

RAILROAD COMMISSION OF TEXAS

CHRISTI CRADDICK, *CHAIRMAN*
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INTERNAL
OIL AND GAS DIVISION
PETER FISHER
INTERIM ASSISTANT DIRECTOR, FIELD OPERATIONS

MEMORANDUM

TO: Chairman Christi Craddick
Commissioner Ryan Sitton
Commissioner Wayne Christian

THROUGH: Wei Wang, Executive Director *WW*
Danny Sorrells, Director *DS*
Oil and Gas Division *KCW*

FROM: Clay Woodul, Project Manager *KCW*
Oil and Gas Division

DATE: October 16, 2018

SUBJECT: Oil Field Cleanup Program Quarterly Status Report, Fiscal Year 2018, 4th Quarter

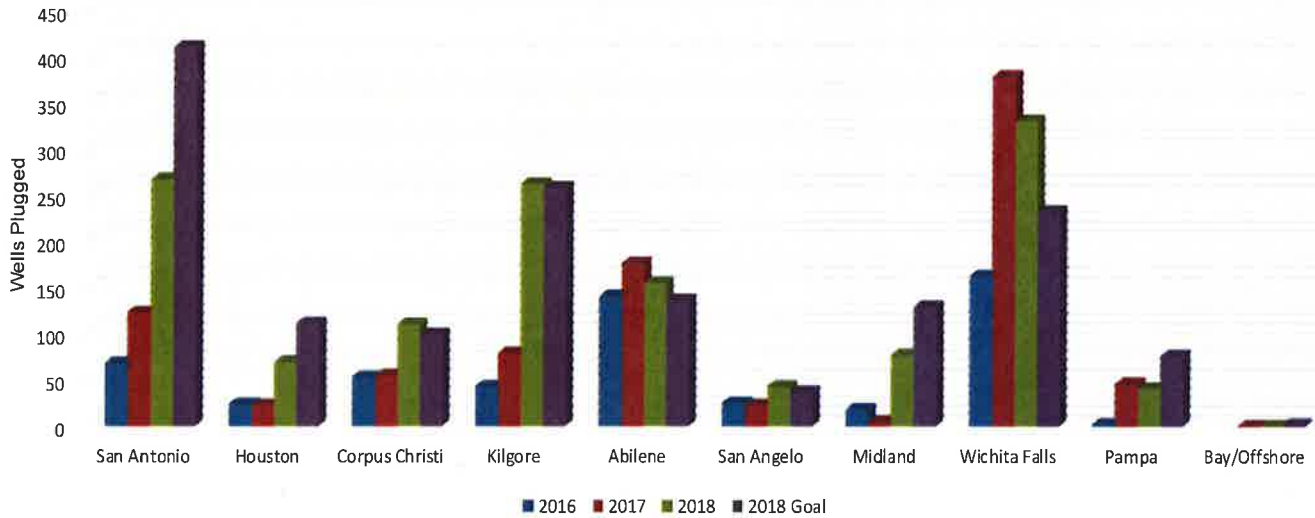
Well Plugging: The 4th quarter performance for State-Managed Plugging includes 528 wells plugged with a total expenditure of \$9,921,499 using Oil and Gas Regulation and Cleanup (OGRC) and Economic Stabilization funds. This includes wells that have been physically plugged, invoiced by the plugging contractor, and approved for payment by Field Operations. Additionally, during the 4th quarter, 596 wells were approved for plugging with State funds. State-Managed Plugging completed and closed files on a total of 1,364 wells at a cost of \$23,393,101 during fiscal year 2018. A total of 1,440 wells were physically plugged during fiscal year 2018, of which, 1,364 have been invoiced and paid. The actual wells plugged and expenditure by district for fiscal years 2016, 2017 and 2018 and the well plugging goals and budgets by district for fiscal year 2018 are shown on the attached graphs. The fiscal year 2018 budget is \$52,643,872.

