

# RAILROAD COMMISSION OF TEXAS

CHRISTI CRADDICK, *CHAIRMAN*  
RYAN SITTON, *COMMISSIONER*  
WAYNE CHRISTIAN, *COMMISSIONER*

**INTERNAL**  
OIL AND GAS DIVISION  
SANTOS GONZALES JR., P.E.,  
ASSISTANT DIRECTOR, FIELD OPERATIONS

## MEMORANDUM

November 7, 2017

**MEMORANDUM TO:** Chairman Christi Craddick  
Commissioner Ryan Sitton  
Commissioner Wayne Christian

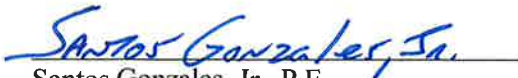
**FROM:** Santos Gonzales, Jr., P.E.  
Assistant Director, Field Operations

**SUBJECT:** Field Operations Section  
Monthly Report of State-funded Well Plugging Activities  
October 2017, FY 2018

Attached is the monthly report titled "State-funded Well Plugging Activities" for the Field Operations Section of the Oil and Gas Division. This report contains the following:

1. Monthly and cumulative performance measure summaries of the state-funded well plugging activities of this Section.
2. Summary graphs of wells plugged, cost of wells plugged, number of salvage operations, and salvage proceeds.
3. A list of state-funded plugging contracts in excess of \$100,000 where the original encumbered amount has been exceeded by 10% or more. The contracts will be carried on this report until completed.

SG:th  
Attachments

  
Santos Gonzales, Jr., P.E.  
Assistant Director, Oil & Gas Division

cc: Wei Wang, Interim Executive Director  
Lori Wrotenbery, Director, Oil & Gas Division  
David Cooney, Director, Office of General Counsel-Enforcement  
Paul Delaney, Internal Auditor  
Stacie Fowler, Director, Governmental Affairs  
Ramona Nye, Media Affairs  
Tina Beck, Analyst, Legislative Budget Board  
Craig Bean, Policy Advisor, Office of the Governor  
District Directors (via email)

RAILROAD COMMISSION OF TEXAS  
Oil and Gas Division  
Field Operations Section  
Monthly State-Funded Plugging Activities  
October 2017

Outcome Measure: Percentage of Known Orphaned Wells Plugged with the Use of State Funds (State-Funded Plugging/Orphaned Wells).

October	1.01%
Fiscal Year-to-date	1.32%
Performance Measure Goal	14.5 %

Output Measure: Number of Orphaned Wells Plugged with the Use of State Funds.

October	87
Fiscal Year-to-date	114
Performance Measure Goal	979

Output Measure: Total Aggregate Plugging Depth of Wells Plugged with the Use of State Funds.

October	245,758
Fiscal Year-to-date	329,261
Performance Measure Goal	1,920,000

Efficiency Measure: Average Number of Days to complete a State-Funded Well Plugging. From Contract Award Date

October	34
Fiscal Year-to-date	38
Performance Measure Goal	75

Explanatory Measure: Number of Orphaned Wells Approved for Plugging with the Use of State Funds.

October	163
Fiscal Year-to-date	318
Performance Measure Goal	1,000

Explanatory Measure: Number of Known Orphaned Wells in Non-compliance with the Commission's Plugging Rule.

October	8,622
Performance Measure Goal	9,275

Explanatory Measure: Number of Wells Plugged, by Operators, Without the Use of State Funds.

October	411
Fiscal Year-to-date	411
Performance Measure Goal	6,200

Explanatory measure: Percentage of Active Well Operators Who Have More Than 25% of Their Wells Inactive.

October	41%
Performance Measure Goal	40%

Explanatory measure: Numbered shut-in/inactive wells.

