

RAILROAD COMMISSION OF TEXAS

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

INTERNAL
OIL AND GAS DIVISION
CLAY WOODUL
ASSISTANT DIRECTOR, FIELD OPERATIONS

MEMORANDUM

December 6, 2018

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

FROM: Clay Woodul
Assistant Director, Field Operations

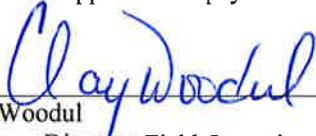
SUBJECT: Field Operations Section
Monthly Report of State-funded Well Plugging Activities
November 2018, FY 2019

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.

The information contained in this report includes only those wells that have been physically plugged, invoiced by the plugging contractor, and approved for payment by Field Operations. Plugging operations are tracked daily to monitor the progress in meeting the FY 2019 goal of plugging 1,560 wells. As of November 30, 2018, a total of 391 wells have been physically plugged, though not all of them have yet been invoiced and approved for payment.

KCW:th
Attachments


Clay Woodul
Assistant Director, Field Operations

cc: Wei Wang, Executive Director
Danny Sorrells, Director, Oil & Gas Division
Megan Neal, Director, Office of General Counsel-Enforcement
Jeremy Mazur, Director Government Relations
Paul Delaney, Internal Auditor
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
November 2018

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

November	0.99%
Fiscal Year-to-date	3.59%
Performance Measure Goal	14.5 %

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

November	69
Fiscal Year-to-date	250
Performance Measure Goal	979

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

November	207,177
Fiscal Year-to-date	675,554
Performance Measure Goal	1,920,000

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

November	42
Fiscal Year-to-date	34
Performance Measure Goal	75

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

November	98
Fiscal Year-to-date	363
Performance Measure Goal	1,000

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

November	6,967
Performance Measure Goal	8,800

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

November	611
Fiscal Year-to-date	1,294
Performance Measure Goal	6,200

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

November	41%
Performance Measure Goal	40%

Explanatory measure: Numbered shut-in/inactive wells.

November	121,444
Performance Measure Goal	110,000

RAILROAD COMMISSION OF TEXAS
Oil Field Cleanup

Monthly State-Funded Plugging, Pollution Abatement and Salvage Activities
Commissioners Report
11/01/2018 to 11/30/2018

State-Funded Plugging Activities

Number of wells approved for plugging this month	98
Estimated cost of approvals	\$ 2,283,800.00
Number of wells approved for this fiscal year	363
Number of approved wells remaining to plug	1936
Estimated cost to plug remaining approvals	\$ 58,132,240.84
Number of pluggings completed this month	69
Total cost to plug wells completed this month	\$ 1,396,961.77
Number of pluggings completed this fiscal year	250
Cost of pluggings completed this fiscal year	\$ 5,053,838.27

