managed Cleanup

Definition: The number of sites identified as abandoned with oil and gas waste, substances, or other materials that are causing or likely to cause pollution.

Data Limitations: While the figure is a total number, it does not differentiate between abandoned sites in terms of size, complexity, number of clean up activities necessary or possible cost. Also, abandoned sites that are not on the list may be cleaned up during the fiscal year.

Data Source: A list of identified abandoned pollution sites that are candidates for state-managed cleanup is compiled in the first quarter of each fiscal year on a statewide basis by surveying field personnel in coordination with databases maintained in headquarters.

Methodology: Identified abandoned sites statewide are summed on an annual basis for a total number.

Purpose: Provides an indication of the number of pending state managed cleanup activities. Data is updated annually and used to calculate the performance measure regarding the percentage of identified abandoned pollution sites investigated, assessed, or cleaned up with state funds.

Calculation Method: Noncumulative

Target Attainment: Low

Priority: Undefined

Key Measure: No

New Measure: No

Percentage Measure: No

Explanatory 3.2.1.2: Number of Complex Operator-initiated Cleanups

Definition: Number of complex operator cleanups monitored and evaluated to ensure appropriate remediation and elimination of an environmental threat. Complex cleanups are defined as sensitive site cleanups requiring specific cleanup levels and/or detailed assessments.

Data Limitations: These sites may take several years to complete and frequently involve many hours of staff time to review and approve technical reports and corresponding site activities. Staff review time can vary significantly depending on the technical complexity or other factors.

Data Source: Staff maintains a database of sites. Sites are identified by district and headquarters technical staff through inspections, complaints, or operators contacting the Commission while conducting environmental investigations as part of due diligence or during property transfers.

Methodology: Reported annually. On the last day of each fiscal year, report the total number of operator cleanups involving sensitive environmental sites that require detailed assessment and cleanup activities that are currently in some stage of monitoring or evaluation.

Purpose: Provides an indication of the effectiveness of the cleanup program for complex pollution sites that do not require the use of state managed funds to remediate.

Calculation Method: Noncumulative

Target Attainment: Low

Priority: Undefined

Key Measure: No

New Measure: No

Percentage Measure: No

Explanatory 3.2.1.3: Number of Orphaned Wells Approved for Plugging

Definition: The number of orphaned wells that have been inspected, evaluated using a risk-based methodology (Well Plugging Prioritization System), and approved for plugging with state-managed funds.

Data Limitations: The number of orphaned wells approved for plugging with state managed funds includes only those wells that meet the well plugging criteria and have been approved for plugging. Because there is a time lag between approval and actual plugging, the wells approved during the reporting period are not necessarily the same wells actually plugged during the reporting period.

Data Source: The OFCU database captures the number of orphaned wells approved for plugging with state managed funds.

Methodology: A count of the number of orphaned wells approved for plugging with state-managed funds during the fiscal year.

Purpose: To maintain a continuous population of well plugging candidates that can be bid out and plugged to ensure that numerical and budgetary goals are achieved.

Calculation Method: Noncumulative

Target Attainment: Undefined

Priority: Undefined

Key Measure: No

New Measure: No

Percentage Measure: No

Explanatory 3.2.1.4: Number of Known Orphaned Wells

Definition: The number of known orphaned wells statewide is a count of wells for which production of oil or gas or another activity under the jurisdiction of the Commission has not been reported to the Commission for the preceding 12 months, and for which the Commission-approved organization report (Form P-5) has been delinquent over one year.

Data Limitations: The number of orphaned wells is a dynamic number that changes daily. The number of orphaned wells is affected by the health of the oil and gas industry, or the lack thereof.

Data Source: An automated Database captures the number of orphaned wells in non-compliance with the Commission's plugging rule.

Methodology: This measure is generated monthly from the Commission's mainframe system by an automated report that provides the number of orphaned wells from the total population of wells monitored by the Commission.

Purpose: This measure represents the total population of orphaned wells, and is an indicator of liability for use of state managed funds.

Calculation Method: Noncumulative

Target Attainment: Undefined

Priority: Undefined

Key Measure: No

New Measure: No

Percentage Measure: No

Explanatory 3.2.1.5: Number of Wells Plugged by Operators without State-Managed Funds

Definition: The number of wells plugged by the oil and gas industry. A well is considered properly plugged when it complies with the provisions of the Statewide Rule 14 (well plugging) including the filing and approval of a well plugging report (Form W-3).

Data Limitations: Wells plugged by operators and by the Commission with the use of state managed funds are captured by the Commission's mainframe system only after a well plugging report (Form W-3) has been processed by the Permitting and Production section. There is a time lag between actual plugging and well plugging report processing.

Data Source: An automated Database captures the total number of wells plugged.

Methodology: The number of wells plugged by operators is determined by subtracting the number of wells plugged with state managed funds for the reporting period from the total number of wells plugged for the reporting period as determined by the Commission's mainframe system, which includes wells plugged with state managed funds. The difference is the number of wells plugged by the oil and gas industry.

Purpose: Statewide Rule 14 (well plugging) is designed to prevent the migration of fluid in a well that may pose a threat to public safety or natural resources and/or cause or threaten to cause pollution of surface and/or subsurface waters. This measure represents the level of plugging activity by the oil and gas industry. An increased level of plugging activity indicates that operators are plugging their wells and removing the threat posed by inactive wells that could potentially become orphaned in the future.

Calculation Method: Noncumulative

Target Attainment: Undefined

Priority: Undefined

Key Measure: No

New Measure: No

Percentage Measure: No

Explanatory 3.2.1.6: Percent Active Well Operators with Inactive Wells

Definition: This measure is the percentage of active well operators for whom more than 25 percent of their wells are inactive. An inactive well is a well that is not currently producing and is not identified as an active service type well.

Data Limitations: Well status is largely based upon information reported by the operator.

Data Source: Data is collected electronically through a mainframe download (Program BWU180), which provides well status information for wells monitored by the Commission. This program is run monthly.

Methodology: For each active operator with one or more wells, the ratio of inactive wells to total wells is calculated to determine whether that operator has an inactive-to-total ratio greater than 25 percent. The number of well operators who have an inactive-to-total ratio greater than 25 percent is divided by the total number of well operators to derive this percentage.

Purpose: An operator who begins to accumulate a large percentage of inactive wells as compared to active wells begins to pose a potential risk of leaving behind abandoned unplugged wells. As long as an operator has a large percentage of active wells, it is unlikely that the operator will be in a position to abandon unplugged wells. This measure is a general indication of whether additional regulations might be necessary to require all operators to more expeditiously plug their inactive wells after a certain period of inactivity.

Calculation Method: Noncumulative

Target Attainment: Undefined

Priority: Undefined

Key Measure: No

New Measure: No

Percentage Measure: Yes

Explanatory 3.2.1.7: Number of Shut-in/Inactive Wells

Definition: This measure is the total count of all wells that have had no reported production, disposal, injection, and is not the same as the definition found in the Commission's rule 16 TAC §3.15.

Data Limitations: Well status is based largely upon information reported by the operator.

Data Source: Data are collected electronically through a mainframe download (Program BWU180), which provides well status information for wells monitored by the Commission. This program is run monthly.

Methodology: This number is calculated as the sum the count of inactive wells carried on the oil schedule and the count of inactive wells carried on the gas schedule as of the last month of the reporting period.

Purpose: A large number of inactive wells indicates a potential threat to the Oil and Gas Regulation and Cleanup Fund should those wells become orphaned in the future. This measure will provide a general indication of whether additional regulations might be necessary to require all operators to more expeditiously plug their inactive wells after a certain period of inactivity.

Calculation Method: Noncumulative

Target Attainment: Undefined

Priority: Undefined

Key Measure: No

New Measure: No

Percentage Measure: No

Strategy 3.2.2 Surface Mining Reclamation

Explanatory 3.2.2.1: Percent of Abandoned Sites on Which Reclamation Has Been Initiated

Definition: The number of abandoned surface mines where reclamation has been initiated since September 1, 1998, expressed as a percentage of the total number of prioritized unreclaimed, eligible and accessible abandoned surface mine sites updated as of September 1, 2008.

Data Limitations: The total number of unreclaimed prioritized, eligible and accessible abandoned surface mines may change if certain landowners change their minds and elect to participate in the Abandoned Mine Land Reclamation program or if federally mandated eligibility requirements change.

Data Source: The number of Abandoned Mine Land projects initiated is determined by review of AML contract documents. The Abandoned Mine Land Inventory System, maintained by the U.S. Office of Surface Mining Reclamation and Enforcement, determines the total number of prioritized Abandoned Mine Land sites in Texas.

Methodology: Divide the number of abandoned surface mine sites where reclamation has been initiated by the total number of prioritized unreclaimed, eligible and accessible abandoned surface mine sites updated as of September 1, 2008.

Purpose: This measure demonstrates the performance of the Abandoned Mine Land Reclamation program's planning, design and bidding effort and activity.

Calculation Method: Noncumulative

Target Attainment: High

Priority: Undefined

Key Measure: No

New Measure: No

Percentage Measure: Yes

Strategy 3.3.1 Gas Utility Compliance

Outcome 3.3.1: Average Texas Residential Gas Price as a Percent of National Gas Price

Definition: The average price of natural gas sold to residential consumers in Texas expressed as a percentage of the national average price of natural gas for residential consumers.

Data Limitations: The Energy Information Administration collects data from individual utilities, so the data cannot be directly verified and may not match data collected by the Railroad Commission. However, the Energy Information Administration presents both national and state level data on a consistent basis so a relative comparison can be made. States in regions with colder weather than Texas have higher consumption levels which results in a larger denominator over which to calculate per unit costs.

Data Source: Data is from the U.S. Energy Information Administration, Natural Gas Annual Average Price of Natural Gas Sold to Residential Customers, by State.

