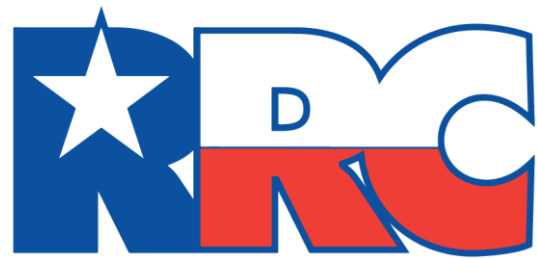




# 2019

**OILFIELD CLEANUP PROGRAM**  
*ANNUAL REPORT*



**LEADING TEXAS ENERGY**  
OIL & GAS ★ COAL ★ PIPELINES  
RAILROAD COMMISSION OF TEXAS



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



DANNY SORRELLS  
ASSISTANT EXECUTIVE DIRECTOR AND  
DIRECTOR, OIL AND GAS DIVISION  
CLAY WOODUL  
ASSISTANT DIRECTOR, FIELD OPERATIONS

## RAILROAD COMMISSION OF TEXAS

### OIL AND GAS DIVISION

December 17, 2019

Dear Members of the 86<sup>th</sup> Legislature:

The Railroad Commission of Texas is pleased to present its *FY 2019 Annual Report on the Oil Field Cleanup Program* for your review. This report describes the Commission's progress toward plugging and remediating abandoned well sites across Texas. State statute requires that the Commission submit this report to the Legislature on an annual basis.

The Railroad Commission formally adopted this report in an open meeting held on December 17, 2019.

The Railroad Commission remains committed to the success of the Oil Field Cleanup Program and to the protection of the state's land and water resources through activities funded by the Oil and Gas Regulation and Cleanup Fund. This report is posted on the Commission's website; however, should you have any questions about the material presented, please contact Jeremy Mazur, Director of Government Relations, at (512) 463-7086. Thank you for the opportunity to share detail about the Railroad Commission's oil field clean-up activities and your continued interest in the Commission.

Sincerely,



Wayne Christian  
Chairman

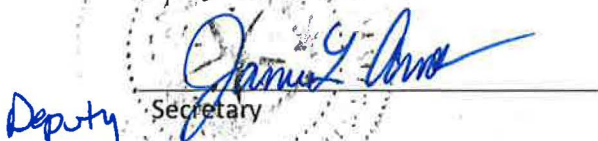


Christi Craddick  
Commissioner



Ryan Sitton  
Commissioner

Attest:



James G. Anderson  
Deputy Secretary

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## Executive Summary

The Railroad Commission (RRC) is deeply committed to protecting the environment and natural resources of this state. One of the most important ways the RRC achieves this is through the restoration of land used in energy production to a safe, productive condition. Although most oil and gas wells that are no longer productive are plugged by responsible operators, the RRC administers Texas' Oil Field Cleanup Program to plug abandoned wells. First established in 1984, RRC's Oil Field Cleanup Program has plugged over 39,000 abandoned wells across Texas.

Section 81.069, Natural Resources Code, requires that the Railroad Commission submit to the Legislature and make available to the public this report reviewing the extent to which Oil and Gas Regulation Cleanup Fund (OGRC) dollars have enabled the Commission to better protect the environment through oil field cleanup activities. The OGRC funds the plugging and remediation activities of the Oil Field Cleanup Program. The Commission is proud to report that OGRC funds were used to better protect the environment in areas across Texas in FY 2019. Key highlights within the Commission's FY 2019 report are as follows:

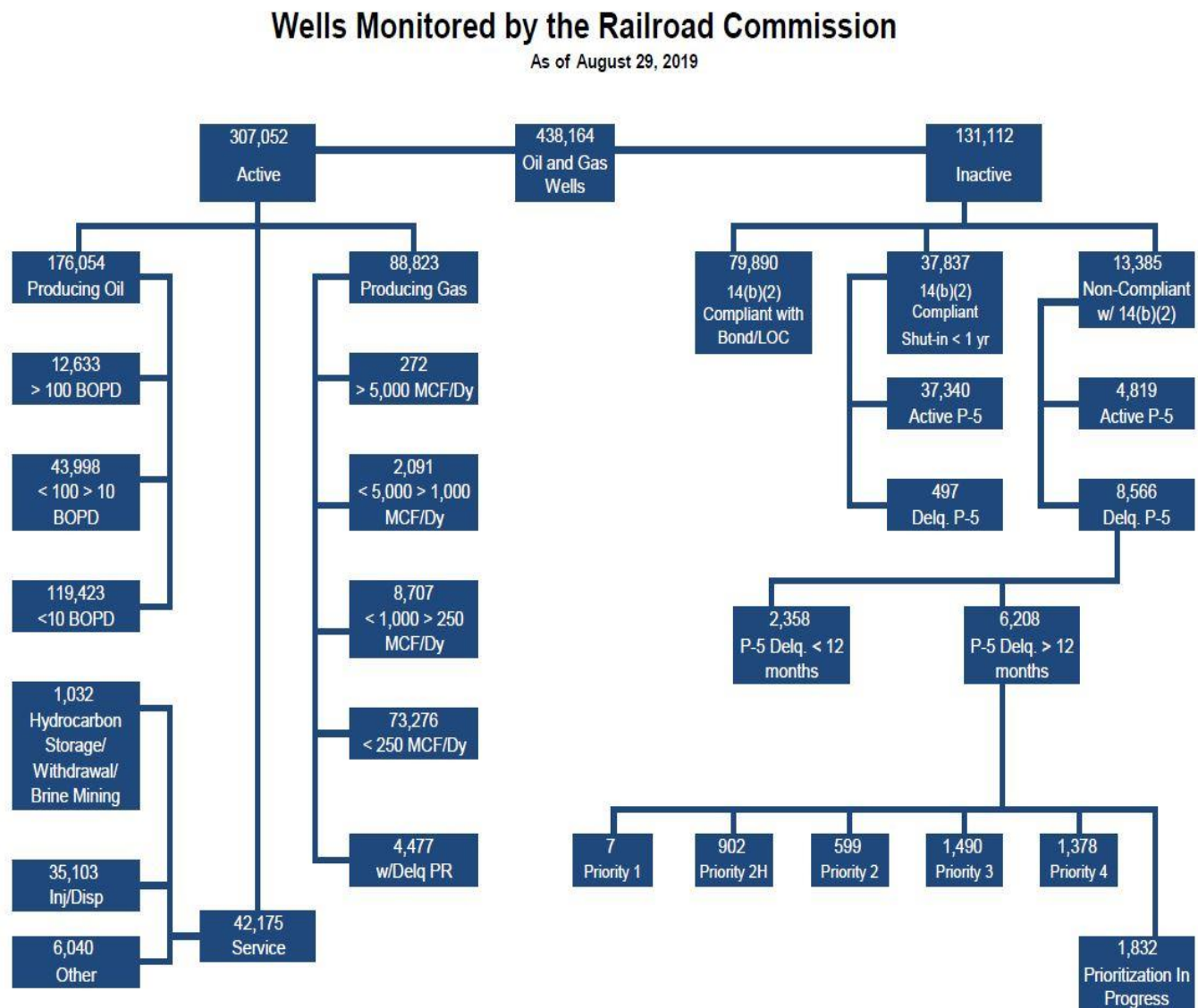
- RRC plugged 1,710 abandoned wells in FY 2019, exceeding the agency's annual performance measure by 731 wells.
- In FY 2019 RRC exceeded each of its performance goals relating to well plugging and site remediation. The agency achieved 175percent of its target performance for well plugging, 116percent of its target for abandoned site investigation and clean up, and 221percent of its target for surface location remediation.
- As of August 2019, there were 6,208 abandoned, orphaned wells in Texas. This represents a decline in the total orphaned well population over the past decade.
- RRC's well plugging expenditures totaled \$34.9 million for fiscal year 2019.
- The number of inactive wells not in compliance with RRC rules has decreased over the past 15 years. In fiscal year 2003, there were 24,202 non-compliant wells. By August 2019 that number was reduced to 13,385 wells.
- During fiscal year 2019, RRC identified 2,316 abandoned oilfield sites as candidates for state-managed remediation. RRC conducted 415 cleanup activities on those sites, including 13 emergency operations.
- RRC plugged a total of 3,074 abandoned wells during the FY 2018/19 biennium. This represents the highest total since FY 2006/07.

