

**INTERAGENCY COOPERATION CONTRACT
BETWEEN
THE RAILROAD COMMISSION OF TEXAS
AND
THE UNIVERSITY OF TEXAS AT AUSTIN
BUREAU OF ECONOMIC GEOLOGY
FOR
GEOPHYSICAL DATA ACQUISITION AND FAULT MAPPING**

This Interagency Cooperation Contract ("Contract") is entered into by and between the **Railroad Commission of Texas** ("RRC"), a state agency located at 1701 N. Congress Avenue, Austin, Texas 78701, and **The University of Texas at Austin** ("UT" or "Performing Agency"), a Texas State Agency and Public Institution of Higher Education located at 3925 West Braker Lane Building 156, Suite 3.340, MC: A9000 Austin TX 78759-5316 (individually "Party"; collectively "Parties"), pursuant to the authority granted by and in compliance with the provisions of "The Interagency Cooperation Act," Texas Government Code, Chapter 771 and Texas Utilities Code §104.379.

WHEREAS, the RRC is the state agency that regulates the oil and gas industry, natural gas utilities, pipeline safety, the natural gas and hazardous liquid pipeline industry, and surface coal and uranium mining in Texas;

WHEREAS, anthropogenic induced seismicity linked to injection wells and hydraulic fracturing is a nuisance to the development of natural resources;

WHEREAS, RRC is tasked by the Texas Legislature with investigating and mitigating the effects of anthropogenic induced seismicity linked to oil & gas production and associated waste injection;

WHEREAS, anthropogenic induced seismicity is known to occur along geological fault lines and detailed mapping is necessary to improve the scientific understanding of induced seismicity and diagnosing the locus of causation;

WHEREAS, has determined that the geophysical data necessary to locate many geological fault lines in areas of frequent anthropogenic induced seismicity is proprietary, confidential, and owned by third parties;

WHEREAS, The 88th Texas Legislature in the General Appropriations Act authorized funds to be allocated for advanced seismic modeling RRC;

WHEREAS, RRC and UT through diligent inquiry have determined that acquisition of the necessary geophysical data from third party brokers will require specialized confidentiality and information security protocols;

WHEREAS, RRC does not have the qualified or experienced staffing, scientific specialization, data processing tools, models, equipment, and data visualization software necessary to convert raw geophysical data into a finished product;

WHEREAS, UT has the qualified and experienced staffing, scientific specialization, data processing tools, models, equipment, and data visualization software necessary to convert raw geophysical fault data into a finished product;

WHEREAS, UT has the experience, information security, and internal confidentiality protocols satisfactory to third party data brokers to acquire and hold geophysical data on behalf of RRC, which only requires the finished data product and not the proprietary source material;

WHEREAS, RRC and UT find that it would be in their mutual best interest to enter into this Contract whereby UT agrees to complete geophysical data acquisition and fault mapping for the RRC.

THEREFORE, in consideration of the mutual covenants and agreements herein contained, the RRC and UT agree as follows:

I. CONTRACTING AGENCIES.

- 1.1** The Railroad Commission of Texas (Receiving Agency)
- 1.2** The University of Texas at Austin (Performing Agency)

II. STATEMENT OF SERVICES TO BE PERFORMED.

2.1 DESCRIPTION OF WORK. UT in accordance with *Attachment A: Scope of Work* and *Attachment B: Research Proposal and Budget* shall perform the following services as funding allows:

- I. Coordinate with RRC and procure on RRC's behalf as RRC's purchasing agent geophysical data in areas impacted by anthropogenic induced seismicity as identified and pre-approved by RRC in writing prior to purchase.
- II. Arrange for RRC's admission as a member of the Center for Injection and Seismicity Research ("CISR") via an in kind contribution of the geophysical data as set forth in the previous paragraph.
- III. Own, hold, and safeguard third-party geophysical data for the benefit of RRC.
- IV. Execute all third-party agreements necessary for RRC to examine the raw geophysical data on UT's premises and obtain high-quality fault maps and data visualization derivative products.
- V. In coordination with CISR or other similarly qualified research institution, analyze the geophysical data procured under this Contract to identify faults in areas of increased seismicity linked to anthropogenic causes.
- VI. Produce high-quality fault maps and data visualization tools for use by RRC's seismologist as further described in *Attachment A: Scope of Work*.

2.2 GEOGRAPHIC FOCUS. UT's efforts in data procurement, analysis, mapping, and data visualization shall focus on the following geographic regions:

- I. Delaware Basin
- II. Midland Basin

Geographic regions other than those stated above may be considered as funding allows and in RRC's sole discretion. If RRC elects to purchase data for other geographic regions, RRC shall issue a work order to UT.