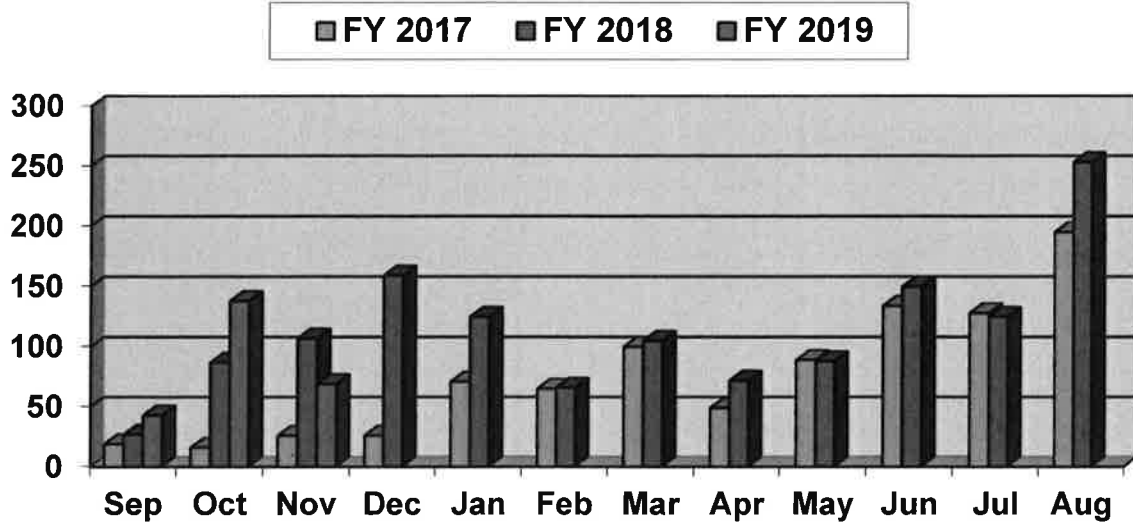
Pollution Abatement Activities

Number of pollution abatements approved this month	1
Estimated cost of approvals	\$ 50,000.00
Number of pollution abatements approved for this fiscal year	13
Number of pollution abatements remaining	30
Estimated cost to pollution abatements remaining	\$ 193,500.00
Number of pollution abatements completed this month	2
Total cost of pollution abatements completed this month	\$ 4,545.00
Number of pollution abatements completed this fiscal year	8
Cost of pollution abatements completed this fiscal year	\$ 10,040.05

Salvage Activities

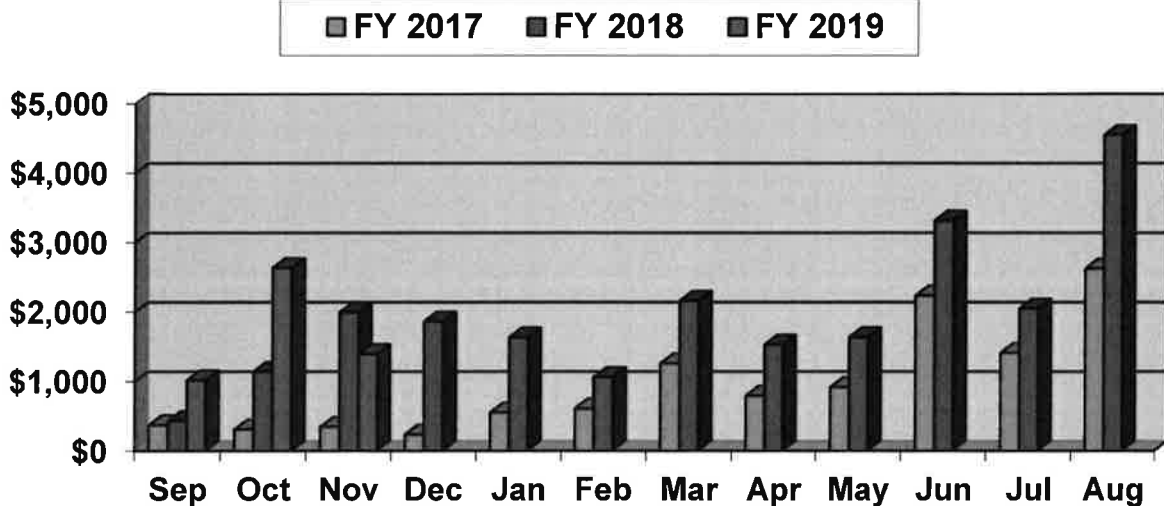
Number of salvage activities completed this month	3
Total proceeds received this month	\$ 8,857.74
Number of salvage activities completed this fiscal year	45
Total proceeds received this year	\$ 164,359.99