October	117,927
Performance Measure Goal	110,000

**RAILROAD COMMISSION OF TEXAS**  
**Oil Field Cleanup**

**Monthly State-Funded Plugging, Pollution Abatement and Salvage Activities**  
**Commissioners Report**  
**10/01/2017 to 10/31/2017**

**State-Funded Plugging Activities**

Number of wells approved for plugging this month	163
Estimated cost of approvals	\$ 3,072,372.00
Number of wells approved for this fiscal year	318
Number of approved wells remaining to plug	1471
Estimated cost to plug remaining approvals	\$ 31,037,514.34
Number of pluggings completed this month	87
Total cost to plug wells completed this month	\$ 1,144,162.78
Number of pluggings completed this fiscal year	114
Cost of pluggings completed this fiscal year	\$ 1,577,344.95

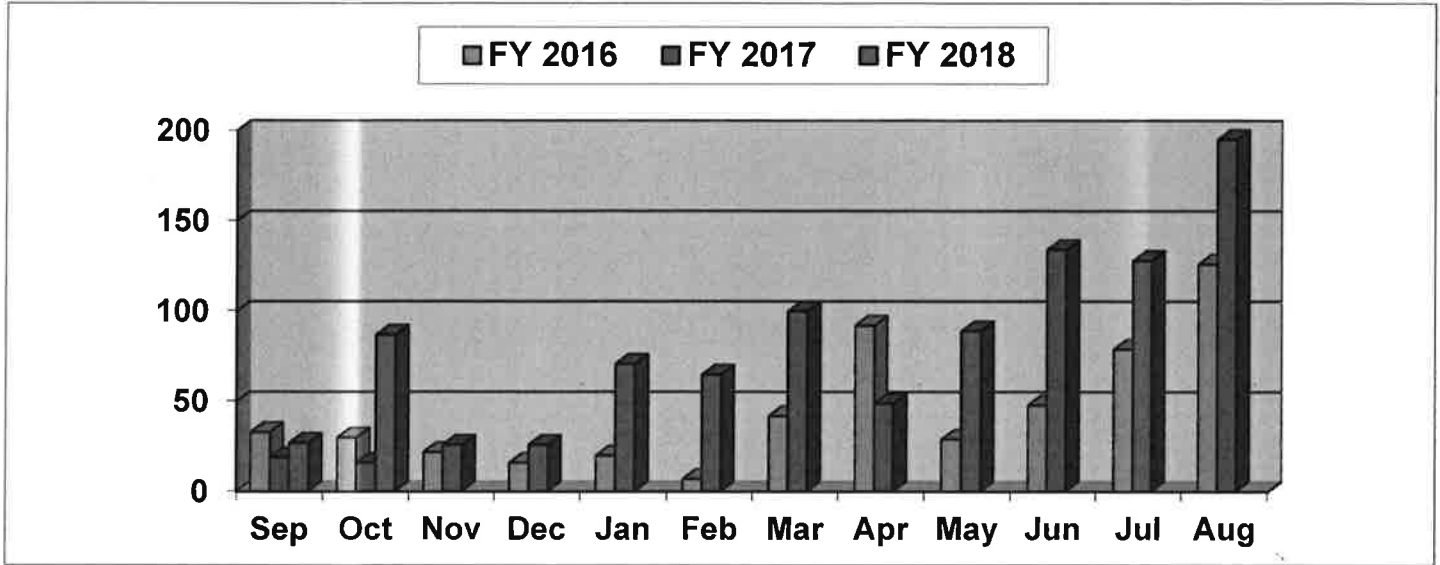
**Pollution Abatement Activities**

Number of pollution abatements approved this month	7
Estimated cost of approvals	\$ 39,000.00
Number of pollution abatements approved for this fiscal year	8
Number of pollution abatements remaining	57
Estimated cost to pollution abatements remaining	\$ 170,780.00
Number of pollution abatements completed this month	3
Total cost of pollution abatements completed this month	\$ 4,030.00
Number of pollution abatements completed this fiscal year	4
Cost of pollution abatements completed this fiscal year	\$ 4,510.00

