

Rule 4 Fees

Rule 4.1 Application Fee

- 4.1.A.** An application fee shall be paid to the District when submitting a new well registration/drilling permit application under Rule 3.2; a new well application for an operating permit under Rule 3.3; an application to renew an operating permit under Rule 3.4.E; or an application to amend an operating permit under Rule 3.4.F. In this Rule 4.1, references to "application" cover the aforementioned submittals. The application fee shall be adopted by the Board and will be posted on the District website.
- 4.1.B.** An application fee required by Rule 4.1.A. is a non-refundable minimum and no portion of the fee shall be returned to the applicant. The application fee is charged each time an application as described in Rule 4.1.A. is submitted. The District may assess an additional fee if the District incurs non-routine expenses relating to the investigation of the application, a protest to the application requiring a hearing, or recurring inspections caused by the applicant or the applicant's agent failing to comply with District Rules and requirements. Such an additional fee shall be paid before the District will deem the application administratively complete.
- 4.1.C.** The amount of the application fee assessed under Rule 4.1.A. is based on the information provided in the application. If the District later determines that the information was incorrect and a higher application fee should have been paid, all work on the well or production of groundwater from the well shall cease until the higher fee, plus a late payment, is paid.

Adopted June 1, 2004 by Board Order; effective June 1, 2004. Amended May 17, 2005 by Board Order; effective May 17, 2005. Amended August 20, 2007 by Board Order 2007-029; effective August 23, 2007. Amended December 10, 2012 by Board Order 2012-008; effective December 12, 2012.

Rule 4.2 Contested Case Hearing Fees

- 4.2.A.** The parties to a contested case hearing will be required to pay the hearing facility rental fees, and other expenses associated with the hearing. The parties shall deposit with the District reasonable fees determined by the District to cover these costs. The minimum total deposit shall be assessed against one or more parties. Any of the deposit that is not used by the District for this purpose, shall be refunded after the final action is taken on the permit application.

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- 4.2.B.** If a request under District Rule 8.4.I includes a request that the contested case hearing be heard by the State Office of Administrative Hearings, as authorized by District Rule 8.6 and Texas Water Code 36.416, the party requesting the hearing before SOAH shall pay all costs associated with the SOAH contract for the hearing. Such party shall deposit with the District the District's estimate of an amount sufficient to pay the contract amount.
- 4.2.C.** At any time during a contested case hearing that it becomes apparent to the District that the deposits required under an order or resolution under District Rule 8.4.J(2) are not sufficient to cover the expenses or costs under Rules 4.2.A and 4.2.B, the District may issue an order or resolution assessing additional deposits.
- 4.2.D.** All deposits required under this Rule 4.2 must be received by the District within 10 days of issuance of the order or resolution assessing such deposits. The District shall consider the request for contested case hearing to be withdrawn if a deposit is not timely received and shall take appropriate action based on such withdrawal.
- 4.2.E.** At the conclusion of the contested case hearing, the District shall refund any excess deposit to the paying party.

Adopted September 12, 2005 by Board Order 2005-007; effective September 14, 2005. Amended August 20, 2007 by Board Order 2007-029; effective August 23, 2007. Amended December 10, 2012 by Board Order 2012-008; effective December 12, 2012.

Rule 4.3 Annual Well Fee

The District will no longer charge an Annual Well Fee under this Rule 4.3, effective October 1, 2006. Any well subject to an Annual Well Fee for any period prior to October 1, 2006, however, shall remain subject to Rule 4.3 until all amounts owing under this rule have been paid in full to the District.

- 4.3.A.** All wells, including all domestic or livestock wells, shall pay an annual well fee. Under District Rules, the annual well fee was previously called the annual permit fee.
- 4.3.B.** The following wells are exempt from paying an annual well fee:
- (1) Water wells used solely to supply water for a rig that is actively engaged in drilling or exploration operations for an oil or gas well permitted by the Railroad Commission of Texas provided that the

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person holding the permit is responsible for drilling and operating the water well and the well is located on the same lease or field associated with the drilling rig, as qualified by Texas Water Code §36.117(d).

- (2) Water wells authorized under a permit issued by the Railroad Commission of Texas under Chapter 134, Natural Resources Code, or for production from such a well to the extent the withdrawals are required for mining activities regardless of any subsequent use of the water, as qualified by Texas Water Code § 36.117(d).
- (3) Monitor wells, test wells, environmental sampling wells, environmental monitoring wells, geotechnical wells, and geologic exploration wells.

4.3.C. The annual well fee is set at the following rates. The total amount of the annual well fee is due regardless of when the fee is paid during the year. The fee will not be prorated.

- (1) An exempt domestic or livestock well, as defined in District Rule 2 - \$20.00 per year.
- (2) All other wells that are not exempt from the fee under Rule 4.3.B. - \$250.00 per year.

Adopted October 7, 2003 by Board Order; effective October 7, 2003. Amended May 17, 2005 by Board Order; effective May 17, 2005. Amended September 12, 2005 by Board Order 2005-007; effective September 14, 2005. Amended October 20, 2005 by Board Order 2005-08; effective October 25, 2005. Amended September 5, 2006 by Board Order 2006-025; effective September 5, 2006. Amended December 10, 2012 by Board Order 2012-008; effective December 12, 2012.

Rule 4.4 Production Fee

4.4.A Wells Subject to a Production Fee

All wells that are required by Rule 3.5.A. to obtain an operating permit shall pay a production fee under this Rule 4.4. Wells required by Rule 3.5.B. to obtain an operating permit are exempt from this fee.

4.4.B Amount of Production Fees

- (1) Groundwater used for agricultural purposes, as defined in District Rule 2: \$1 per acre-foot per year (\$0.0030689 per thousand gallons).

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- (2) Groundwater used for all other purposes: \$10 per acre-foot per year (\$0.030689 per thousand gallons).

4.4.C. How Production Fees Are Calculated

Production fees are calculated based on the amount of water the operating permit authorizes the well to produce on an annual basis. One fourth of this amount shall be paid each quarter, as follows. On January 15th, April 15th, July 15th, and October 15th of each year, the owner shall submit payment to the District of twenty-five percent of the annual production fee, or as stipulated in the operating permit. If requested by the Permittee, annual production fees of less than \$10.00 per year can be paid upon permit renewal rather than annually.

Adopted October 7, 2003 by Board Order; effective October 7, 2003. Amended May 17, 2005 by Board Order; effective May 17, 2005. Renumbered September 12, 2005 by Board Order 2005007; effective September 14, 2005. Amended September 5, 2006 by Board Order 2006-025; effective September 5, 2006. Amended August 9, 2010 by Board Order 2010-016; effective August 12, 2010.

Rule 4.5 Administrative Fees

Administrative fees shall be adopted by the Board and will be posted on the District website.

Adopted October 7, 2003 by Board Order; effective October 7, 2003. Amended May 17, 2005 by Board Order; effective May 17, 2005. Amended September 12, 2005 by Board Order 2005-007; effective September 14, 2005. Amended September 5, 2006 by Board Order 2006-025; effective September 5, 2006. Amended August 9, 2010 by Board Order 2010-016; effective August 12, 2010. Amended December 10, 2012 by Board Order 2012-008; effective December 12, 2012.