Site Remediation: The 4th quarter performance for Site Remediation includes 138 cleanup activities completed with a total expenditure of \$2,161,607 using OGRC funds. Three activities were completed with a total expenditure of \$20,429 with the use of grant funds. Additionally, during the 4th quarter, 69 cleanup activities were authorized for cleanup with State funds. Site Remediation has completed and formally closed a total of 228 cleanup activities during the fiscal year using OGRC funds. Three activities were completed with grant funds. The actual remediation activities and expenditure by district for fiscal years 2016, 2017, and 2018 and the goals for the Site Remediation activities by district for fiscal year 2018 are shown on the attached graphs. The fiscal year 2018 budget is \$9,032,156.00.

KCW
Attachments:

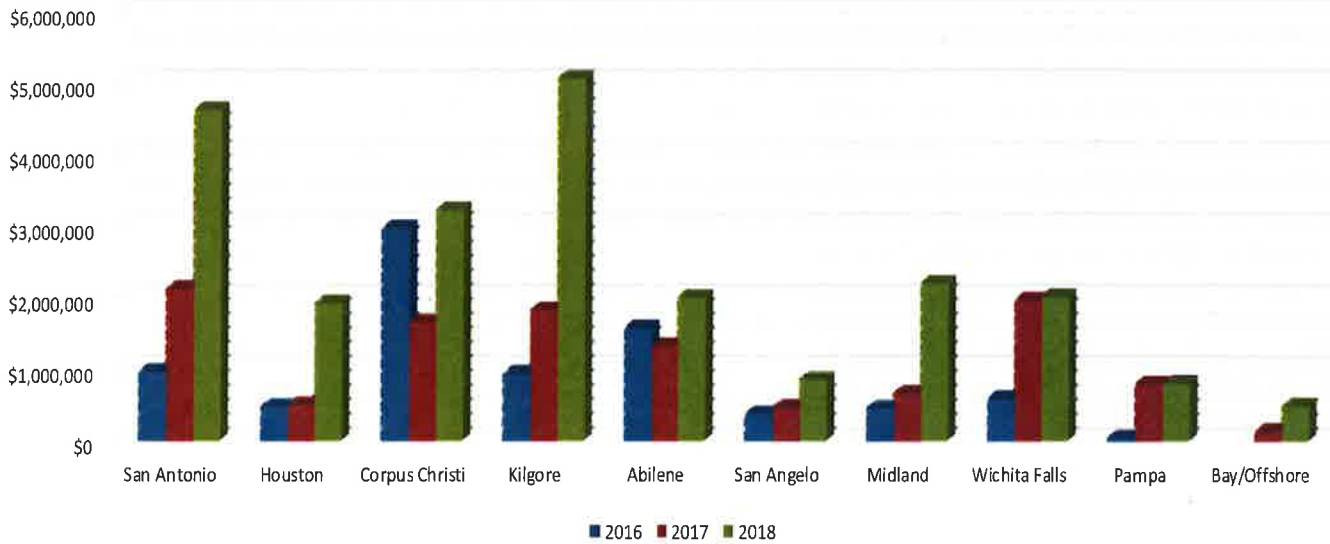
cc Wei Wang, Executive Director
Danny Sorrells, Director, Oil & Gas Division
Peter G. Pope, P.G., Manager, Site Remediation

**Field Operations/Well Plugging
Oil Field Cleanup Program
4th Quarter FY 2018
Wells Plugged
FY 16 Actual, FY 17 Actual, FY 18 Actual, FY 18 Plugging Goal**