**Salvage Activities**

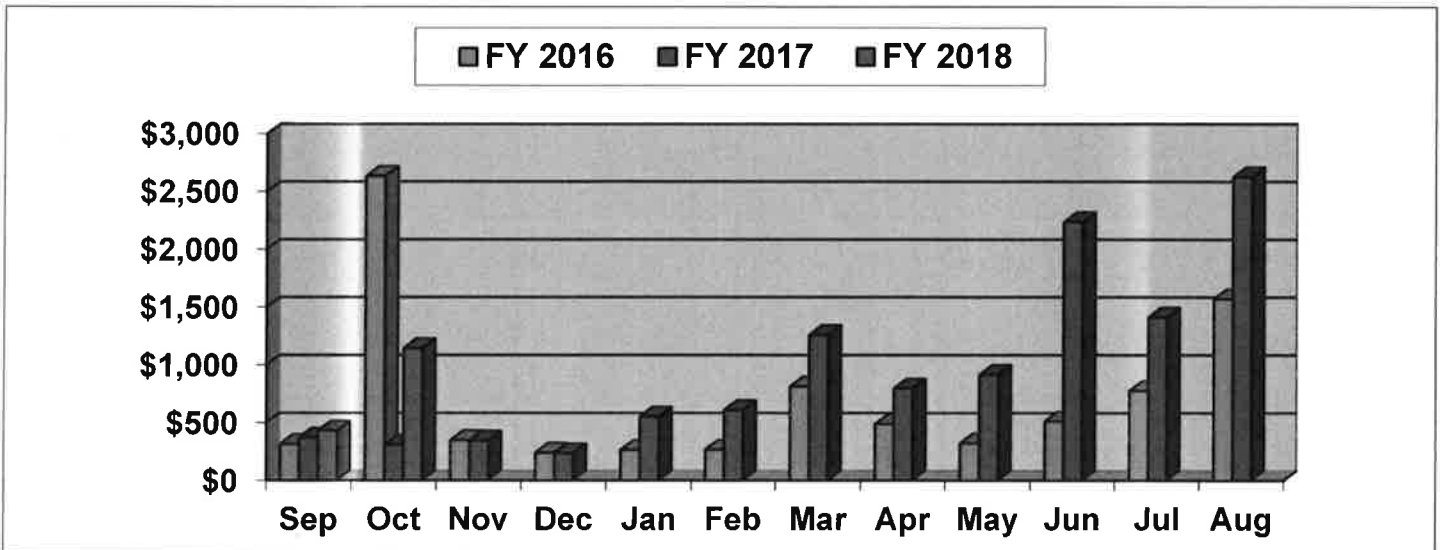
Number of salvage activities completed this month	25
Total proceeds received this month	\$ 99,080.91
Number of salvage activities completed this fiscal year	44
Total proceeds received this year	\$ 143,648.94

## State-funded Well Plugging Program Monthly Wells Plugged October 2017



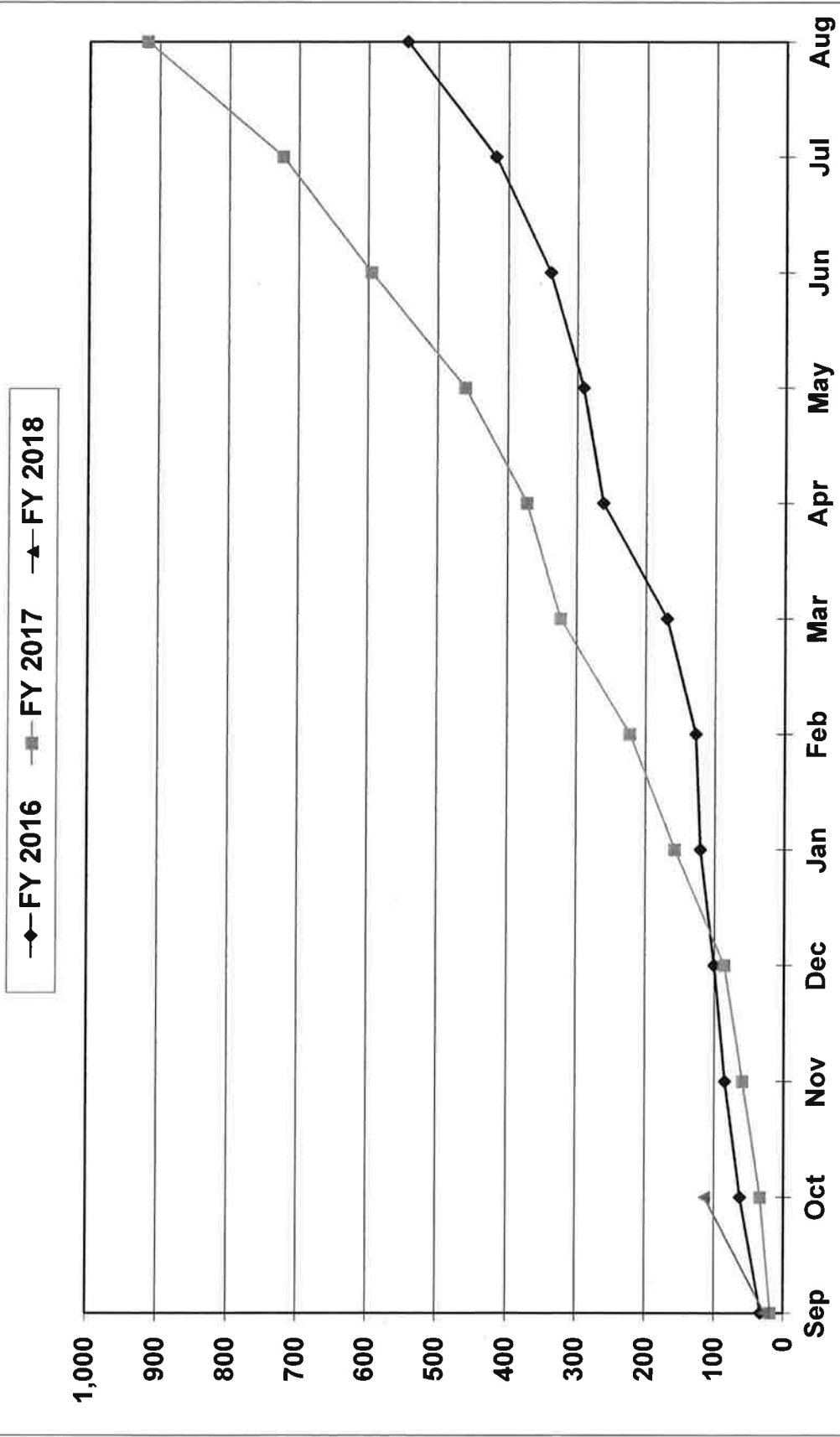
	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Tot
FY 2016	33	30	22	16	20	7	42	92	29	48	79	126	544
FY 2017	19	16	26	26	71	65	100	49	89	134	128	195	918
FY 2018	27	87											114