Methodology: Divide the Texas average residential gas price by the national average residential gas price and multiply by 100 percent.

Purpose: Effective regulation of natural gas utilities should reflect that per Mcf rates for residential natural gas consumers in Texas should be not more than five percent greater than the Mcf rates for consumers in the nation as a whole.

Calculation Method: Noncumulative

Target Attainment: Low

Priority: Medium

Key Measure: No

New Measure: No

Percent Measure: Yes

Output 3.3.1.1: Number of Audits Conducted

Definition: These are audits of the books and records conducted on intrastate (natural) gas utilities. There are several types of audits conducted, depending upon the specific regulatory focus being made.

Data Limitations: A simple count cannot differentiate between a simple one-person audit and highly complex group audit.

Data Source: The number of final audit reports produced by Gas Services Audit Department. All completed audits are maintained in an online system.

Methodology: An audit log is maintained for each fiscal year, which lists all audits conducted. Audit numbers are sequentially assigned all audits, with the first two digits referencing the fiscal year (i.e. Audit No. 00-045).

Purpose: Field audits are conducted to ensure that the authorized rates are being accurately computed and billed by gas utilities, and that the proper gas utility tax is being remitted. The importance of audits of the companies' books and records is to test the accuracy and completeness of reports made by the gas utilities in compliance with several statutory and regulatory requirements.

Calculation Method: Cumulative

Target Attainment: High

Priority: Medium

Key Measure: No

New Measure: No

Percentage Measure: No

Output 3.3.1.2: Number of Gas Utility Dockets and Cases Filed

Definition: This measure reflects regulatory activity by reporting the total number of docket and case numbers assigned to filings made by utilities in a year.

Data Limitations: The gross number of dockets and cases filed does not differentiate between the different types of filings that can be made, which require different levels of work effort. The gross number of dockets and cases filed does not provide information regarding the number of dockets and cases completed on an annual basis. Finally, the level of activity (when a filing is made) is dictated for the most part by industry rather than the Commission.

Data Source: Each request for regulatory review is filed with the Gas Services Department Market Oversight Section (MOS). A MOS Research Specialist assigns a unique, sequential docket or case number to each filing. The list of docket and case numbers is maintained and kept current by MOS staff.

Methodology: The total number of dockets filed on an annual basis is reported.

Purpose: Gas utilities are required by statute to obtain Commission approval prior to increasing environs rates or city gate rates. The Commission is also required to set rates for other jurisdictions when the parties are unable to agree on a rate increase. Additionally, the Commission is required to review requests for Natural Gas Policy Act section 311 rates, abandonment cases, rate complaints and sales, purchases, mergers, acquisitions or transfers of utility assets. Finally, the Commission may initiate enforcement proceedings against non-compliant gas utilities or gas companies, may add, amend or repeal procedural or substantive rules, and may initiate general inquiries into existing rates. Each of these filings is assigned a docket or case number making this measure an approximate measure of the activity related to these regulatory responsibilities.

Calculation Method: Cumulative

Target Attainment: High

Priority: Medium

Key Measure: Yes

New Measure: No

Percentage Measure: No

Output 3.3.1.3: Number of Gas Utilities' Compliance, Tariff and Escalator Filings

Definition: This measure reflects regulatory activity by reporting the number of compliance, tariff, and escalator filings made by utilities in a year.

Data Limitations: The gross number of filings does not differentiate between the different types of filings that can be made. It also does not provide information regarding the number of filings approved on an annual basis. Finally, the level of activity (when a filing is made) is dictated for the most part by industry rather than the Commission.

Data Source: Each of these filings is made with the Gas Services division Market Oversight Section (MOS). A MOS tariff analyst reviews filings for accuracy, and provides notification to the utility concerning acceptance of the filing. The list of filings is maintained and kept current by the tariff staff.

Methodology: The number of compliance, tariff, and escalator filings made on an annual basis is reported.

Purpose: Natural gas utilities are required by statute to file tariffs (or contract briefs) and current rate information with the Commission within thirty days of the effective date of the rate. Compliance filings are made to comply with a Commission order, and may include revised tariffs. Escalators (including purchased gas adjustments (PGAs)) are typically filed monthly to reflect changes in the cost of gas that are passed through to customers. The compliance, tariff, and escalator information requires review by Commission staff for reasonableness and correctness. This output measures the level of activity related to these regulatory responsibilities.

Calculation Method: Cumulative

Target Attainment: High

Priority: Medium

Key Measure: No

New Measure: No

Percentage Measure: No

Efficiency 3.3.1.1: Average Number of Audits Per Auditor

Definition: This is the relationship between the number of audits completed during a specific time frame and the number of auditors conducting audits.

Data Limitations: The mathematical process described above cannot differentiate between a simple one-person audit and highly complex group audit, each of which impacts the resulting average.

Data Source: All completed audits are maintained in an online system and the number of auditors, and any periods of auditor vacancies, can be obtained/verified through the Commission's Human Resources division.

Methodology: The number of audits completed during each reporting period is divided by that period's average number of auditors conducting audits.

Purpose: This relationship is important in establishing the proper size of staff needed to conduct audits in timely cycles. With too few auditors, time between audits would increase and problems found would be magnified.

Calculation Method: Cumulative

Target Attainment: High

Priority: Medium

Key Measure: No

New Measure: No

Percentage Measure: No

Strategy 3.4.1 Critical Infrastructure Weather Preparedness

Output 3.4.1.1: Number of Weatherization Inspections Conducted

Definition: This figure represents the total number of inspections at sites that are required to weatherize during the reporting period.

Data Limitations: None.

Data Source: The data is from the inspection reports database.

Methodology: Add the total number of inspections conducted on facilities that are required to weatherize.

Purpose: Provide regulatory oversight for critical infrastructure facilities that are part of the natural gas supply chain for power generation in the state of Texas.

Calculation Method: Cumulative

Target Attainment: Low

Priority: High

Key Measure: Yes

New Measure: No

Percentage Measure: No

Output 3.4.1.2: Number of Facilities Out of Weatherization Compliance

Definition: This figure represents the total number of facilities that are required to weatherize identified to be non-compliant with weatherization standards.

Data Limitations: None.

Data Source: The data is from the inspection reports database.

Methodology: Add the total number of facilities that are required to weatherize identified to be non-compliant with weatherization standards and subtract from total number of critical infrastructure designated facilities.

Purpose: Provide regulatory oversight for critical infrastructure facilities that are part of the natural gas supply chain for power generation in the state of Texas.

Calculation Method: Cumulative

Target Attainment: Low

Priority: High

Key Measure: Yes

New Measure: No

Percentage Measure: No

Explanatory 3.4.1.1: Total Number of Designated Critical Infrastructure Facilities

Definition: This figure represents the total number of designated critical infrastructure facilities.

Data Limitations: None.

Data Source: The data is from the critical infrastructure map.

Methodology: Add the total number of designated critical infrastructure facilities identified on the critical infrastructure map.

Purpose: Identify the total number of designated critical infrastructure facilities in the state of Texas.

Calculation Method: Noncumulative

Target Attainment: Low

Priority: High

Key Measure: Yes

New Measure: No

Percentage Measure: No

Explanatory 3.4.1.2: Percent of Facilities Required to Weatherize That Are Non-compliant

Definition: This figure represents the percent of facilities that are required to weatherize that were non-compliant with weatherization standards for the reporting period.

Data Limitations: None.

Data Source: The data is from the inspection reports database.

Methodology: Divide the number of facilities that are required to weatherize that are non-compliant with weatherization standards by the total number of facilities that are required to weatherize and multiply by 100.

Purpose: Mitigate the risks of system outages during extreme weather events.

Calculation Method: Noncumulative

Target Attainment: Low

Priority: High

Key Measure: No

New Measure: No

Percentage Measure: Yes

Strategy 4.1.1 Public Information and Services

Output 4.1.1.1: Number of Documents Provided to Customers by Information Services

Definition: Number of documents provided to customers from Information Services for public information requests. A customer is an entity such as an operator, government agency other than the Commission, or a private company or individual. An automated system is used to capture the number of maps, self-service copies, and photocopies made for customers. One side of a piece of paper is equal to one document. With well logs and other oversize documents, one square foot of paper is equal to one document. For maps, a plotted map or graphic image map is equal to one document.

Data Limitations: The measure captures the number of documents that are photocopied; however, it does not capture the number of documents that customers accessed without photocopying.

Data Source: The total number of documents comes from manual and computer-tabulated counts of the number of documents sold.

Methodology: The total number of documents is determined by both manual and computer-tabulated counts of specific Railroad Commission documents sold or provided to external customers by Information Services.

Purpose: The measure is intended to show the volume of documents provided to customers who request public information.

Calculation Method: Cumulative

Target Attainment: High

Priority: Medium

Key Measure: Yes

New Measure: No

Percentage Measure: No

Output 4.1.1.2: Number of Reports Provided to Customers from Electronic Data Records

Definition: This measure represents the number of digital data sets downloaded by the public by visiting RRC web pages and selecting available digital data sets that are generated from RRC computer resources.

Data Limitations: None.

Data Source: An automated system is used to generate multiple digital datasets of Oil and Gas information that is provided at no charge to the public, including those who are external to the Commission such as an operator, another government agency, or a private individual.

Methodology: This measure is determined by tabulating the number of digital datasets external customers download from the RRC website. Each month software tabulates the number of digital data set downloads performed.

Purpose: This measure reflects the level of public demand for energy information maintained at the Commission in electronic formats. The Commission's applications systems are used to record and monitor the activities of regulated entities and include regulatory information about each of the Commission's program areas as well as digital map data representing locations of regulated facilities across the State of Texas.