# Background

## Orphan Wells in Texas

As of August 2019, the Commission tracked 438,164 active and inactive oil and gas wells across Texas. Of this total, 131,112 wells are inactive, while the other 307,052 are active. Figure 1 illustrates the categories of active and inactive wells monitored by the Railroad Commission.

Figure 1: Wells monitored by the Railroad Commission



Inactive, shut-in oil and gas wells account for 30 percent of the total well population. The majority of these inactive wells are compliant with Commission rules. Operators of record plug most of the compliant inactive wells and some of the non-compliant inactive wells as required by the Commission. Of the 131,112 inactive wells, 6,208 are defined by the Commission as orphaned wells. An orphaned well is any oil or gas well that is inactive and not backed by an operator's financial assurance represented by a P-5 with the Commission.

These 6,208 orphaned wells eventually require plugging by the Commission with OGRC funds and/or other state and federal funds. These wells are plugged through the Commission's State Managed Plugging Program.

The number of orphaned wells is a dynamic number that changes daily, as wells move into and out of compliance with Commission rules. The Commission attempts to capture this dynamic number with a monthly count of the orphaned well population. Table 1 depicts these changes throughout fiscal year 2019. Table 2 defines each of the categories listed in Table 1. The Commission began the fiscal year with 6,285 orphaned wells, as shown in Table 1. While Commission plugging operations, operator changes, P-5 renewals, and other factors decreased the aggregate orphan well population throughout the year, other factors, principally operators with delinquent P-5s, contributed more wells to the state's orphaned well counts. The Commission ended FY 19 with 6,208 orphaned wells. This is 77 fewer orphaned wells than at the start of the fiscal year.

*Table 1: Change to orphaned well population FY 19*

Month of activity	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Totals
<b>Beginning Population (from previous month)</b>	6,285	6,137	6,930	6,967	6,989	6,430	6,616	6,555	6,429	6,316	6,306	6,286	6,285
<b>Plugged</b>	(124)	(144)	(97)	(40)	(151)	(183)	(140)	(168)	(205)	(137)	(145)	(164)	(1,698)
<b>Returned to Active Status</b>	0	0	0	0	0	(2)	(1)	(2)	0	0	0	0	(5)
<b>Operator Change</b>	(43)	(11)	(44)	(6)	(738)	(4)	(22)	(22)	(52)	(16)	(29)	(131)	(1,118)
<b>P-5 Renewal</b>	(19)	0	0	0	(1)	(2)	0	(4)	(7)	(10)	0	0	(43)
<b>Other Reasons</b>	0	0	0	0	0	0	0	0	0	0	(1)	0	(1)
<b>Originally Delq P5 &gt; 12 months</b>	0	0	0	0	0	0	0	0	(1)	0	0	0	(1)
<b>Originally Delq P5 &lt; 12 months</b>	23	928	170	51	313	375	77	60	125	130	151	211	2,614
<b>Wells Added to Population</b>	15	20	8	17	18	2	25	10	27	23	4	6	175
<b>Ending Population</b>	<b>6,137</b>	<b>6,930</b>	<b>6,967</b>	<b>6,989</b>	<b>6,430</b>	<b>6,616</b>	<b>6,555</b>	<b>6,429</b>	<b>6,316</b>	<b>6,306</b>	<b>6,286</b>	<b>6,208</b>	<b>6,208</b>

Table 2: Well Categories

Plugged	Plugged and abandoned
Returned to Active Status	Active producing or service well
Operator Change	P-4 Operator Change was filed and approved. An operator change will not be approved unless the new operator has sufficient bond amount on file to cover the new wells and has an active P-5.
P-5 Renewal	The operator of record renews their P-5.
Other Reasons	Supporting documentation filed to correct shut-in date, well activity, etc.
Originally a Delq P5 > 12 Months	The P-5 for the operator of these wells had originally been shown delinquent for more than 12 months but data now reflects the delinquent date is less than 12 months. (The last P-5 filed date was revised and is now delinquent less than 12 months.)
Originally Delq P5 < 12 Months	The P-5 for the operator of these wells had originally been shown delinquent for less than 12 months but data now reflects the delinquent date is greater than 12 months
Wells Added to Population	Wells not considered orphaned at the end of the previous month but are considered orphaned at the close of this month.