## State-funded Well Plugging Program Monthly Cost of Wells Plugged October 2017



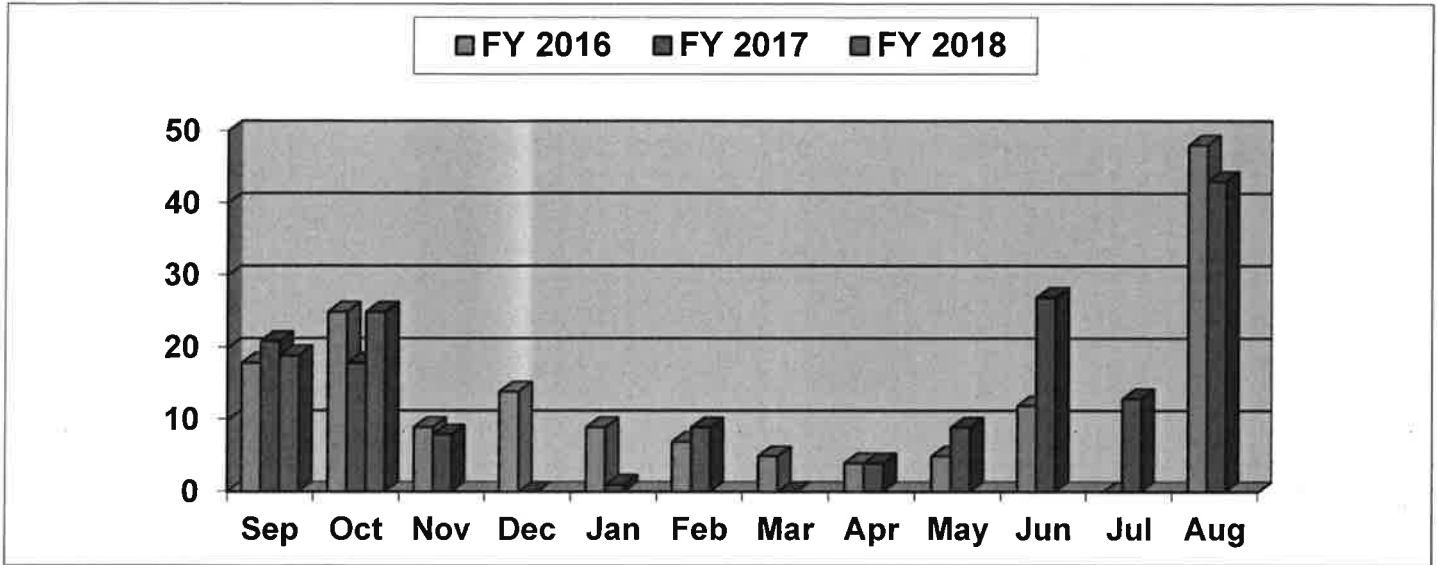
\$M	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Tot
FY 2016	\$314	\$2,633	\$348	\$240	\$264	\$266	\$814	\$488	\$322	\$511	\$775	\$1,571	\$8,546
FY 2017	\$372	\$308	\$344	\$235	\$550	\$609	\$1,260	\$796	\$916	\$2,236	\$1,412	\$2,626	\$11,664
FY 2018	\$433	\$1,144											\$1,577