Calculation Method: Cumulative

Target Attainment: High

Priority: Medium

Key Measure: No

New Measure: No

Percentage Measure: No

Output 4.1.1.3: Number of Railroad Commission Records Imaged from Non-digital Formats

Definition: This measure represents the number of new paper and microformat records that are digitized by the Railroad Commission, added to the imaged records databases and made available through the agency website.

Data Limitations: None.

Data Source: The number of images created during the quarter is manually counted from the invoices received from the imaging contractor.

Methodology: Each quarter the number of images stored by the imaging contractor for each Railroad Commission division and imaging project is compared to the previous quarter's image count. The increase in the number of images stored represents the new images that were added to the database for the quarter.

Purpose: Imaging the paper and microformat records of the Commission allows a higher level of access to regulatory information by the industries and public who require it. Imaging also preserves these historically significant records for future use.

Calculation Method: Cumulative

Target Attainment: High

Priority: Medium

Key Measure: No

New Measure: No

Percentage Measure: No

Schedule C: Historically Underutilized Business Plan

The Railroad Commission of Texas (RRC) submits this Schedule C: Historically Underutilized Business Plan during a period of regulatory uncertainty. As of the date of this filing, the status of the Statewide HUB Program is subject to the Order Granting Temporary Injunction issued in Travis County, which effectively stayed the implementation of emergency rule changes and directed a return to the Comptroller regulations in effect as of December 1, 2025.

The RRC remains committed to constitutional and statutory compliance and will adjust its procurement outreach and subcontracting programs as final judicial or legislative clarity is provided.

Contracting

The Railroad Commission of Texas is dedicated and committed to including those businesses that fit the definition in its procurement process and will continue to make a good faith effort to utilize HUB vendors. The agency's annual goal is to meet or exceed the overall statewide average percentage of HUB participation

Subcontracting

The Commission's procurement procedures fully incorporate Texas Government Code, Chapter 2161, Subchapter F for all contracts expected to exceed \$100,000 wherein subcontracting opportunities are determined to exist.

Good Faith Efforts

The RRC will continue to implement good faith efforts to ensure compliance.

HUB Coordinator Contact Information

- HUB Coordinator: Theresa Lopez, CTCD, CTCM, Director of Operations
- HUB Officer Michael Herman, CTCD, CTCM, Purchaser VI

Schedule D: Statewide Capital Plan

Per Article IX, Sec. 11.03 of the General Appropriations Act for the 2026-27 biennium, state agencies and institutions for higher education are required to supply capital planning information relating to projects for the 2028–29 biennium to the Texas Higher Education Coordinating Board, who will share the information with the Texas Bond Review Board.

Based on information submitted by agencies and institutions, the Bond Review Board is required to compile a statewide capital expenditure plan for the 2028–29 biennium for submission to the Governor and the Legislative Budget Board.

The Railroad Commission’s report is likely to include only information resource projects that cumulatively would total \$5 million or greater in one year.

Schedule F: Agency Workforce Plan

Part 1: Agency Overview

The Railroad Commission of Texas serves as the primary regulator of the state's energy industries. The Commission aims to protect public health and the environment through an effective regulatory program and to support the development of the state's energy resources. Three statewide officials, elected to six-year staggered terms, head the Commission. Serving at the discretion of the Commissioners is an Executive Director who implements new policies, government code regulations, and manages the Commission's daily operations.

A: Agency Mission

We serve Texas by our stewardship of natural resources and the environment, our concern for personal and community safety, and our support of enhanced development and economic vitality for the benefit of Texans.

B: Strategic Goals and Objectives

Goal 1: Energy Resources

To oversee the development of the state's energy resources while protecting public health and the environment through an effective regulatory program.

Objective 1.1. Provide for the orderly and efficient development of oil and gas resources while preventing waste, protecting correlative rights of mineral interest owners, and conserving the state's lignite, oil and natural gas resources.

Strategy 1.1.1. Protect correlative rights and prevent waste while maximizing opportunities for the development of lignite, oil and gas resources through well site permitting, production allowables, production rule reviews, and exception processing.

Goal 2: Safety Programs

Advance safety in the delivery and use of Texas petroleum products including LPG/LNG/CNG, and in the operation of the Texas pipeline system through training, monitoring, and enforcement, and promote, educate, and enforce regulations for underground damage prevention.

Objective 2.1. Improve public safety through regulatory oversight of the pipeline industry by inspections, compliance, and educational activities.

Strategy 2.1.1. Ensure the safe operation of pipelines through permitting, field inspections, accident investigations and emergency response.

Strategy 2.1.2. Support education and public awareness efforts to inform the public about damage prevention laws, compliance, and penalties.

Objective 2.2. Ensure safety through regulation of the LPG/CNG/LNG alternative fuels industries.

Strategy 2.2.1. Protect the health, safety, and welfare of the general public by ensuring the safe storage and transportation of Liquefied Petroleum Gas, Compressed Natural Gas, and Liquefied

Natural Gas as alternative fuel sources through safety education, accident investigation, inspection and enforcement of safety regulations.

Goal 3: Environmental and Consumer Protection

To protect the environment and consumers by ensuring that energy production, storage and delivery minimize harmful effects on the state's natural resources and that just and reasonable natural gas rates promote a safe and efficient supply of natural gas.

Objective 3.1. Reduce the occurrence of environmental violations associated with fossil fuel extraction and energy production in Texas.

Strategy 3.1.1. Assure that oil and gas permitted activities comply with applicable state regulations through field inspections, witnessing tests, monitoring reports, processing applications, and enforcement actions.

Strategy 3.1.2. Assure that surface mining permitted activities comply with applicable state and federal regulations through field inspections, witnessing tests, monitoring reports, processing applications, and enforcement actions.

Objective 3.2. Identify and abate environmental and public health threats through voluntary operator actions or with use of state or federal funds.

Strategy 3.2.1. Protect public health and the environment by identifying, assessing, and prioritizing sites that require the use of state funds for well plugging and remediation.

Strategy 3.2.2. Protect public health and the environment by identifying, assessing, and prioritizing mine lands that require the use of federal funds for reclamation and provide oversight for operator-initiated remediation.

Objective 3.3. Maintain competitive prices and adequate natural gas supplies for Texas energy consumers.

Strategy 3.3.1. Oversee natural gas utility rate structures that promote safe, efficient, and reliable supply at a reasonable cost and audit regulated gas utilities to ensure compliance with rate structures and submission of gas utility taxes.

Objective 3.4. Establish critical infrastructure compliance standards, regulate natural gas supply chain entities for power generation requirements, and mitigate system outage risks during extreme weather events.

Strategy 3.4.1. Ensure that designated facilities incorporate weatherization and reliability standards and practices through communication, inspections, processing applications, and monitoring reports.

Goal 4: Public Access to Information and Services

Strive to maximize electronic government and to minimize paper transactions by developing technological enhancements that promote efficient regulatory programs and preserve and increase public access to information.

Objective 4.1. Increase efficiency in providing public access to information and provide more efficient interaction with regulated industries.

Strategy 4.1.1. Collect, maintain, and preserve oil and gas data submitted to the Commission; provide efficient public access to this information; offer regulated industries a way to conduct their business electronically.

C: Anticipated Changes in Mission, Strategies, and Goals

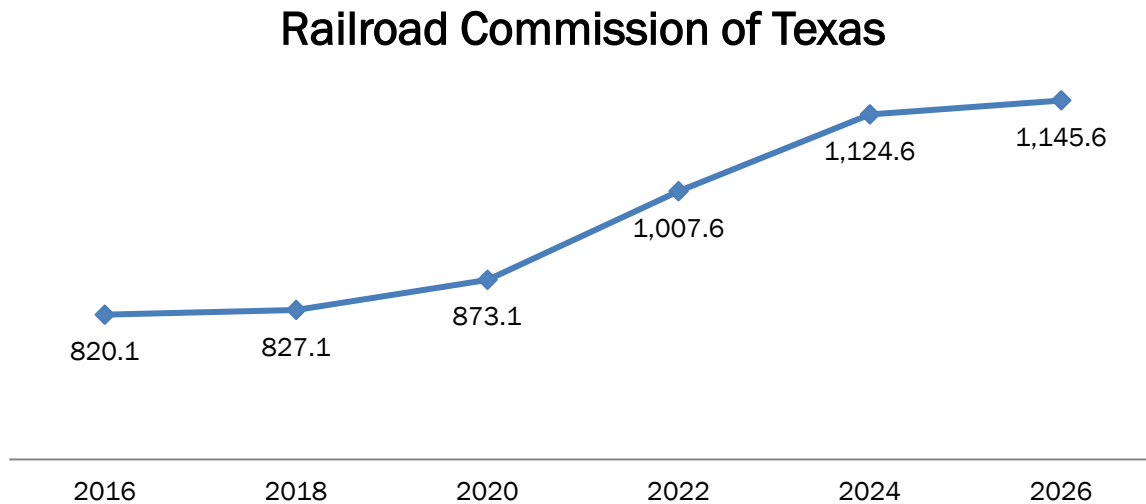
The Railroad Commission does not expect significant changes in its mission, goals, or strategies over the next five years, absent a statutory change to its programs or activities.