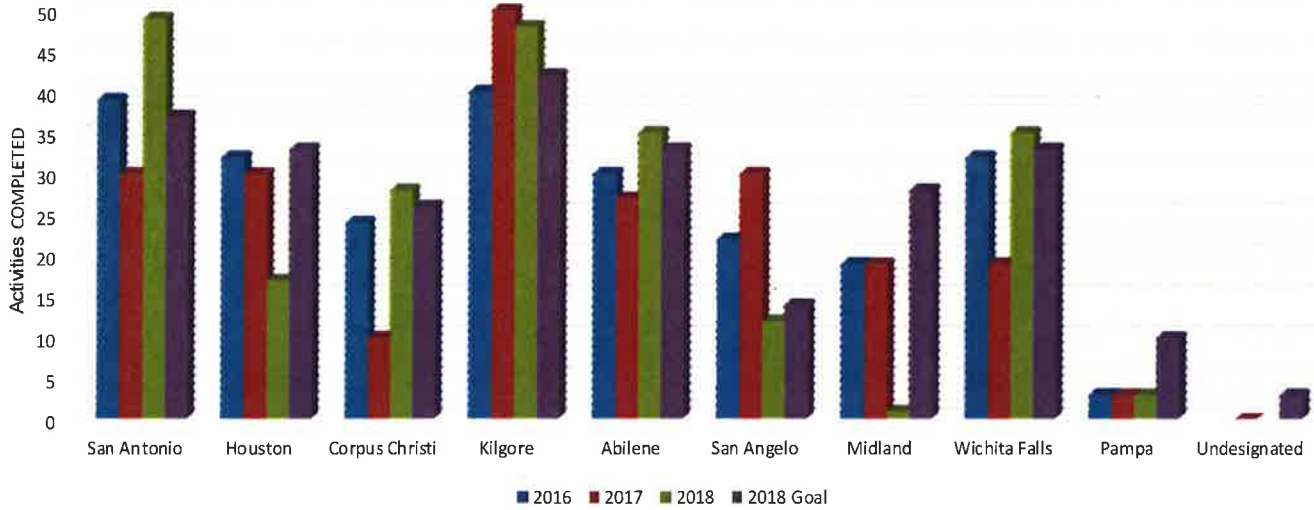
| | San Antonio | Houston | Corpus Christi | Kilgore | Abilene | San Angelo | Midland | Wichita Falls | Pampa | Bay/Offshore | Total |
|------------------|-------------|---------|----------------|---------|---------|------------|---------|---------------|-------|--------------|-------|
| 2016 | 69 | 25 | 54 | 44 | 141 | 26 | 19 | 163 | 3 | | 544 |
| 2017 | 124 | 24 | 56 | 80 | 177 | 24 | 6 | 379 | 47 | 1 | 918 |
| 2018 | 268 | 70 | 111 | 263 | 156 | 44 | 78 | 331 | 42 | 1 | 1,364 |
| 2018 Goal | 411 | 112 | 100 | 259 | 137 | 38 | 130 | 233 | 77 | 3 | 1,500 |

**Field Operations/Well Plugging
Oil Field Cleanup Program
4th Quarter FY 2018
Plugging Expenditures
FY 16 Actual, FY 17 Actual, FY 18 Actual**