# State-funded Well Plugging Program Cumulative Wells Plugged October 2017



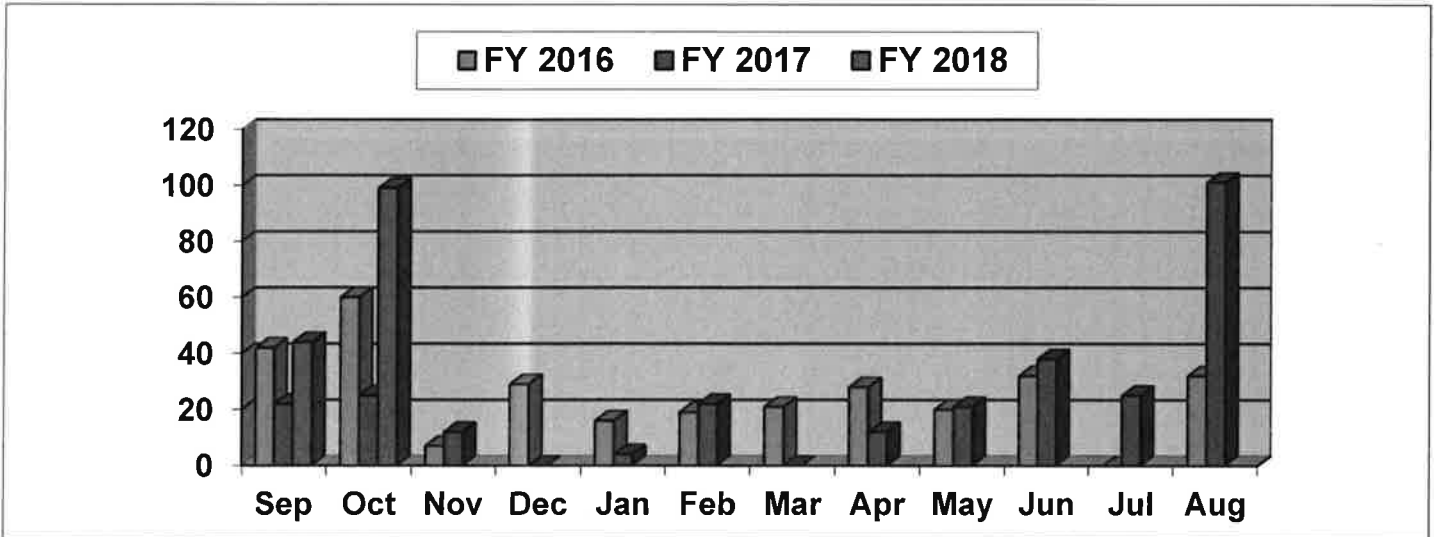
	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
FY 2016	33	63	85	101	121	128	170	262	291	339	418	544
FY 2017	19	34	60	86	158	223	323	372	461	595	723	918
FY 2018	27	114										