Part 2: Current Workforce Profile

A: Workforce Demographics (As of March 2026)

The authorized number of full-time equivalent (FTE) employees increased by 325.5 over ten years from FY 2016 to FY 2026, as shown in Figure 1

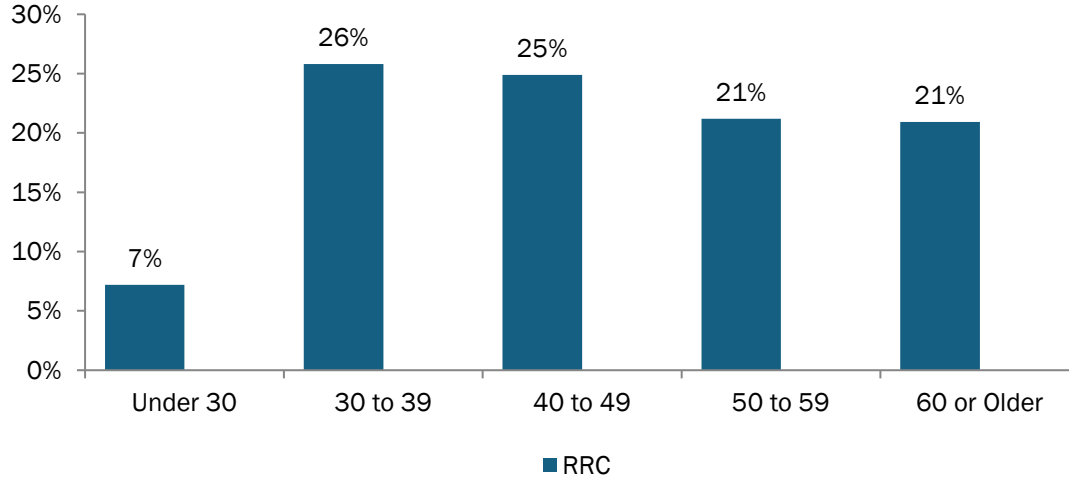
Figure 1: FTE by Fiscal Years 2016–2026



Age

The Commission has a mature workforce with strong mid- and late-career representation. As shown in Figure 2, 42 percent of Commission employees are aged 50 and above and another 25 percent are aged 40 to 49. This may be attributed to the number of mid-career, late-career, or retired oil and gas professionals that turn to public employment after leaving the private sector. With a total of 67 percent of the workforce being mid- to late-career and only 7 percent being early career, the Commission has a potential succession risk.

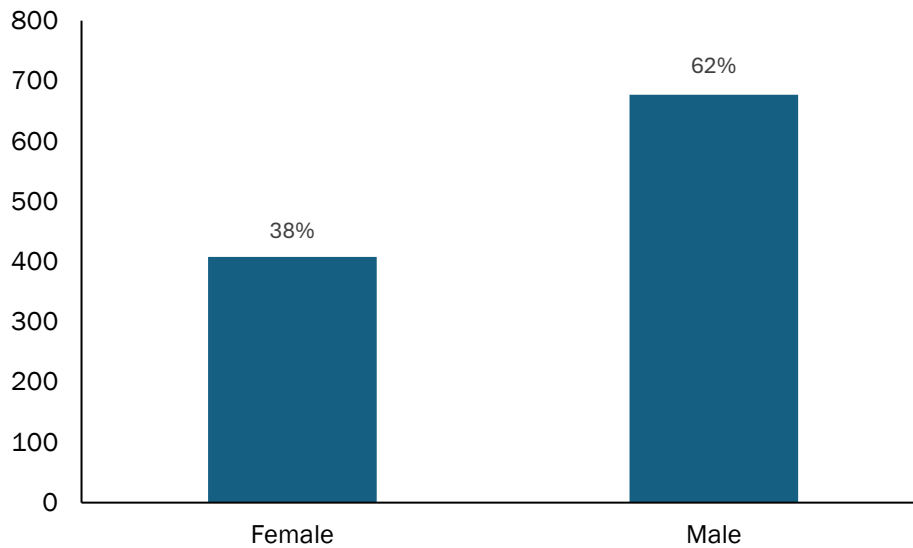
Figure 2: Age Distribution as of March 3, 2026



Gender

As of March 2026, the Commission has 677 male employees (62 percent) and 408 female employees (38 percent), as illustrated in Figure 3. The total employee headcount of 1,085 includes both full-time and part-time employees, and three elected officials.

Figure 3: Gender Distribution as of March 3, 2026

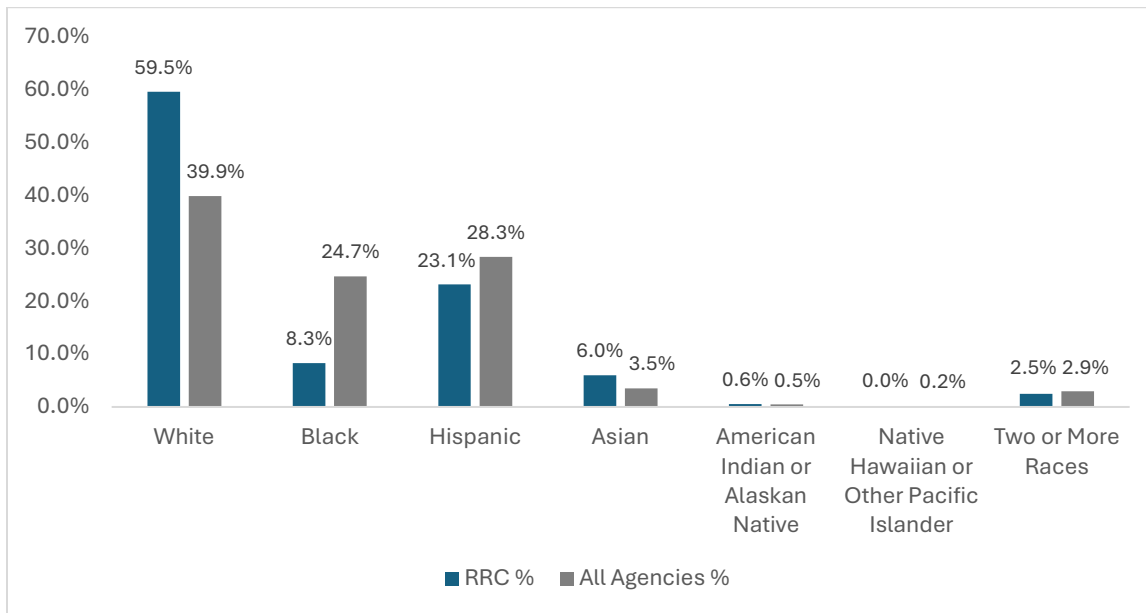


Ethnicity

The agency’s workforce ethnicity composition was compared to data across all state agencies to identify similarities and variances. Overall, the agency reflects many of the broader patterns observed across state agencies, as detailed in Figure 4. Differences may be influenced by factors

such as occupational mix, geographic location, and labor market availability. Continued monitoring of these trends helps inform workforce planning and supports alignment with statewide employment patterns.

Figure 4: Ethnicity Distribution as of March 3, 2026



Length of Service

Of the Commission’s 1,085 employees, 552 (51 percent) have five or fewer years of service with the Commission and 187 of those (17 percent) have less than two years of service with the Commission. Additionally, 289 employees (27 percent) have between five to nine years of service, and 244 employees (22 percent) have 10 or more years of tenure with the Commission. In the past two years, the group representing 10 or more years of service decreased by nearly 10 percent. This could also be indicative of potential succession risk.

Veterans

The Commission is committed to hiring and retaining veterans. As of March 3, 2026, the Commission’s veteran workforce is 13.92 percent. The average veteran workforce percentage for state agencies is 7.43 percent. The Railroad Commission continues to strive for a veteran workforce staffing level of 20 percent. The Human Resources Division has a Veterans Liaison and actively recruits at veteran career fairs.

B: Percent of Workforce Eligible to Retire

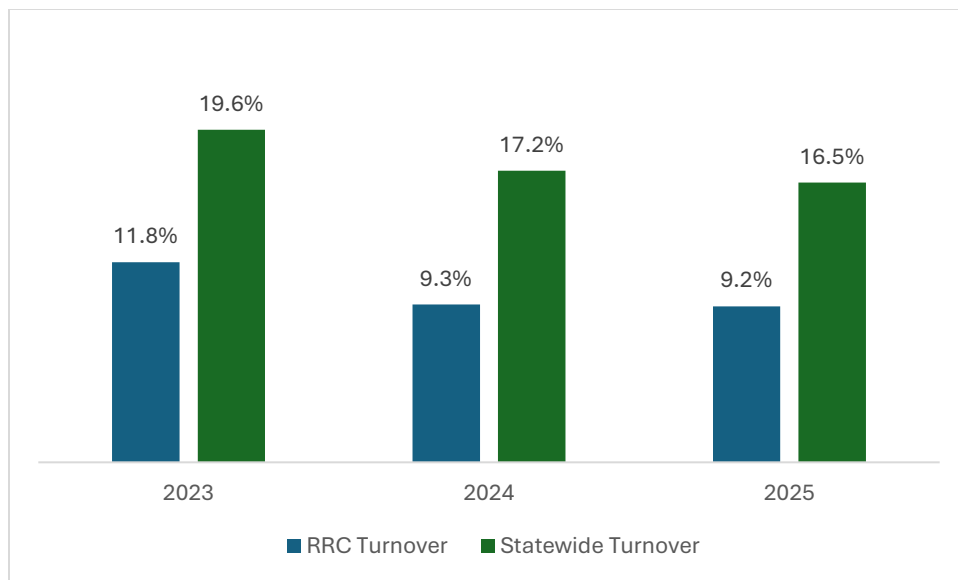
The Commission has 111 employees (10 percent) who are currently eligible to retire and an additional 25 employees (2 percent) projected to become eligible to retire before the end of fiscal year 2027. By the conclusion of FY 2027, 12 percent of Commission employees will be eligible to retire. This represents a four percent reduction from 2024.

To maintain the skills required for the Commission’s continued success, greater emphasis on internal organizational development and cross-training will be needed as the Commission’s workforce plan evolves.

C: Employee Turnover and Projected Attrition

The Commission’s turnover rate decreased by 2.5 percentage points from FY 2023 to FY 2024. The Commission’s turnover rate was consistently lower by at least 7 percentage points compared to the State’s turnover rate. The Commission is outperforming the benchmark for retaining staff, as highlighted in Figure 5.