2.3 DESIGNATION OF PROJECT MANAGERS. To facilitate cooperation and communication for the performance of the Contract, both the Parties must designate project managers. Either Party may substitute, add, or remove Project Managers by notifying the other Party in writing in accordance with the notice provisions herein. The following persons are authorized to act as project managers:

For UT: Name: Peter Hennings
Title: Senior Research Scientist
Address: JGB BEG 10611 Exploration Way
Austin, TX 78758
Phone: (512) 471-0156
Email: peter.hennings@beg.utexas.edu

For RRC: Paul Dubois
Technical Permitting Director
O&G Division
1701 N Congress Ave Rm 11-180I
Austin, Texas 78701

Aaron Velasco
Seismologist
University of Texas at El Paso
500 W University Ave
El Paso, Texas 79968

2.4 PROJECT MANAGER RESPONSIBILITIES. RRC's project manager(s) shall oversee UT's procurement of data and coordinate with UT's project manager(s) prior to any purchase of data. RRC's project manager(s) shall review and select the data to be procured and notify UT in writing. UT's project manager shall facilitate communication between RRC's project manager(s) and UT's procurement team to ensure that the necessary technical specifications are set forth in the procurement documents and best value to the state is achieved. UT's project manager shall provide a copy of the any procurement documents, including any prospective contract for review upon request of RRC. Likewise, after the procurement of data is complete, UT's project manager(s) shall facilitate communication with CISR and any other third parties involved in the processing of data to ensure that the mapping and/or data visualization tools meet RRC's expectations as set forth in *Attachment A: Scope of Work*.

- 2.5 LIMITED PURCHASING AUTHORITY.** *UT may not purchase any geophysical data until after RRC has (1) selected the data to be procured and (2) reviewed and approved the underlying contract for purchase of geophysical data.* For the avoidance of doubt, UT will be acting as a purchasing agent of RRC without the unilateral authority to purchase geophysical data. Data selection and contract approval shall be communicated in writing. RRC reserves the right to withhold approval of the underlying contract(s) for purchase of geophysical data if RRC in its sole discretion determines that the purchase would not achieve best value for the State.
- 2.6 EDUCATIONAL MISSION UNDERSTANDING.** RRC understands that UT's primary mission and education and the advancement of knowledge, and the services provided under this Contract will be designed to carry out that mission. The manner of performance provided under the Contract will be within UT's discretion with the exception that RRC must approve the purchase of any data procured under the Contract before funds may be expended.
- 2.7 NO WARRANTY OF GEOPHYSICAL DATA.** In providing services under the Contract, UT makes no representations, either express or implied as to the adequacy, accuracy, sufficiency, or freedom from defect of any kind, that may result from the use of or reliance on the third-party geophysical data procured under this Contract, nor shall UT incur any liability or obligation whatsoever by reason of the procured third-party geophysical data. UT does not make any representations with respect to and does not warrant any information or services provided under this Contract, but shall furnish such in good faith. RRC at its sole and absolute discretion, may utilize the information and services provided under the Contract, and agrees that RRC is solely responsible for reliance on any and all information or services obtained through this Agreement. To the extent that UT pursuant to a purchase of geophysical data receives a warranty from the seller, RRC shall be entitled to the rights of a third-party beneficiary, including the right to enforce the terms of the warranty against the seller.
- 2.8 PUBLICATIONS AND SIMILAR RESEARCH.** RRC understands and authorizes UT to utilize geophysical data procured under this Contract for its own scholarly publications consistent with any applicable third-party data brokerage agreement. RRC understands UT may be involved in similar research and data analysis on behalf of itself and others. UT shall be free to continue such research and data analysis provided that it is conducted separately and does not utilize funds provided in this Contract. RRC shall not gain any rights via this Contract to other research or data analysis.

DATA ACCESS LIMITATIONS. Given the proprietary nature of the geophysical data to be procured, RRC understands that by entering into this Contract, RRC may be required to sign a third-party non-disclosure agreement, provided that the non-disclosure agreement is in a form consistent with RRC's obligations under state and federal law. RRC also recognizes and agrees that the geophysical data to be procured may not leave the premises of UT, unless the proprietary data owner permits it. RRC may require limited original data authorized by the data owner if it is necessary for understanding the maps and derivative products.

III. CONSIDERATION.

- 3.1 CONTRACT AMOUNT.** As consideration for geophysical data acquisition and fault mapping services, RRC agrees to pay UT an amount not-to-exceed the sum of THREE MILLION SEVEN HUNDRED NINETY-THREE THOUSAND SEVEN HUNDRED FIFTY DOLLARS AND ZERO CENTS (\$3,793,750.00). This sum will be billed against for actual costs incurred.