**State-funded Well Plugging Program  
Monthly Salvage Operations  
October 2017**



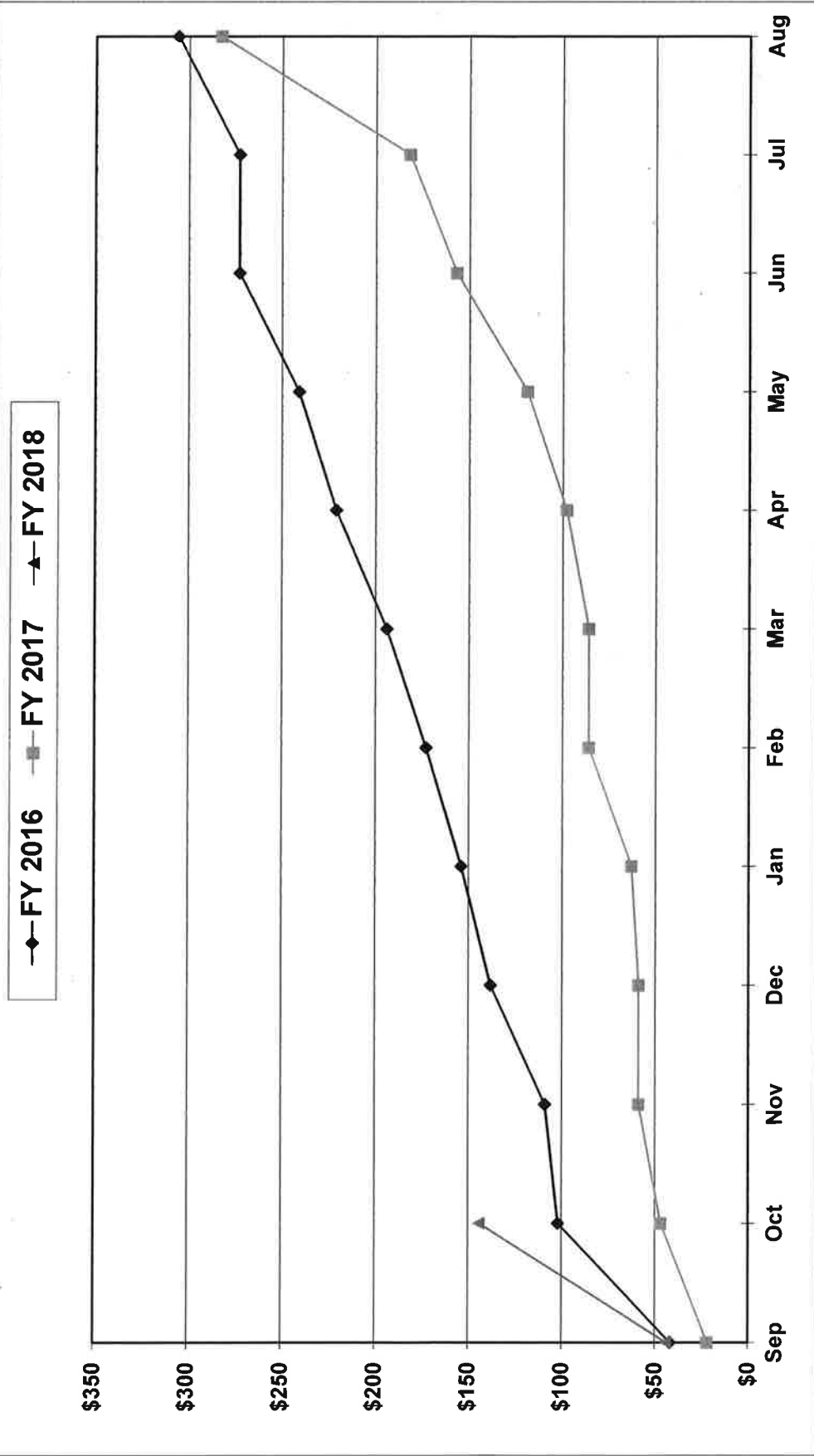
	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Tot
FY 2016	18	25	9	14	9	7	5	4	5	12	0	48	156
FY 2017	21	18	8	0	1	9	0	4	9	27	13	43	153
FY 2018	19	25											44

**State-funded Well Plugging Program  
Monthly Salvage Proceeds  
October 2017**



\$M	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Tot
FY 2016	\$42	\$60	\$7	\$29	\$16	\$19	\$21	\$28	\$20	\$32	\$0	\$32	\$306
FY 2017	\$22	\$25	\$12	\$0	\$4	\$22	\$0	\$12	\$21	\$38	\$25	\$101	\$282
FY 2018	\$44	\$99											\$143

# State-funded Well Plugging Program Cumulative Salvage Proceeds October 2017



\$M	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
FY 2016	\$42	\$102	\$109	\$138	\$154	\$173	\$194	\$221	\$241	\$273	\$273	\$306
FY 2017	\$22	\$47	\$59	\$59	\$63	\$86	\$86	\$98	\$119	\$157	\$182	\$283
FY 2018	\$44	\$144										