Figure 5: Commission Employee Turnover (Excluding Interagency Transfers) vs. Statewide Employee Turnover



D: Workforce Skills Critical to the Mission and Goals of the Agency

The Commission employs qualified individuals in numerous program disciplines. Strong employee knowledge, skills, and competencies are critical to meeting ongoing business objectives and goals. Critical knowledge includes:

- Engineering: Chemical, Civil, Mechanical, Mining, Natural Gas, and Petroleum
- Information Technology
- Sciences: Geology, Hydrology, Soil Science, and Toxicology
- Legal
- Finance

Critical skills and qualifications include:

- Technology and automation skills and competencies,
- Data literacy, analytics, and system expertise,
- Well-plugging offshore,
- Ability to apply scientific principles (i.e., engineering, geology),
- Leadership and management skills

The Commission has a highly educated workforce with many employees holding advanced degrees or professional licenses and credentials.

Part 3: Future Workforce Profile

A: Future Workforce Skills Needed

The Commission's employees develop their workforce skills from prior employment experience, on-the-job training, education, and through various training programs provided by the appropriate professional disciplines. Such training is used to maintain and improve employee skills and enhance performance by incorporating contemporary trends in each discipline.

The General Appropriations Act (SB 1, 89th Legislative Session, 2025) added 11 FTEs to the Commission's workforce, including 5.0 FTEs to investigate hydrogeologic phenomena resulting from oil and gas activity, 2.0 FTEs to assist operators with complex oil and gas site environmental cleanup projects, and 4.0 FTEs to develop and implement new IT systems for tracking oil and gas drilling produced water data, injection well data, and authorized oil and gas drilling pit data. The bill also incorporated 10 FTEs authorized by the Supplemental Appropriations Bill (SB 30, 88th Legislative Session, 2023) from last session into the agency bill pattern. These FTEs were needed to comply with new federal requirements to regulate and inspect natural gas gathering lines and perform safety inspections of underground gas storage facilities.

Additionally, Senate Bill 1150 (89th Legislative Session, 2025) added requirements for oil and gas operators to report and plug inactive oil and gas wells that have been inactive for more than 15 years. The bill requires RRC to adopt rules during the 2026-27 biennium that take effect September 1, 2027 (Fiscal Year 2028). RRC anticipates additional FTEs will be necessary in the next biennium to monitor and enforce oil and gas operator compliance with the new inactive well requirements.

The development and implementation of technological advancements will require new skills if the future workforce is to fully utilize such improvements. Functions to accomplish the Commission goals will focus on:

- Shifting from hiring administrative staff to more technical and science-based positions, improving workflows, systems, and internal coordination,
- Developing cross-functional skills to reduce silos,
- Transitioning from legacy systems to modern software, and
- Expanding talent management and career development programs as part of a human resources partnership with Commission leadership and divisions.

B: Anticipated Increase or Decrease in Number of Employees Needed

The Commission regulates dynamic, cyclical, and evolving industries that require a visible field presence of Commission staff to ensure its regulatory role. Specifically, pipeline safety and oil and gas inspectors ensure public safety and environmental protection through field enforcement and compliance strategies. The critical infrastructure inspectors focus on the weatherization of oil and gas facilities. It is critical for the Commission to maintain staffing levels that allow for a responsive organization that is able to maintain regulatory certainty for the industries it regulates. Any

additional staffing needs will be included as exceptional items during the Legislative Appropriations Request process.

C: Critical Functions to Achieve Strategic Plan

The Commission's recruitment plan addresses critical deficiencies in its labor force and narrows gaps. A variety of recruitment methods will be used, including:

- Placing job postings on the Commission's website,
- Placing job postings on the Texas Workforce Commission's *Work In Texas* website,
- Direct recruiting with the college and university career services office,
- Attending and recruiting at veteran career fairs,
- Building relationships with industry-specific professional organizations,
- Engaging academic professionals and recruiting top-performing students studying in the critically needed fields,
- Expanding the Commission's internship program,
- Encouraging direct referrals from existing staff, and
- Using all other available resources.

The Commission will continue to attend job fairs and work to expand its internship program.

There are several critical barriers to recruitment, including the nationwide labor shortage, the rising cost of housing, competition with other state agencies, and competition with private sector oil and gas positions.

D: Employee Engagement

The Commission implemented an onboarding program to engage all staff and help them understand where they fit within the organization. This all-day event is held quarterly for all newly hired staff. Each Division within the Commission presents an overview of their role within the Commission.

The Survey of Employee Engagement is sent to all staff every two years. The survey assesses the work environment and provides guidance on where the Commission is successful and where opportunities may lie. The last survey was conducted in May 2024, with a response rate of 67.4 percent, which was well above the average and indicated that employees wanted to be part of making improvements at the Commission.

The survey questions are grouped by topic, and their scores are averaged to produce 12 construct measures. These constructs capture concepts used by leadership and help drive changes needed to improve organizational performance and engagement. While the overall results were positive, two of the lowest constructs were Benefits and Internal Communication.

Focus groups were created to better understand how the Commission could improve in these areas. Members of the focus groups were employees from across the agency, in a variety of positions, who met bi-weekly.

Groups had the following ideas for improving internal communication:

- Implement improvements to the agency’s intranet site to make information easily accessible and searchable.
- Reinstate annual “town hall” meetings with agency leaders to recognize successes and convey strategic direction and goals.
- Resume agency-wide One Agency/One Team (OA/OT) meetings to foster information-sharing across divisions.
- Create more opportunities for employee engagement and community-building across the agency.

While the Commission does not control many of the benefits available to employees, the focus groups had feedback and ideas, including:

- Offer ongoing benefits education, such as seminars or workshops, to help employees stay informed about benefits, retirement planning, and financial wellness throughout the year.
- Increase awareness of the agency’s full total-rewards package, including lesser-known programs like service credit purchase, tuition reimbursement, loan forgiveness, employee discounts, and parking benefits.
- Provide clearer, more accessible resources for veterans on benefits specific to their service, such as special leave options and military service credit.
- Improve access to frequently used ERS information by offering direct links and simplifying navigation.
- Broaden wellness offerings to include a wider range of topics, such as mental health, nutrition, and diverse fitness options.
- Share timely benefits reminders at key service milestones and at the end of waiting periods.

The Commission implemented nine projects based on this feedback to help strengthen the employee experience. The next Survey of Employee Engagement will be conducted in Fiscal Year 2026.

Part 4: Gap Analysis

A: Anticipated Surplus or Shortage of Workers or Skills

The Federal Reserve District, Beige Book for April 2026 indicates the following summary for the Labor Markets in the Dallas region, which includes all of Texas:

Employment overall edged up during the reporting period; it rose slightly in services but was flat in manufacturing and energy. A few staffing firms noted that heightened uncertainty was making companies hesitant to hire and candidates reluctant to switch jobs. Energy firms anticipate some job losses from ongoing M&A activity but noted that staffing needs may be reevaluated if energy prices stay high. Wage growth remained modest in the service sector but was solid in manufacturing. Firms expect wage growth to ease to 3.1 percent over the next 12 months, down slightly from their expectations at the end of 2025.

The Federal Reserve Bank of Dallas described the summary of economic activity to include:

Economic activity in the Eleventh District rose slightly over the reporting period. Growth in manufacturing output moderated to a below-average pace, while activity in the service sector was nearly flat. Bank lending increased, buoyed by commercial real estate activity, but home sales were slow. Retail sales were flat to up. Energy sector activity ticked up, while drought conditions worsened. Employment expanded slightly, and wage and price growth ranged from modest to robust. Outlooks worsened amid heightened uncertainty surrounding the conflict in the Middle East and the impact of sharply higher fuel prices on inflation, consumer sentiment, and demand.

Specific to the Energy sector, the Federal Reserve Bank of Dallas described:

Eleventh District oil production was nearly flat over the past six weeks, although fracturing activity and well completions edged up. Some independent producers reported an intent to drill more wells later this year in response to higher prices, and oilfield services contacts noted some increase in price quoting. However, producers broadly expect WTI prices to decline meaningfully from recent highs by year-end 2026 and fall further in 2027, viewing the Middle East conflict as likely too transient to warrant any significant production increases. Conversely, they worry that if the disruption is prolonged enough it could trigger a significant economic slowdown that undermines demand. If firms do gain confidence that prices will be elevated longer term, capital discipline as well as constraints on labor, equipment, and natural gas takeaway capacity could be limiting factors through 2027.¹

The Commission cannot effectively fulfill its mission and objectives without a skilled and experienced workforce. However, the marketplace for technical and professional staff with oil and gas expertise is highly competitive. Recruiting and retaining qualified employees has been an ongoing challenge for many years, particularly with information technology professionals and legal professionals, as the Commission competes with private industry and other state agencies. Offering competitive compensation is essential to attract and retain key personnel, along with professional development programs that support the growth of emerging leaders. Looking ahead, the Commission expects that replacing employees who are nearing retirement, along with anticipated management turnover will require sustained succession planning and a stronger focus on professional development to preserve critical institutional knowledge. With the right investments in training and development, the current workforce needs to increase and expand its knowledge to meet future staffing needs.

Part 5: Strategy Development

Methods to address the Commission’s projected workforce gap include:

- Career development programs—Mentoring, the use of internships for professional areas, and an increase in professional training and development for staff.
- Cross-training, documentation of business process, efficiency reviews, and new guidelines

¹ Federal Reserve Bank of Dallas District, *The Beige Book: Summary of Commentary on Current Economic Conditions*, April 2026, p. 44, [Federalreserve.gov](https://www.federalreserve.gov), online as a [PDE](#), Accessed April 16, 2026.