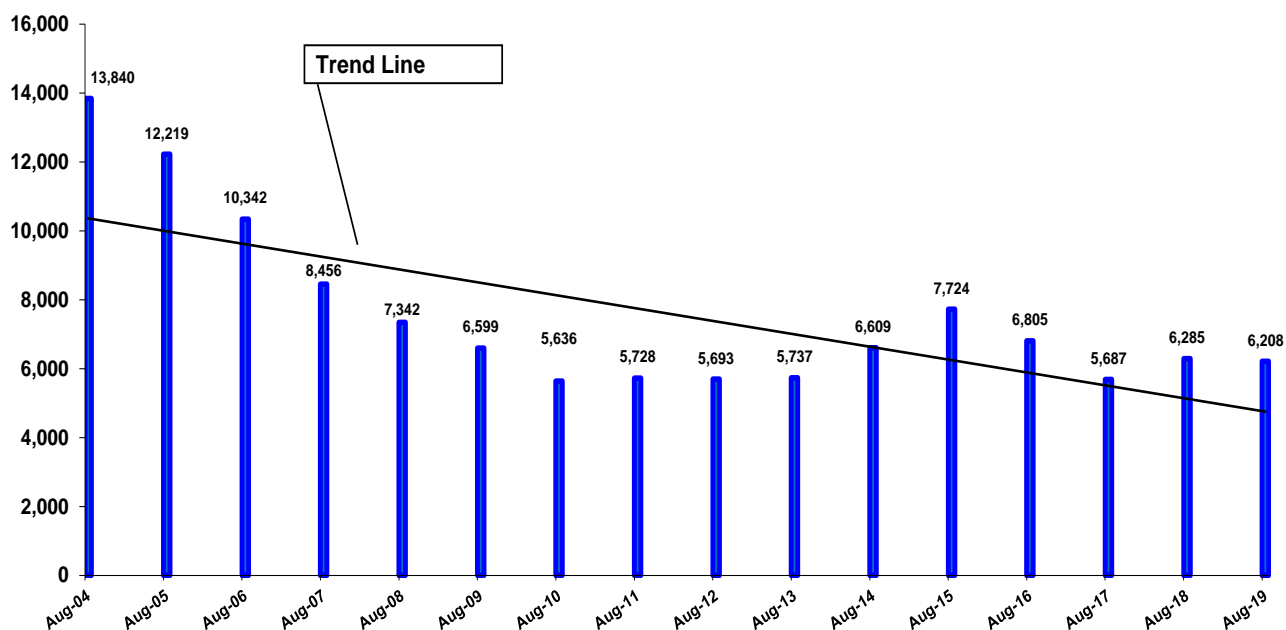
Table 3 highlights the changes in the state's orphaned well population from September 1, 2004 through August 31, 2019 (FY 2005 to FY 2019). Since fiscal year 2005, 23,820 orphaned wells were removed from the inventory, while 16,265 new orphaned wells were added to the inventory. One of the Commission's regulatory goals is to eliminate the threat of pollution posed by orphaned unplugged wells and to minimize the number of orphaned wells requiring plugging with OGRC funds, or other state and federal funds. Figure 2 illustrates the Commission's progress towards reducing the number of abandoned wells in Texas since 2004. Between 2004 and the end of FY 2019 in August, the total number of orphaned wells declined from 13,840 to 6,208.

*Table 3: Change to orphaned well population FY 05–FY 19*

Fiscal year	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	Total
Beginning Population (from previous FY)	13,840	12,219	10,342	8,456	7,342	6,599	5,636	5,728	5,693	5,737	6,609	7,724	6,805	5,687	6,285	13,840
Plugged	(1,650)	(1,755)	(1,487)	(1,085)	(1,278)	(1,139)	(317)	(878)	(197)	(200)	(287)	(1,957)	(2,417)	(1,254)	(1,698)	(17,599)
Returned to Active Status	(32)	(28)	(9)	(13)	(6)	(5)	(3)	(1)	(7)	(3)	(93)	(12)	(9)	(8)	(5)	(234)
Operator Change	(1,013)	(758)	(477)	(360)	(359)	(214)	(114)	(183)	(230)	(169)	(229)	(188)	(310)	(273)	(1,118)	(5,995)
P-5 Renewal	(107)	(143)	(128)	(33)	(42)	(84)	(56)	(395)	(59)	(8)	(43)	(162)	(101)	(77)	(43)	(1,481)
Other Reasons	(12)	(8)	(3)	(6)	(2)	(6)	(13)	0	(1)	0	(73)	(1)	(5)	0	(1)	(131)
Originally Delq P5 > 12 months	(10)	(1)	0	0	0	0	(1)	(14)	0	(1)	0	(1,213)	(5)	0	(1)	(1,246)
Originally Delq P5 < 12 months	1,022	682	112	318	902	443	501	1,030	494	1,177	1,715	2,472	1,601	1,987	2,614	17,070
Wells Added to Population	181	134	106	65	42	42	95	406	44	76	125	142	128	223	175	1,984
Ending Population	12,219	10,342	8,456	7,342	6,599	5,636	5,728	5,693	5,737	6,609	7,724	6,805	5,687	6,285	6,208	6,208