State-funded Well Plugging Program Monthly Wells Plugged November 2018



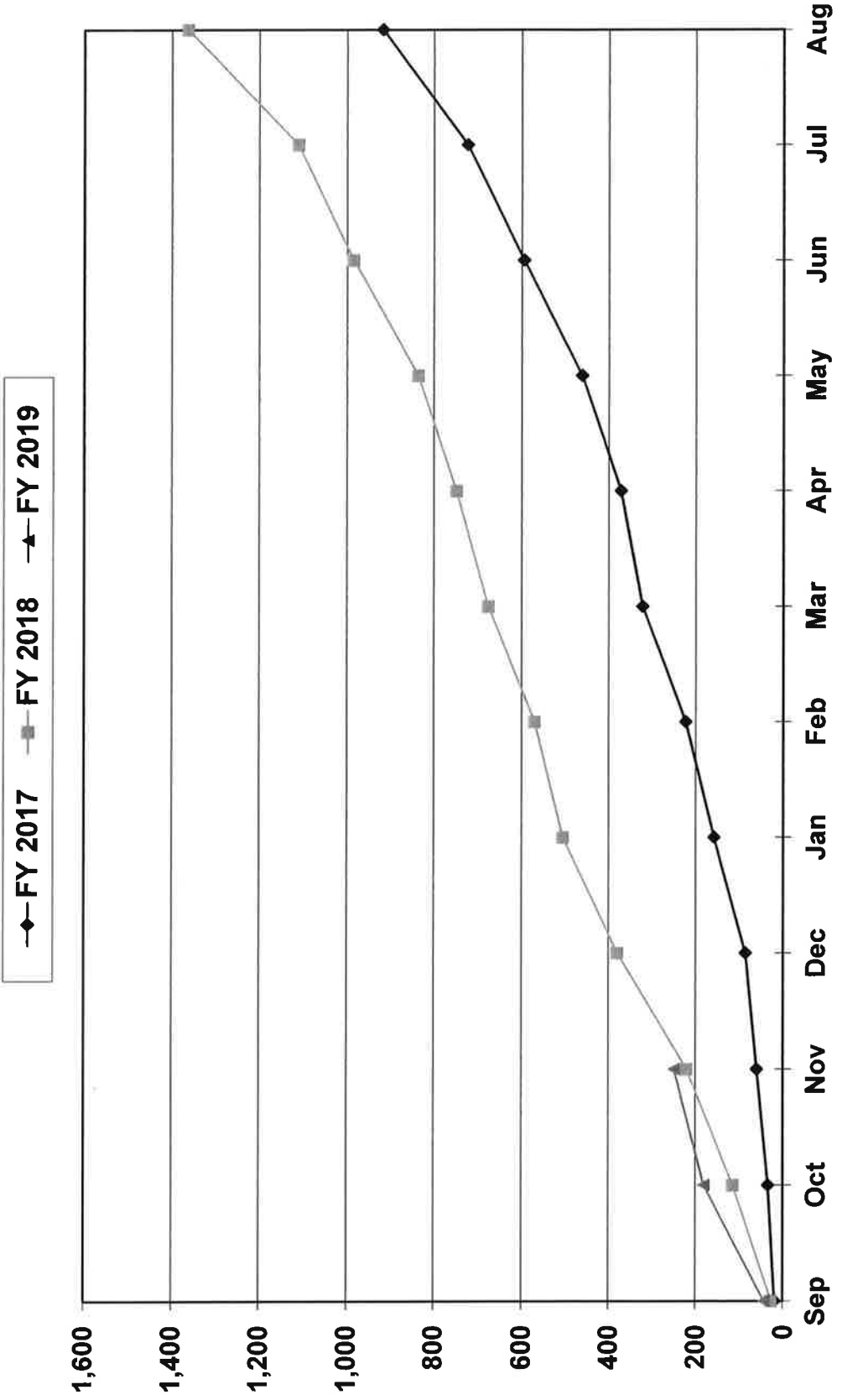
	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Tot
FY 2017	19	16	26	26	71	65	100	49	89	134	128	195	918
FY 2018	27	87	107	159	125	66	105	72	88	150	125	253	1,364
FY 2019	43	138	69										250