IV. PAYMENT FOR SERVICES.

- 4.1 PAYMENT.** Receiving Agency will create a monthly invoice, and payment shall be made through the Interagency Transaction Voucher (ITV) process in accordance with § 771.008 of the Texas Government Code.

- 4.2 PAYMENT METHOD. ITV INFORMATION.** The FY24 RTI is 243842. The Vendor Number is 3721721721, The Mail Code is 012.

V. TERM OF CONTRACT and OPTIONAL RENEWAL AMENDMENTS.

- 5.1 TERM.** This Contract term shall be effective upon August 22, 2023, and shall terminate on August 31, 2025, or upon written request of either party, as provided in Section 5.2. Additionally, the term of this Contract shall have the option to be renewed by amendment with approval of both parties for up to three (3) optional successive one (1) year periods as listed below.

Renewal Periods:

1st Renewal: September 1, 2025 – August 31, 2026

2nd Renewal: September 1, 2026 – August 31, 2027

3rd Renewal: September 1, 2027– August 31, 2028

- 5.2 EARLY TERMINATION.** Either party may terminate this Contract, with or without cause at their sole discretion, upon thirty (30) days prior written notice to the other. Upon receipt of notice of early termination, RRC shall cancel, withdraw, or otherwise terminate outstanding orders which relate to the performance of this Contract and shall otherwise cease to incur any future costs under this Contract. Early termination will be subject to an equitable settlement of the respective interests of the parties accrued up to the date of termination, including but not limited to non- cancellable commitments. If this Contract is terminated for any reason, neither party shall be liable for any damages, claims, or losses, or any other amounts arising from or related to any such termination.
- 5.3 AMENDMENT.** Performing Agency shall maintain an ongoing relationship with the RRC during the Contract Term and will collaborate with the RRC on any modifications that may be necessary to the Services to meet the objectives of the IAC. A change may not be made to the Services except by written request signed by the RRC and Performing Agency (an “Amendment”). Each Amendment shall be sequentially numbered and deemed to automatically incorporate the terms of this IAC. Any alterations, additions, or deletions to the terms of this Contract shall be by an Amendment, in writing and executed by both Parties to this Contract. Costs not included and pre-approved by the RRC shall not be eligible for reimbursement.

VI. FUNDING.

- 6.1 NO DEBT.** This Contract shall not be construed as creating any debt on behalf of the State of Texas and/or RRC and/or UT in violation of TEX. CONST. art. III, § 49. In compliance with TEX. CONST. art. VIII, § 6, it is understood that all obligations of RRC hereunder are subject to the availability of state funds. If such funds are not appropriated or become unavailable, this Contract may be terminated. In that event, the parties shall be discharged from further obligations, subject to the equitable settlement of their respective interests accrued up to the date of termination.

VII. FORCE MAJURE.

- 7.1 **FORCE MAJEURE.** Except as otherwise provided, neither RRC nor UT is liable to the other for any delay in, or failure of performance, of a requirement contained in this Contract caused by force majeure. The existence of such causes of delay or failure shall extend the period of performance until after the causes of delay or failure have been removed, provided the non-performing party exercises all reasonable due diligence to perform. Force majeure is defined as acts of God, war, strike, fires, explosions, or other causes that are beyond the reasonable control of either party and that by exercise or due foresight, such party could not reasonably have been expected to avoid, and which, by the exercise of all reasonable due diligence, such party is unable to overcome. Each party must inform the other in writing with proof of receipt within three (3) business days of the existence of such force majeure.

VIII. MISCELLANEOUS PROVISIONS.

- 8.1 **INCORPORATION BY REFERENCE.** Incorporated by reference the same as if specifically written herein are the rules, regulations, and all other requirements imposed by law, including but not limited to compliance with those applicable rules and regulations of the State of Texas and the federal government, all of which shall apply to the performance of the services under this Contract.
- 8.2 **GOVERNING LAW AND VENUE.** This Contract shall be governed and construed in accordance with the laws of the State of Texas. **VENUE OF ANY SUIT BROUGHT FOR BREACH OF THIS CONTRACT SHALL BE FIXED IN ANY COURT OF COMPETENT JURISDICTION IN TRAVIS COUNTY, TEXAS; provided, however, the foregoing shall not be construed as a waiver of sovereign immunity by either party.**
- 8.3 **DISPUTE RESOLUTION.** The parties agree to use good-faith efforts to decide all questions, difficulties, or disputes of any nature that may arise under or by this Contract; provided however, nothing in this paragraph shall preclude either party from pursuing any remedies as may be available under Texas law.
- 8.4 **SEVERANCE.** Should any one or more provisions of this Contract be held to be void, voidable, or for any reason whatsoever of no force and effect, such provision(s) shall be construed as severable from the remainder of this Contract and shall not affect the validity of all other provisions of this Contract, which shall remain of full force and effect.
- 8.5 **HEADINGS.** The headings contained in this Contract are for reference purposes only and shall not in any way affect the meaning or interpretation of this Contract.
- 8.6 **NOTICES.** Any notice required or permitted to be delivered under this Contract shall be deemed delivered when deposited in the United States mail, postage prepaid, certified mail, return receipt requested, addressed to RRC or UT, as the case may be, at the addresses set forth below:

RRC:

If to RRC for daily operations: Randall Collins, 1701 N. Congress, Austin, Texas 78711, randall.collins@rrc.texas.gov, 512-801-0494

If to RRC for contract management: Pablo Almaraz, 1701 N. Congress, Austin, Texas 78711, pablo.almaraz@rrc.texas.gov, 512-463-7150

UT: Office of Sponsored Projects, 3925 West Braker Lane, Building 156, Suite 3.340, MC: A9000, Austin TX 78759-5316, osp@austin.utexas.edu, 512-471-6424

Notice given in any other manner shall be deemed effective only if and when received by the party to be notified. Either party may change its address for notice by written notice to the other party as herein provided.

IX. GENERAL PROVISIONS.

- 9.1 Both Parties are state agencies whose authority and appropriations are subject to actions of the Texas Legislature. If either Party becomes subject to a legislative change, revocation of statutory authority, or lack of appropriated funds which would render either Party's delivery or performance under the Contract impossible or unnecessary, the Contract will be terminated or cancelled and be deemed null and void. In the event of a termination or cancellation under this section, neither party will be liable to the other party for any damages, which are caused or associated with such termination or cancellation. The party terminating or cancelling under this section shall not be required to provide advance notice.
- 9.2 The Parties do hereby certify that (1) the services specified above are necessary and essential for activities that are properly within the statutory functions and programs of the effected agencies of State Government, (2) the proposed arrangements serve the interest of efficient and economical administration of the State Government, and (3) the services, supplies or materials contracted for are not required by Section 21 of Article 16 of the Constitution of Texas to be supplied under contract given to the lowest responsible bidder.
- 9.3 The laws of the State of Texas and the United States govern the validity and interpretation of this Contract and the legal relation of the parties.
- 9.4 RRC certifies that it has the authority to contract for the above services by authority granted in Tex. Gov. Code Ann., Chapter 771.
- 9.5 UT certifies that it has the authority to perform the services contracted for by authority granted in Tex. Gov. Code Ann., Chapter 771.
- 9.6 Neither party may assign its rights or obligations under this Contract without the prior written consent of the other party hereto.
- 9.7 This Contract contains all of the agreements of the parties hereto, and no verbal or written agreement shall have any force or effect if not contained herein.

EXECUTION SIGNATURES: *Notwithstanding anything herein to the contrary, this Contract shall take effect no earlier than August 22, 2023, the date of the next open meeting of the Railroad Commission of Texas.* In anticipation that this Contract is likely to be approved by RRC's governing body at the next open meeting, RRC's authorized representative may elect for convenience and to expedite the execution of this Contract to sign on the line below prior to said date. ***If RRC's authorized representative below elects to sign this Contract prior to the date of the next open meeting, RRC's authorized representative certifies that his or her authority to enter into this Contract is expressly contingent on approval of this Contract by the Commission at the next open meeting. If the Commission approves this Contract, signature authority for RRC is effective on the date of August 22, 2023 or the date that RRC's representative signs below, whichever occurs last. The Parties agree that execution of this Contract is contingent on Commission approval. If the Commission does not approve this Contract at the next open meeting, this Contract shall not take effect.*** Otherwise, by the signatures below, each signatory represents and warrants that they have the authority as of the date of their respective signature to enter into this Contract on behalf of the respective Parties.

RAILROAD COMMISSION OF TEXAS

By: ^{DocuSigned by:}
Wei Wang
Wei Wang,
Executive Director

Date of Execution: 8/22/2023

UNIVERSITY OF TEXAS AT AUSTIN

By: ^{DocuSigned by:}
Michelle Strickland
Name: Michelle Strickland
Title: Associate Director of Contracts and Agreement

Date of Execution: 8/24/2023

RRC use only below this line.
Division Director: ^{DS}
Asst. Executive Director: ^{RL}
Director of Operations: ^{tl}
Office of General Counsel: ^{DS}

Date: 8/18/2023
Date: 8/19/2023
Date: 8/19/2023
Date: 8/21/2023