**RAILROAD COMMISSION OF TEXAS**  
**Oil Field Cleanup**  
**Fiscal Year State-funded Plugging Summary**  
**10/31/2017**

Run Date: November 01, 2017

<b>Fiscal Year</b>	<b>Pluggings Approved</b>	<b>Pluggings Completed</b>	<b>Plugging Cost</b>
1984	421	177	\$ 1,112,197.81
1985	474	392	\$ 2,028,121.62
1986	533	714	\$ 2,583,271.00
1987	709	703	\$ 2,106,546.67
1988	830	627	\$ 2,162,255.30
1989	844	578	\$ 2,028,764.38
1990	1004	432	\$ 1,993,128.18
1991	667	455	\$ 2,157,121.78
1992	2412	1324	\$ 5,692,878.50
1993	1171	1404	\$ 6,680,547.97
1994	1106	1325	\$ 6,003,267.26
1995	1381	1364	\$ 6,110,031.51
1996	1286	1366	\$ 5,259,382.52
1997	2156	1577	\$ 7,077,979.66
1998	1854	1604	\$ 8,456,131.53
1999	1318	1126	\$ 4,481,066.50
2000	1693	1335	\$ 5,134,842.14
2001	1612	1417	\$ 6,686,357.01
2002	1659	1464	\$ 8,011,659.30
2003	1469	1635	\$ 7,211,207.33
2004	1701	1525	\$ 7,398,237.94
2005	2168	1710	\$ 11,360,931.62
2006	1815	1824	\$ 10,736,521.32
2007	1707	1536	\$ 18,537,524.65
2008	1826	1261	\$ 14,737,537.15
2009	1557	1460	\$ 16,700,337.18
2010	1216	1182	\$ 10,504,966.23
2011	974	802	\$ 9,233,659.43
2012	760	766	\$ 12,427,517.08
2013	840	780	\$ 21,024,684.98
2014	626	564	\$ 15,069,502.11
2015	734	692	\$ 10,731,174.12
2016	810	544	\$ 8,546,936.52
2017	1104	918	\$ 11,663,682.73
2018	318	114	\$ 1,577,344.95
<b>Totals</b>	<b>42755</b>	<b>36697</b>	<b>\$ 273,227,315.98</b>



**RAILROAD COMMISSION OF TEXAS**  
**Oil Field Cleanup**  
**Fiscal Year Summary for Pollution Abatements**  
**10/31/2017**

Run Date: November 01, 2017

<b>Fiscal Year</b>	<b>PAs Approved</b>	<b>PAs Completed</b>	<b>PAs Cost</b>
1984			
1985	21	14	\$ 3,563.32
1986	22	25	\$ 34,817.01
1987	42	31	\$ 25,702.15
1988	46	37	\$ 17,519.39
1989	95	72	\$ 23,521.25
1990	78	65	\$ 28,222.43
1991	146	124	\$ 72,631.81
1992	129	127	\$ 71,268.54
1993	160	124	\$ 46,586.49
1994	97	84	\$ 43,771.43
1995	86	68	\$ 29,567.34
1996	124	100	\$ 47,895.29
1997	137	73	\$ 38,268.97
1998	174	148	\$ 92,235.78
1999	136	157	\$ 70,854.70
2000	151	79	\$ 359,441.08
2001	115	61	\$ 116,091.54
2002	125	85	\$ 146,095.87
2003	117	223	\$ 161,975.21
2004	125	170	\$ 135,450.45
2005	93	121	\$ 415,879.04
2006	135	75	\$ 72,209.86
2007	83	54	\$ 546,481.92
2008	140	123	\$ 224,762.50
2009	92	58	\$ 147,553.92
2010	103	167	\$ 234,020.62
2011	62	59	\$ 119,330.15
2012	54	43	\$ 456,770.84
2013	56	57	\$ 407,575.65
2014	47	42	\$ 150,412.10
2015	54	82	\$ 227,302.24
2016	43	39	\$ 82,313.69
2017	47	39	\$ 1,273,304.44
2018	8	4	\$ 4,510.00
<b>Totals</b>	<b>3143</b>	<b>2830</b>	<b>\$ 5,927,907.02</b>