State-funded Well Plugging Program Monthly Cost of Wells Plugged November 2018

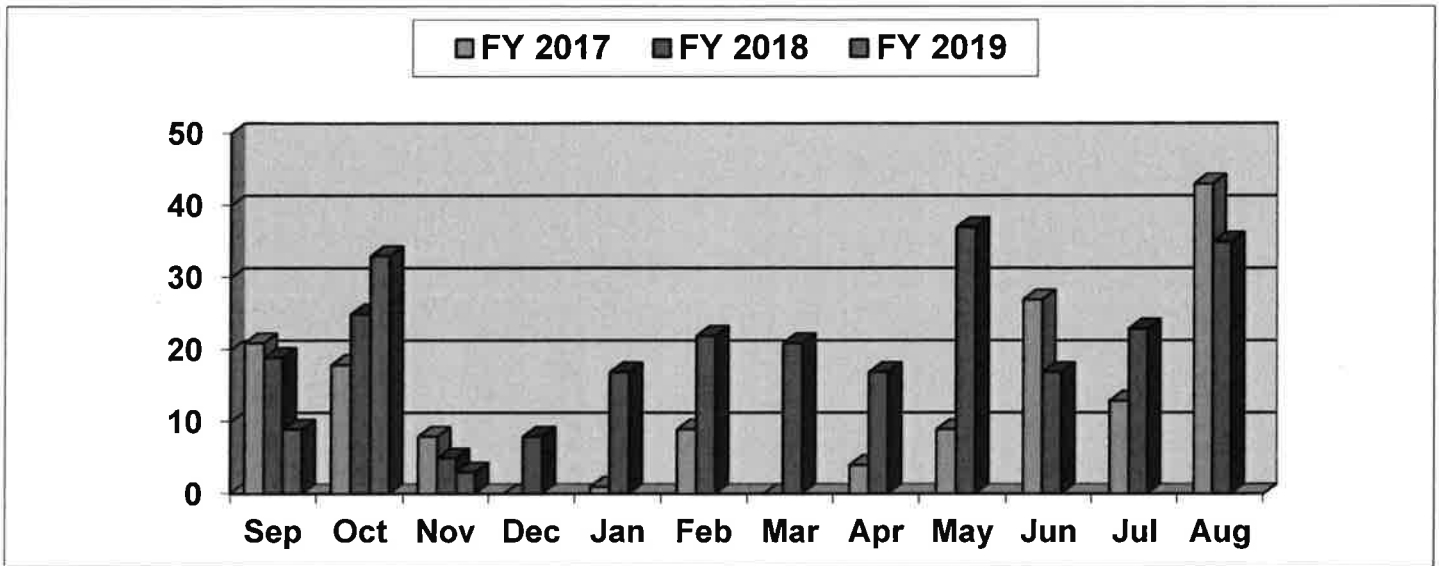


\$M	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Tot
FY 2017	\$372	\$308	\$344	\$235	\$550	\$609	\$1,260	\$796	\$916	\$2,236	\$1,412	\$2,626	\$11,664
FY 2018	\$433	\$1,144	\$1,996	\$1,865	\$1,636	\$1,064	\$2,163	\$1,532	\$1,639	\$3,319	\$2,052	\$4,550	\$23,393
FY 2019	\$1,020	\$2,637	\$1,397										\$5,054