- Recruitment plans—Recruitment efforts to focus on positions that are difficult to attract and retain such as engineers, attorneys, and the recruitment of candidates from varying backgrounds.
- Leadership development—Efforts to identify, retain, and develop existing employees with management and leadership capabilities.
- Organizational training and development—Funding for in-house training such as IT training, managerial training, and skill development can be used to address individual employee training needs for the Commission’s routine operations.
- Succession planning—Managers and supervisors will identify the skill sets critical to meeting their objectives to work with agency leadership on a plan for employee attrition. Succession planning can also address staffing or skill imbalances due to turnover and retirements.
- Retention programs—Some programs are already in place to help retain the employees with skills critical to the Commission’s success. Focus on employee engagement and recognition programs are in development phases. The Commission’s retention process involves analysis of salary markets, a career track program, and generous merit-based pay increases.

A: Implementation of Workforce Plan

The Workforce Plan will be implemented in connection with the Commission’s Strategic Plan. Any changes to the Strategic Plan or legislative changes will result in adjustments to the Workforce Plan.

To begin the implementation of the Workforce Plan, the following actions will be key:

- Implementation of the workforce plan will consider the sustainability of the workforce amidst the cyclical and changing nature of the industries regulated by the Commission.
- Development of a continuous business partnership between Human Resources and each of the Commission’s divisions. By doing so, areas such as training needs, strategic planning of the workforce to meet division objectives, and long-range planning of workforce needs can be addressed on an ongoing basis.
- Division Directors, along with the Commission, will review the progress of the workforce planning process biennially. Adjustments to the Plan, if any, will be documented.
- Initiatives to automate regulatory functions in the Oil and Gas Division will require the Commission to critically assess the following areas: competency gaps in technological skills, job functions, and skill shortages or surpluses within the division.
- The Commission’s information technology modernization program will improve efficiency and accuracy in business processes throughout the agency.

B: Workforce Plan Evaluation and Revision

The final phase involves monitoring, evaluating, and revising to ensure a successful Workforce Plan. The following critical employment tools will be available to measure and evaluate changing trends in the workforce:

- Survey of Employee Engagement
- Customer Service questionnaires and feedback

- Retirements, projected retirements, and Commission turnover data
- College and diversity recruitment programs
- The Statewide Exit Survey and internal exit interviews
- Hiring trends including the lead time to hire
- Develop a strong veteran workforce that possesses the necessary skills for RRC operations

The Commission will review its efforts to revise and implement its Workforce Plan each even-numbered fiscal year in preparation for the upcoming biennium. As with this workforce planning effort, Commissioners, agency management and Division Directors will participate to ensure that the plan evolves into a document reflecting the Commission's current workforce and its projected workforce for the succeeding five years. The Commission will emphasize professional training and development to address the turnover in management due to the projected increase in retirements. Internal professional training and development will be key to a successful transition, both from a budgetary perspective as well as a business process perspective. The Commission may suffer productivity losses in the near term, but the long-term benefits should outweigh any such losses.

Schedule H: Report on Customer Service

The Railroad Commission of Texas was established in 1891 under a constitutional and legislative mandate to prevent discrimination in railroad charges while establishing reasonable tariffs. In 1917, pipelines were declared common carriers, and the Railroad Commission was given jurisdiction over them. By 1932, the Railroad Commission assumed jurisdiction over oil and natural gas exploration and production. The Railroad Commission marked its 135th anniversary in April 2026, making it the oldest regulatory agency in the state and one of the oldest of its kind in the nation. Three commissioners are elected statewide by Texas voters and serve staggered six-year terms, with one elected every two years.

The Railroad Commission has four regulatory divisions: the Critical Infrastructure Division, the Oil and Gas Division, the Oversight and Safety Division and the Surface Mining and Reclamation Division. The Critical Infrastructure Division oversees enforcement and adherence to weatherization rules, as well as critical infrastructure asset registration by companies within the natural gas supply chain. The Oil and Gas Division oversees the Texas oil and gas industry, specifically exploration and production activity. The Oversight and Safety Division has jurisdiction over natural gas utilities, pipeline safety and alternative energy safety oversight of the liquefied petroleum gas (propane), liquefied natural gas (LNG), and compressed natural gas (CNG) industries. The Surface Mining and Reclamation Division oversees the surface mining of coal and uranium in Texas, as well as the Abandoned Mine Land Reclamation program.

As articulated in its mission statement, the Railroad Commission serves the people of Texas through stewardship of natural resources and the environment, concern for personal and community safety and support for enhanced development and economic vitality for the benefit of Texas. An integral part of the Railroad Commission’s commitment is its focus on providing the best possible customer service to the citizens of Texas.

In keeping with that mission and commitment, the Railroad Commission of Texas submits this Report on Customer Service.

Inventory of External Customers

Table 4: Identification of Customers by Strategy

Customer Groups by Strategy	Customer Sub-groups	Brief Description of Services Provided
<p>1.1.1 Energy Resource Development Protects correlative rights and prevents waste while maximizing opportunities for the development of lignite, oil and gas resources through well site permitting, production allowables, production rule reviews and exception processing.</p>	<p>Oil and Gas Producers</p> <p>Surface Mining Operators</p>	<p>Permitting will be based on spacing and density rules, and production allowables on oil and gas wells will be reviewed monthly.</p> <p>Permitting and inspections of lignite coal operations at surface mining sites.</p>

<p>2.1.1 Pipeline Safety Ensures the safe operation of pipelines through permitting, field inspections, accident investigations and emergency response.</p>	<p>Pipeline Operators</p>	<p>Conducts pipeline safety inspections and identifies violations; takes necessary enforcement actions; conducts accident investigations; issues and renews pipeline permits.</p>
<p>2.1.2 Pipeline Damage Prevention Supports education and partnership initiatives to increase the overall awareness and effectiveness of damage prevention.</p>	<p>General Public and Landowners</p>	<p>Educates public about Texas “one-call” centers and increases awareness of third-party damage incidents.</p>
<p>2.2.1 Regulate Alternative Energy Sources Protects the health, safety and welfare of the general public by ensuring the safe storage and transportation of LP-gas, Compressed Natural Gas and Liquefied Natural Gas as alternative energy sources through safety education, accident investigation, inspection and enforcement of safety regulations.</p>	<p>LPG/CNG/LNG Operators</p>	<p>Performs safety inspections and identifies violations; administers qualifying examinations, licenses, certifications and registrations.</p>
<p>3.1.1 Oil and Gas Monitoring and Inspections Assures that Oil and Gas permitted activities comply with applicable state and federal regulations through field inspections, witnessing tests, monitoring reports, processing applications and enforcement actions.</p>	<p>Oil and Gas Producers, Waste Management, Landowners</p>	<p>Conducts inspections and identifies violations; and takes necessary enforcement actions.</p>
<p>3.1.2 Surface Mining Monitoring and Inspections Assures that Surface Mining permitted activities comply with applicable state and federal regulations through field inspections, witnessing tests, monitoring reports, processing applications and enforcement actions.</p>	<p>Surface Mining Operators, Landowners</p>	<p>Conducts inspections and identifies violations; and takes necessary enforcement actions.</p>

<p>3.2.1 Oil and Gas Well Plugging and Remediation Protects public health and the environment by identifying, assessing and prioritizing sites that require the use of state managed funds for well plugging and remediation.</p>	<p>General Public, Landowners</p>	<p>Orphaned wells managed/plugged, and abandoned pollution sites investigated, assessed or cleaned up with the use of state funds.</p>
<p>3.2.2 Surface Mining Reclamation Protects public health and the environment by identifying, assessing and prioritizing mine lands that require the use of state funds for reclamation and provides assistance for operator- initiated corrective actions.</p>	<p>General Public, Landowners</p>	<p>Identifies abandoned surface mine sites and initiates reclamation.</p>
<p>3.3.1 Gas Utility Compliance Oversees natural gas utility rate structures that promote safe, efficient and reliable supply at a reasonable cost and audits regulated gas utilities to ensure compliance with rate structure and submission of Gas Utility Taxes.</p>	<p>Gas Utilities Consumers</p>	<p>Provides economic regulation over intrastate natural gas utilities. Operates and maintains the state's natural gas electronic tariff system. Audits natural gas utility companies to ensure authorized rates are being accurately computed and billed to residential or commercial users.</p>
<p>3.4.1 Critical Infrastructure Weather Preparedness Ensures that designated facilities incorporate weatherization and reliability standards and practices through communication, inspections, processing applications and monitoring reports.</p>	<p>Natural Gas Producers, Natural Gas Facility Operators, Natural Gas Pipeline Operators, Natural Gas Underground Storage Facilities, General Public/Consumers</p>	<p>Enforces and manages weatherization rules. Performs site visits and tracks weather-emergency preparation. Provides training on importance of winter preparedness.</p>
<p>4.1.1 Public Information and Services Collects, maintains and preserves oil and gas data submitted to the Railroad Commission; provides efficient public access to this information; provides regulated industries the ability to conduct their business with the Railroad Commission electronically.</p>	<p>Oil and Gas Operators, General Public/Consumers</p>	<p>Electronic filing, production information and website access to information.</p>

Information Gathering Methods

The Railroad Commission is committed to delivering the highest level of customer service. How the agency responds to those who conduct business with the Railroad Commission can reflect

positively or negatively on the agency and the state. Every day, employees at the Railroad Commission strive to provide the level of service Texans expect and deserve. The agency has several mechanisms in place to achieve this goal.

To capture feedback from the agency's external customers, the Railroad Commission features a link on its website homepage to an online Customer Service Survey. The survey may be submitted anonymously, or the constituent may include contact information for follow up action by the Railroad Commission. The Commission's Office of Public Engagement monitors survey responses weekly to ensure timely resolution of reported issues. All 'unsatisfied' and 'very unsatisfied' ratings are forwarded to the relevant department and division leadership for immediate customer follow-up. The Customer Service Survey is available year-round on the Railroad Commission website. The Commission also includes the survey link in all responses from the Public Assistance email account, publicassist@rrc.texas.gov, and within all employee email signatures.

