

Figure: 16 TAC §3.66(g)(1)

Classification System

Violation Factors		Factor Value	Points Tally
Oil lease or gas well facility out of compliance with §3.66 produces an average of 5,000 Mcf or more of natural gas per day		4	
Oil lease or gas well facility out of compliance with §3.66 produces an average of 1,000 Mcf or more per day but less than 5,000 Mcf of natural gas per day		3	
Oil lease or gas well facility out of compliance with §3.66 produces an average of 500 Mcf or more per day but less than 1,000 Mcf of natural gas per day		2	
Oil lease or gas well facility out of compliance with §3.66 produces an average of 250 Mcf or more per day but less than 500 Mcf of natural gas per day		1	
Gas processing plant, underground gas storage, or gas pipeline facility out of compliance with §3.66 that resulting in a loss of processing, storage withdrawal, or transportation of 200 MMcf or more of natural gas per day		4	
Gas processing plant, underground gas storage, or gas pipeline facility out of compliance with §3.66 that results in a loss of processing, storage withdrawal, or transportation capacity 100 MMcf or more per day but less than 200 MMcf of natural gas per day		3	
Gas processing plant, underground gas storage, or gas pipeline facility out of compliance with §3.66 that results in a loss of processing, storage withdrawal, or transportation capacity of less than 100 MMcf of natural gas per day		2	
Actual Hazard to health, safety, or economic welfare of the public		5	
Potential hazard to health, safety, or economic welfare of the public		2	
Time out of compliance (calculated as days the operator fails to remedy a violation noted in a Commission notice of violation)	90 days or greater	4	
	60 days or more but less than 90 days	3	
	30 days or more but less than 60 days	2	
	5 days or more but less than 30 days	1	
Reckless conduct of operator		3	
Intentional conduct of operator		5	
Repeat violations based on operator's history of		3	

compliance		
Good faith effort to remedy violation	-2	
No effort to remedy violation	5	
During the weather emergency in which the facility's violation occurred, the operator had no reduction in the natural gas supplied to the Texas electricity supply chain	-3	
During the weather emergency in which the facility's violation occurred, the operator of a saltwater disposal well had no reduction in saltwater disposal capacity made available to Texas electricity supply chain facilities.	-3	
		Total
		Penalty maximum per violation
15 points or more = Class A violation		\$More than 5,000 ¹
10-14 points = Class B violation		\$5,000
5-9 points = Class C violation		\$4,000
1-4 points = Class D violation		\$3,000

¹ Pursuant to Natural Resources Code §86.222, the required classification system shall provide that a penalty in an amount that exceeds \$5,000 may be recovered only if the violation is included in the highest class of violations in the classification system.