State-funded Well Plugging Program Cumulative Wells Plugged November 2018

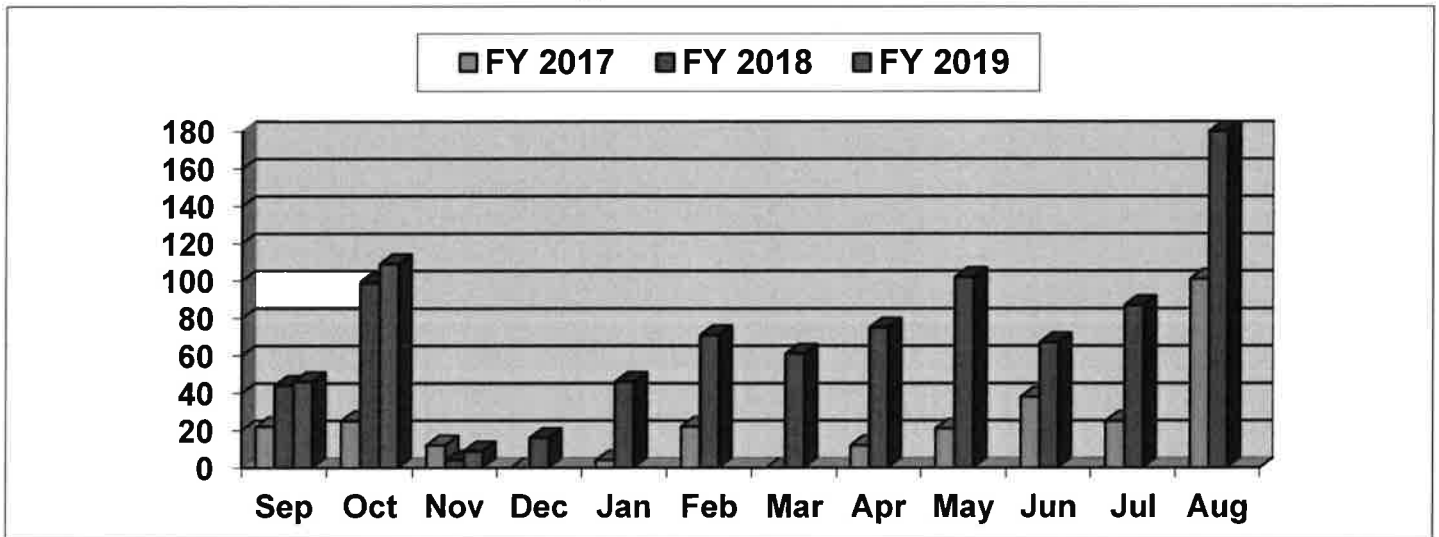


State-funded Well Plugging Program Monthly Salvage Operations November 2018



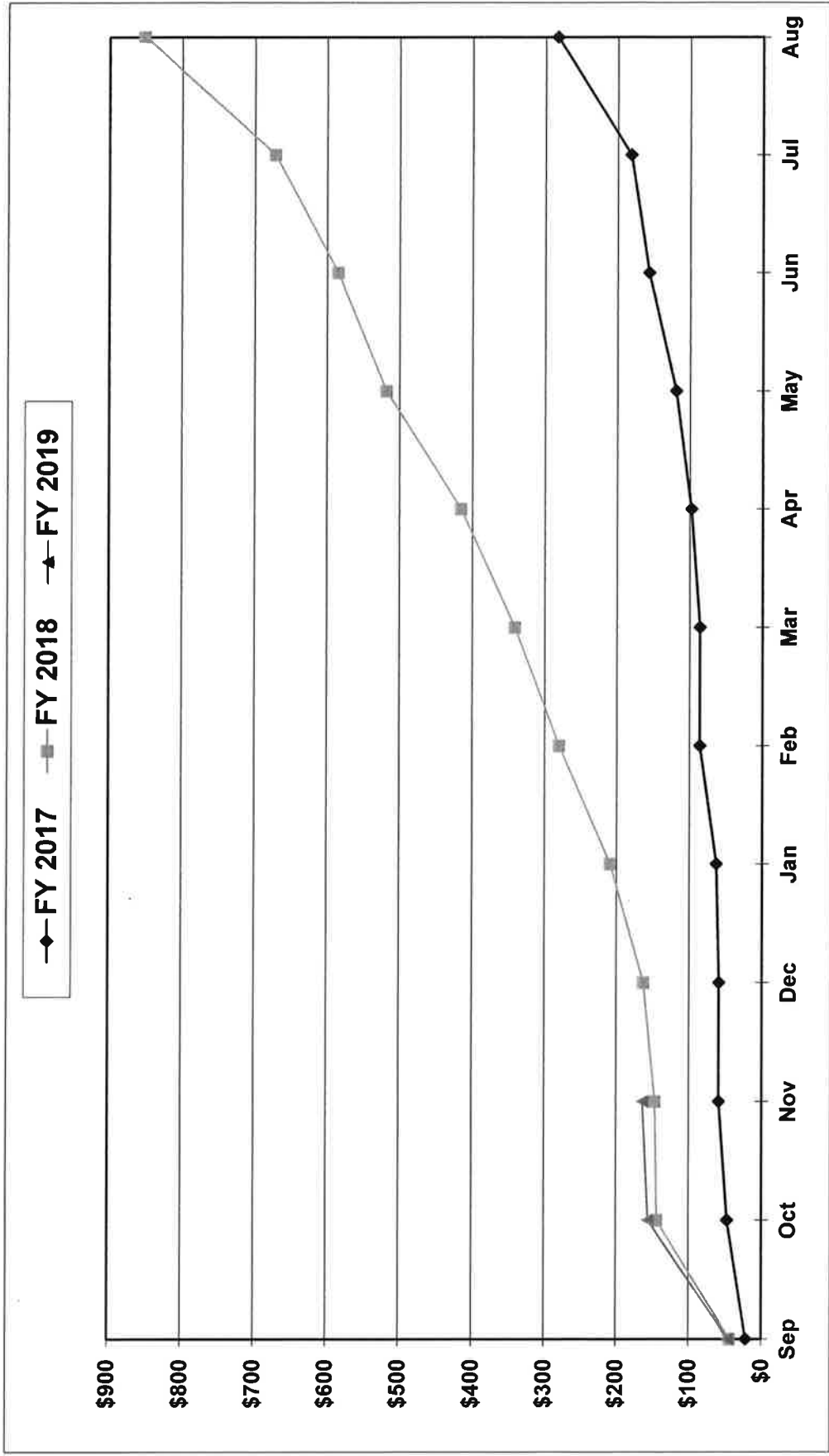
	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Tot
FY 2017	21	18	8	0	1	9	0	4	9	27	13	43	153
FY 2018	19	25	5	8	17	22	21	17	37	17	23	35	246
FY 2019	9	33	3										45