In calendar years 2024 and 2025, the Railroad Commission received a total of 1,212 responses to its Customer Service Survey. The survey responses are highlighted in this report.

Additionally, the Railroad Commission regularly receives public input in several other ways to increase information gathering, and to ensure staff resources are utilized to provide the highest level of service that RRC customers' demand. The Commission has implemented updated technological systems to enhance its information gathering processes. These systems support improved administration of online surveys, digital polling instruments and data collection at in-person engagements. Findings from these methods are compiled into formal reports. These systems also manage the Compact with Texans Customer Service Survey, which is provided in English and Spanish.

Listening Sessions

In fiscal year 2025, the Commission's Office of Public Engagement launched an initiative to enhance transparency and customer service through a series of Listening Sessions. These sessions are conducted virtually via Microsoft Teams, with a call-in option available for participants without broadband internet access. Spanish translation is provided during every session to ensure broader accessibility. The Listening Sessions begin with a concise overview of the Commission and its regulatory authority followed by a public comment period for participants who registered to speak. Subject matter experts are present to provide clarification when appropriate and to ensure that feedback is shared with the relevant departments for further review and consideration.

Toll Free Number

The Railroad Commission maintains a toll-free information line, 1-877-288-5740, which the public may use to obtain information about agency programs and services. Callers are guided by an automated recording that directs them to the appropriate Commission contact based on their needs.

The Railroad Commission also operates a separate toll-free number dedicated exclusively to reporting emergency situations, available 24 hours a day, seven days a week. This dedicated line ensures that the public can report emergency situations quickly and efficiently. Constituents may call 1-844-773-0305 toll free or 512-463-6788.

Railroad Commission Website

The Railroad Commission regulates an industry that is constantly evolving and is among the most technologically advanced in the world. To support accessibility the Commission added functionality to its website that enables users to translate all site content into Spanish with a single click.-The Commission maintains a commitment to ensuring that Texans of all abilities can easily access online resources and services through 100% compliance with Section 508 ADA Accessibility Standards.

RRC's Texas Energy on Track Podcast

In FY25, the Commission launched an educational podcast titled *Texas Energy on Track* as part of its ongoing effort to increase transparency, improve public understanding of the agency's work and provide accessible, on demand educational resources.

The podcast is designed to help industry stakeholders, landowners, and the public better understand what the Commission does and how it operates. Episodes feature subject matter experts discussing regulatory processes, safety initiatives, technological advancements and other topics central to the Commission's mission.

Since launching in June 2025 on all major streaming platforms, including YouTube, Apple Podcasts and Spotify, *Texas Energy on Track* has attracted listeners from 42 states and 33 countries and has generated 5,921 total downloads. Approximately 70 percent of listeners are located in Texas, demonstrating strong in-state engagement as well as growing national and international interest in the Commission's work.

Online Filings and Research Tools

Over the past two years, the Railroad Commission has launched several new online filing and research tools that strengthen the agency's ability to serve Texans and the industries it regulates, including:

- Enhancements to state tracking and reporting system (LoneSTAR)
- Alternative Fuels Online System (AFOS)
- RRC Mapping Automation Portal
- New interactive data visualizations
- New GIS Map Viewer features
- Certification Exam Registration & Training System (CERTS)
- Flare/Vent Exceptions Query
- Weather-Emergency Readiness Attestation online filing

These improvements are in addition to previously existing resources:

- Data, statistics, forms and maps
- Regulatory information
- Educational opportunities
- Publications and news releases
- Information on environmental services and safety
- Information on executive orders, rules and proposals for decisions

- Case Administration Service Electronic System (CASES)
- Geographic Information System (GIS) Public Map Viewer
- Pipeline Inspection Permitting & Evaluation System (PIPES)
- Pipeline Online Permitting System (POPS)
- RRC Access Management Process (RAMP) or single sign on
- RRC Online Inspection Lookup (RRC OIL)
- Online filing, reporting and query systems
- Automated fee collection
- Information via the Public Assistance email account (Publicassist@rrc.texas.gov)

The Railroad Commission has long recognized the value of its data and continues to expand public access to its information systems. A major component of this effort is the development of the Risk-Based Data Management System, which will replace the agency's 50-year-old mainframe. Launched in 2019, the project is the Railroad Commission's largest information technology initiative in its history. When fully implemented the system will unify all oil and gas regulatory functions and offer external users a single, user-friendly platform for filing, tracking and accessing records.

Information Services

The Information Technology Services Division supports the public by providing comprehensive access to nearly a century of Railroad Commission oil and gas data. Through its Central Records and Public Sales units, the division serves as a primary point of contact for individuals and organizations seeking information about the Commission's regulatory activities and historical records going back 97 years.

These units assist customers by fulfilling requests for publications, digital datasets and other Commission resources in both print and electronic formats. Staff are available to help visitors and callers Monday through Friday, from 8 a.m. to 5 p.m., ensuring timely and accurate responses to public inquiries. Requests for information may also be submitted via email at ims@rrc.texas.gov, offering a convenient option for customers who prefer online communication.

Customer Service Principles

The Railroad Commission has established a set of Customer Service Principles designed to guide employees in delivering consistent, high-quality customer service in their day-to-day work activities. The principles outline detailed expectations for responding to telephone and email inquiries from the public, addressing internal information technology issues and managing legislative and media requests.

To ensure timely assistance, staff respond to phone calls and emails no later than the close of the next business day. This standard ensures prompt issue resolution and reinforces the agency's commitment to accessibility and responsiveness.

Employees receive training on these Customer Service Principles, and full guidance is available on the agency's intranet for ongoing reference. By maintaining clear standards and providing regular training, the Commission promotes a culture of professionalism and service excellence across all divisions.

Public Assistance Email Account

The Contact Us section on the Railroad Commission’s website includes a Contact Form that allows the public to submit questions, concerns and complaints. Submissions received through the form are automatically collected and logged into a cloud-based database and are forwarded to the Public Assistance email account for review. Each inquiry is then assigned to the appropriate staff to ensure it is handled by the division equipped to address the issue.

As outlined in the Railroad Commission’s Customer Service Principles, Public Assistance emails must receive a response from staff no later than the close of the next business day. The cloud-based database is used to track each inquiry from initial receipt through final resolution. Office of Public Engagement staff monitors response time and resolution of each inquiry, contacting the appropriate division when necessary to ensure adherence to customer service standards.

During calendar years 2024 and 2025, the Commission responded to 3,759 Public Assistance inquiries, an average of 7 responses per day. The implementation of the cloud-based database in August 2024 significantly improved workflow efficiency by automating the intake and assignment process for inquiries submitted to the agency’s primary Public Assistance email address (Publicassist@rrc.texas.gov).

Executive Assistance Email Account

In addition to inquiries submitted through the Public Assistance email account, many constituents reach out directly to the three elected Commissioners that lead the Railroad Commission. Responses to these emails, letters and phone calls are coordinated directly by the Commissioners and their staff who ensure that each inquiry is reviewed and addressed appropriately. These communications follow the same Customer Service Principles that guide all public interactions, ensuring the agency’s commitment to responsiveness and transparency is upheld consistently at every level of leadership.

Area Specific Contacts

The Contact Us section of the Railroad Commission website provides direct contact information for topic-specific questions and complaints, allowing the public to reach the appropriate program area quickly and efficiently. These designated contacts help ensure that inquiries related to specialized subjects are routed to staff with the expertise needed to provide accurate and timely assistance.

Topic-specific contacts are available for:

- Alternative Fuels
- Critical Infrastructure
- Gas Services
- Government Relations
- Hearings
- Human Resources
- Oil and Gas
- Open Records
- Pipeline Safety
- Surface Mining and Reclamation

In addition to online contact options, the Railroad Commission interacts with the public and stakeholders daily through its District and Regional offices located throughout Texas. These offices serve as important access points for in-person assistance, regulatory guidance and field-level support.

The agency is also implementing new technology to automate the Speaker Request process, improving the management of requests for Commission speakers and exhibitors. This enhancement will streamline coordination and strengthen the agency’s ability to engage with communities, industry groups and other stakeholders across the state.

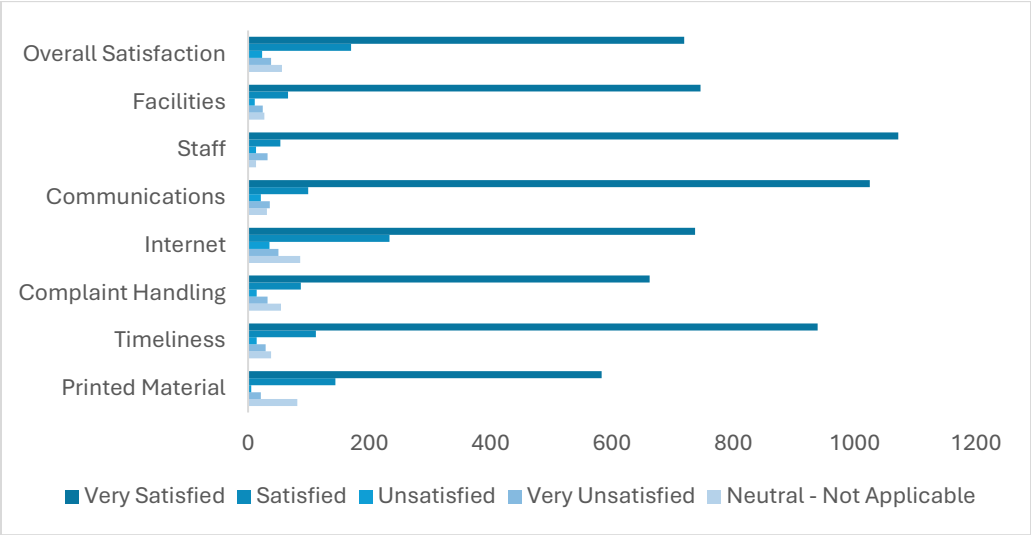
Data

This section of the report includes the following components:

- 1. Link to the Compact with Texans, found on the Commission’s [site policies webpage](#).
- 2. Graph representing Customer Service Survey responses (Figure 6)

Customer Service Survey responses reporting complaints or unsatisfactory overall ratings are reviewed and routed to the appropriate division director and their team for follow-up and resolution. Figure 6 illustrates survey responses.