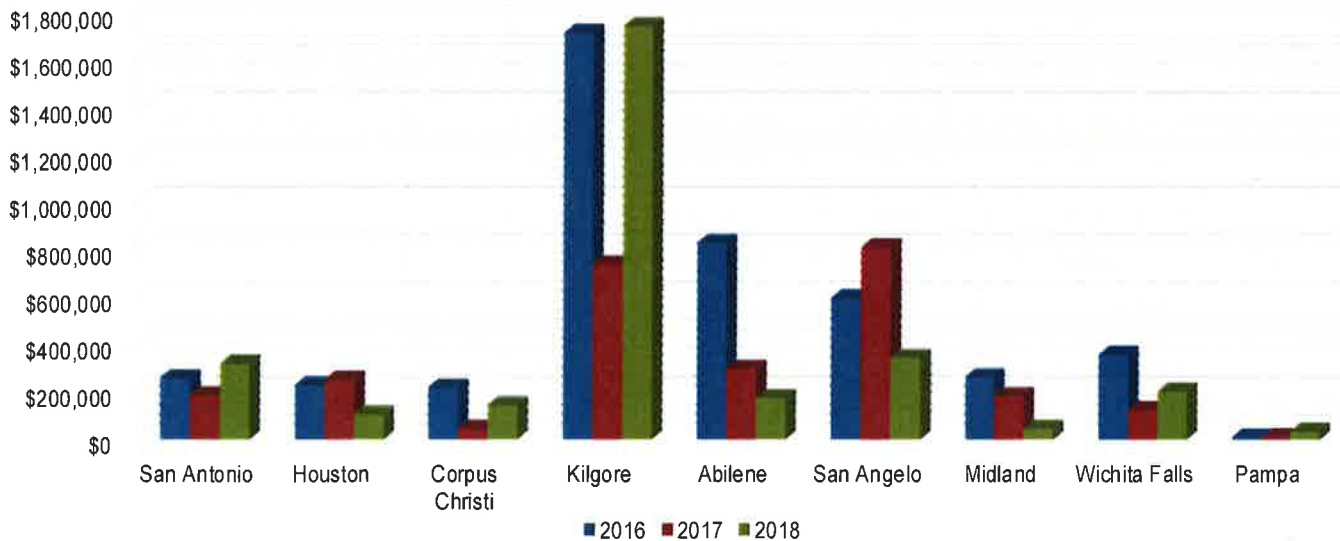
| | San Antonio | Houston | Corpus Christi | Kilgore | Abilene | San Angelo | Midland | Wichita Falls | Pampa | Bay/Offshore | Total |
|-------------|-------------|-------------|----------------|-------------|-------------|------------|-------------|---------------|-----------|--------------|--------------|
| 2016 | \$978,717 | \$495,667 | \$2,984,700 | \$955,527 | \$1,592,590 | \$390,658 | \$476,943 | \$606,674 | \$65,462 | | \$8,546,937 |
| 2017 | \$2,143,683 | \$521,026 | \$1,677,982 | \$1,842,987 | \$1,344,286 | \$489,406 | \$689,522 | \$1,981,635 | \$815,647 | \$157,510 | \$11,663,683 |
| 2018 | \$4,638,511 | \$1,942,826 | \$3,242,116 | \$5,084,697 | \$2,017,215 | \$876,051 | \$2,220,120 | \$2,034,806 | \$823,816 | \$512,944 | \$23,393,101 |

**Site Remediation
Oil Field Cleanup Program
4th Quarter FY 2018
Activities Completed
FY 16 Actual, FY 17 Actual, FY 18 Actual, FY 18 Cleanup Goal**



| | San Antonio | Houston | Corpus Christi | Kilgore | Abilene | San Angelo | Midland | Wichita Falls | Pampa | Undesignated | Total |
|------------------|-------------|---------|----------------|---------|---------|------------|---------|---------------|-------|--------------|-------|
| 2016 | 39 | 32 | 24 | 40 | 30 | 22 | 19 | 32 | 3 | | 241 |
| 2017 | 30 | 30 | 10 | 50 | 27 | 30 | 19 | 19 | 3 | 0 | 218 |
| 2018 | 49 | 17 | 28 | 48 | 35 | 12 | 1 | 35 | 3 | | 228 |
| 2018 Goal | 37 | 33 | 26 | 42 | 33 | 14 | 28 | 33 | 10 | 3 | 259 |

**Site Remediation
Oil Field Cleanup Program
4th Quarter FY 2018
Cleanup Expenditures
FY 16 Actual, FY 17 Actual, FY 18 Actual**



| | San Antonio | Houston | Corpus Christi | Kilgore | Abilene | San Angelo | Midland | Wichita Falls | Pampa | Undesignated | Total |
|-------------|-------------|-----------|----------------|-------------|-----------|------------|-----------|---------------|----------|--------------|-------------|
| 2016 | \$260,469 | \$231,043 | \$220,776 | \$1,718,564 | \$830,034 | \$596,977 | \$264,633 | \$358,306 | \$10,020 | | \$4,490,823 |
| 2017 | \$189,890 | \$254,321 | \$47,048 | \$740,657 | \$298,881 | \$811,875 | \$185,923 | \$127,122 | \$12,862 | | \$2,668,580 |
| 2018 | \$321,045 | \$109,308 | \$146,630 | \$1,747,707 | \$177,386 | \$347,172 | \$46,798 | \$204,855 | \$36,189 | | \$3,137,090 |