State-funded Well Plugging Program Monthly Salvage Proceeds November 2018



\$M	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Tot
FY 2017	\$22	\$25	\$12	\$0	\$4	\$22	\$0	\$12	\$21	\$38	\$25	\$101	\$282
FY 2018	\$44	\$99	\$4	\$16	\$46	\$71	\$61	\$75	\$102	\$67	\$87	\$180	\$852
FY 2019	\$46	\$109	\$9										\$164

State-funded Well Plugging Program Cumulative Salvage Proceeds November 2018



\$M	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
FY 2017	\$22	\$47	\$59	\$59	\$63	\$86	\$86	\$98	\$119	\$157	\$182	\$283
FY 2018	\$44	\$144	\$147	\$163	\$209	\$280	\$341	\$416	\$518	\$585	\$672	\$852
FY 2019	\$46	\$156	\$164									

RAILROAD COMMISSION OF TEXAS
Oil Field Cleanup
Fiscal Year State-funded Plugging Summary
11/30/2018

Run Date: December 03, 2018

Fiscal Year	Pluggings Approved	Pluggings Completed	Plugging Cost
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	1181	\$ 10,504,966.23
2011	974	802	\$ 9,233,659.43
2012	761	766	\$ 12,427,517.08
2013	840	780	\$ 21,024,684.98
2014	625	564	\$ 15,069,502.11
2015	734	691	\$ 10,731,174.12
2016	810	544	\$ 8,546,936.52
2017	1104	918	\$ 11,663,682.73
2018	1982	1364	\$ 23,393,100.62
2019	363	250	\$ 5,053,838.27
Totals	44782	38195	\$ 300,096,909.92

RAILROAD COMMISSION OF TEXAS
Oil Field Cleanup
Fiscal Year Summary for Pollution Abatements
11/30/2018

Run Date: December 03, 2018

Fiscal Year	PAs Approved	PAs Completed	PAs Cost
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	102	168	\$ 234,175.42
2011	58	61	\$ 123,533.00
2012	52	43	\$ 456,770.84
2013	56	57	\$ 407,575.65
2014	47	44	\$ 151,491.05
2015	51	85	\$ 231,449.74
2016	41	43	\$ 204,610.26
2017	42	42	\$ 1,274,119.25
2018	35	31	\$ 298,045.94
2019	13	8	\$ 10,040.05
Totals	3166	2880	\$ 6,364,178.49