Figure 6: 2024 and 2025 Customer Service Summary of Responses



Analysis

The Customer Service Survey link on the Railroad Commission’s website is available to the public year-round, allowing the agency to continuously capture feedback and respond quickly to comments or complaints. To further increase accessibility, a link to the survey is also included in employees’ email signatures, making it easy for customers to provide input during routine communication with staff.

The number of survey responses increased significantly compared to the 2024 Report on Customer Service, which recorded 1,006 responses. The full implementation of a new survey platform in

calendar year 2024 has streamlined the process of collecting, managing and analyzing customer feedback. Automated reporting and an improved user interface have made it easier for customers to complete the survey, contributing to the rise in response volume and enhancing the agency's ability to monitor and improve customer service performance.

The results of the 2026 Customer Survey Report show that most respondents indicated they were "Satisfied" or "Very Satisfied" with the Railroad Commission's overall customer service. The highest scores received were in the categories of *Staff, Communications and Overall Satisfaction*, reflecting strong performance in direct customer interactions and information delivery. While scores in *Complaint Handling* improved compared to previous years, survey feedback indicates that this remains an area where additional progress is needed. Respondents also identified *Printed Materials* as an area for further enhancement. To address these findings, the Communications Division and Office of Public Engagement have been updating existing briefing documents and developing new materials. These resources are made available on the agency's website and distributed at public-facing outreach events to ensure Texans have access to clear, accurate and up-to-date information.

Looking ahead, the Railroad Commission will continue to use the Customer Service Survey to evaluate performance and support the agency's ongoing commitment to providing excellent customer service. Survey results will guide efforts to increase both constituent participation and the percentage of respondents who report being "Very Satisfied" with their experience.

The agency also remains focused on improving technology systems that enhance public access to information. Recent upgrades have expanded access to data, streamlined online filing processes and accelerated the processing of forms and reports. Even with these advancements, the Railroad Commission will continue exploring opportunities to strengthen printed materials and improve complaint-handling procedures. These efforts aim to ensure that all communication, whether digital or printed, is clear, concise and responsive to the needs of stakeholders.

Performance Measures

Outcome Measure

- *Percentage of Surveyed Customer Respondents Expressing Overall Satisfaction with Services Received:* The Commission received a total of 1,212 survey responses, with 1,201 responses indicating any satisfaction level. Of these, 1,097 respondents indicated overall satisfaction, representing 91 percent of all responses.

Output Measures

- *Number of Customers Served:* *Quantifying the exact number of customers served by the Railroad Commission is challenging due to the broad scope of its regulatory responsibilities. The Commission oversees a diverse and extensive regulated industry, and its services impact both industry operators and the general public. The following narrative describes the nature of the regulated community and the public served by the Railroad Commission.*

Oil and Gas Exploration and Production

The Texas oil and natural gas industry encompasses a broad range of businesses, from sole proprietorships to fully integrated multinational corporations. Industry activities span the entire production lifecycle including drilling, completion, production, transportation and end-of-life well plugging. Support services such as waste hauling, equipment servicing and environmental management are also integral to the sector. All stages of the oil and natural gas production cycle fall under the regulatory oversight of the Railroad Commission, making the agency responsible for ensuring safe, compliant and efficient operations across one of the largest energy industries in the world. As of December 2025, Texas operators managed approximately 157,751 active producing oil wells and more than 83,134 active producing gas wells. In 2025, these wells produced an estimated 1.8 billion barrels of crude oil and 12.1 billion cubic feet of natural gas, underscoring Texas' continued role as a national and global leader in energy production.

Pipeline Transportation

To gather, transport and deliver Texas' oil and natural gas resources, the state relies on an extensive and complex network of pipelines. The Railroad Commission has a responsibility to ensure these systems are designed, constructed, operated and maintained safely, and that rates for natural gas service are just and reasonable. Texas has more than 472,000 miles of pipeline, representing the largest pipeline infrastructure of the nation. Of this total, more than 426,000 miles are intrastate pipelines that fall under the Commission's pipeline safety jurisdiction. The remaining 46,000 miles of pipeline fall under the pipeline safety jurisdiction of the Pipeline and Hazardous Materials Safety Administration (PHMSA). Pipelines in Texas are categorized as natural gas distribution lines, hazardous liquid and natural gas gathering and transmission lines, interstate lines and exempt lines. The Railroad Commission has direct safety responsibility over the first three categories. These regulatory responsibilities extend to operators of intrastate gathering, transmission, distribution and master metered systems, ensuring that pipeline operations across Texas meet stringent safety and reliability standards.

Natural Gas Utilities

The Railroad Commission oversees the rates and services of natural gas utilities across Texas to ensure that charges for transmission and distribution services are fair, transparent and consistent with statutory requirements. Approximately 11,750 active tariffs are currently on file with the Commission, reflecting the rates charged by utilities for natural gas service.

Texas is served by 219 investor-owned and 90 municipally owned natural gas utilities, which together provide service to more than 4.9 million rate-regulated customers. In addition to natural gas utilities, the Commission's Gas Services Department administers an index-based price ceiling that applies to approximately 76 propane distribution retail systems, helping ensure affordability and consumer protection for customers relying on propane service.

Alternative Energy Companies

The Railroad Commission regulates several sectors within the alternative energy industry, including LP-Gas (propane), compressed natural gas (CNG) and liquefied natural gas (LNG). These fuels play an important role in meeting the energy needs of Texas residents, businesses and industrial operations, particularly in areas where natural gas distribution systems are limited. Each year the Railroad Commission certifies about 17,500 individuals working in the industry, administers about

9,000 examinations, issues approximately 7,600 dealer licenses, investigates accidents and safety-related complaints and conducts approximately 20,000 safety inspections.

The retail propane business represents the largest sector of this industry. It is composed primarily of small independent companies that provide fuel for space heating, cooking and water-heating appliances in rural residences and commercial buildings; for portable applications such as outdoor grills, torches and agricultural equipment; and engine fuel for both off-road vehicles such as forklifts and on-road vehicles such as school buses and light trucks. Through its oversight of these activities, the Railroad Commission ensures that alternative fuel operations across Texas meet rigorous safety standards while supporting reliable energy access for millions of Texans.

Coal and Uranium Mining

The Railroad Commission, through its Surface Mining and Reclamation Division, has administered 27 coal-mining permits across Texas. These permits are held by nine companies and collectively cover approximately 300,000 acres in 18 counties. Of the 27 active permits administered, 21 mining operations are no longer producing coal and are currently in the final stages of land reclamation. This reclamation work ensures that mined lands are restored in accordance with state and federal environmental standards, supporting long-term land stability, water quality protection and beneficial post-mining land use.

Efficiency Measure

- *Cost per Customer surveyed:* Staff determined that the most cost-effective method for surveying customers was to conduct the survey electronically through the Railroad Commission website and by including a survey link in employees' email signatures.

Explanatory Measures

- *Number of Customers identified:* As described under Output Measure, Number of Customers Served, it is difficult to quantify an exact number as the Railroad Commission has regulatory authority over many industries which in turn serve many Texans.
- *Number of Customer groups identified:* Eleven primary customer groups were identified. Please refer to Section 2, "Inventory of External Customers" for details.

Conclusion

In serving the people of Texas, the Railroad Commission of Texas remains committed to providing high-quality customer service across all areas of its regulatory responsibility. The results of the 2026 Customer Service Survey indicate that Commission employees are succeeding in that effort, with strong levels of customer satisfaction reported across multiple service areas. The survey also provides valuable insight into where improvements can be made, helping guide future enhancements to customer service processes. The Railroad Commission will continue to build on these results, strengthen its service delivery and strive for excellence in meeting the needs of Texans.

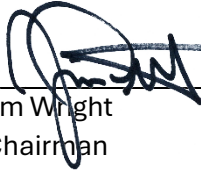



Schedule I: Certification of Compliance with Cybersecurity Training



CERTIFICATE

Agency Name: Railroad Commission of Texas

Pursuant to the Texas Government Code, Section 2056.002(b)(12), this is to certify that the agency has complied with the cybersecurity training required pursuant to the Texas Government Code, Sections 2063.103 and 2063.104.

Commission Members	Date	Executive Director	Date
 _____ Jim Wright Chairman	6/2/2026	 _____ Wei Wang Executive Director	6/2/2026
 _____ Christi Craddick Commissioner	6/2/2026		
 _____ Wayne Christian Commissioner	6/2/2026		



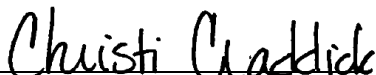

Schedule J: Certification of Compliance with Artificial Intelligence Training



CERTIFICATE

Agency Name: Railroad Commission of Texas

Pursuant to the Texas Government Code, Section 2056.002(b)(12), this is to certify that the agency has complied with the artificial intelligence training required pursuant to the Texas Government Code, Sections 2063.103 and 2063.104.

Commission Members	Date	Executive Director	Date
 Jim Wright Chairman	6/2/2026	 Wei Wang Executive Director	6/2/2026
 Christi Craddick Commissioner	6/2/2026		
 Wayne Christian Commissioner	6/2/2026		