Figure 2: Orphaned well population August 2004–August 2019



### State Managed Cleanup Program

In addition to plugging orphaned wells, the Commission administers a state-managed cleanup program. This program is also funded with OGRC dollars. The program is responsible for the assessment and cleanup of oil field wastes and pollution at abandoned oil and gas sites. The majority of cleanups typically involve removing waste from surface equipment (tank batteries, separator, etc.) and remediating affected soils at abandoned well sites. Cleanup activities often follow well plugging activities. Funds are also used to cleanup abandoned pits, reclamation facilities and other types of sites such as abandoned natural gas processing plants, leaking pipelines, unidentified/illegal dumping of waste, and emergency cleanups.

Sites may enter the program as orphaned wells are identified, through a referral from the Operator Cleanup Program or State Funded Plugging Program, or as complaints from members of the public. When a new site enters the program, District Office Cleanup Coordinators perform a Site Assessment, detailing what pollution threats exist at each site. After the assessment phase, the SMCU team along with its contractors develop a work plan and a work order is issued to the contractor to complete the work under the oversight of the District Office Cleanup Coordinator (DOCC). The program also utilizes contracts with professional engineering firms to provide engineering design services and complex environmental investigations.

### Oil and Gas Regulation Cleanup Fund (OGRC)

OGRC Fund revenue is derived primarily from regulatory and permitting fees paid by the oil and gas industry. The Fund also includes revenue from certain enforcement penalties, reimbursements, and proceeds from the sale of equipment and hydrocarbons salvaged from well plugging and site remediation operations. Additionally, the Commission seeks other funding sources from state and federal agencies to supplement the activities of the Oil Field Cleanup Program. Although the OGRC Fund finances most of the Oil Field Cleanup Program activities, several site remediations documented in this report were funded with federal monies under Subtitle C of Brownfields Revitalization Act and Section 319 of the Clean Water Act Non-Point Source grant.

## Oil Field Cleanup Activities Data

The following information on the Oil Field Cleanup Program is reported annually as required by §81.069, Natural Resources Code.

### *1. Performance Goals for the Oil and Gas Regulation and Cleanup Fund.*

Through the legislative appropriations request process, the Commission established performance goals for fiscal year 2019 as detailed in Table 4. In FY 2019 the Commission exceeded each performance goal relating to well plugging and site remediation.

*Table 4: Fiscal Year 2019 Performance Goals*

Measure	Performance Target	Actual Performance	Percent of Target Achieved
Number of orphaned wells to be plugged with state-managed funds	979	1,710	175%
Number of abandoned sites investigated, assessed, or cleaned up with state funds	188	415	221%
Number of surface locations to be remediated	2,000	2,316	116%

## 2. Number of Orphaned Wells Plugged with State-Managed Funds, by Region:

In fiscal year 2019, the Commission plugged and closed files on 1,710 wells with OGRC and Economic Stabilization funds. The total number of wells plugged represents those wells that were physically plugged, invoiced by the plugging contractor, and approved for payment through August 31, 2019. A total of 1,717 wells were physically plugged during fiscal year 2019 with 1,710 invoiced and paid during fiscal year 2019.

The Commission plugged wells in every agency district in FY 2019. Figure 3 identifies the boundaries of all agency districts. Figure 4 details the numbers of wells plugged by district during fiscal year 2019.

Figure 3: Regional map of Railroad Commission district offices

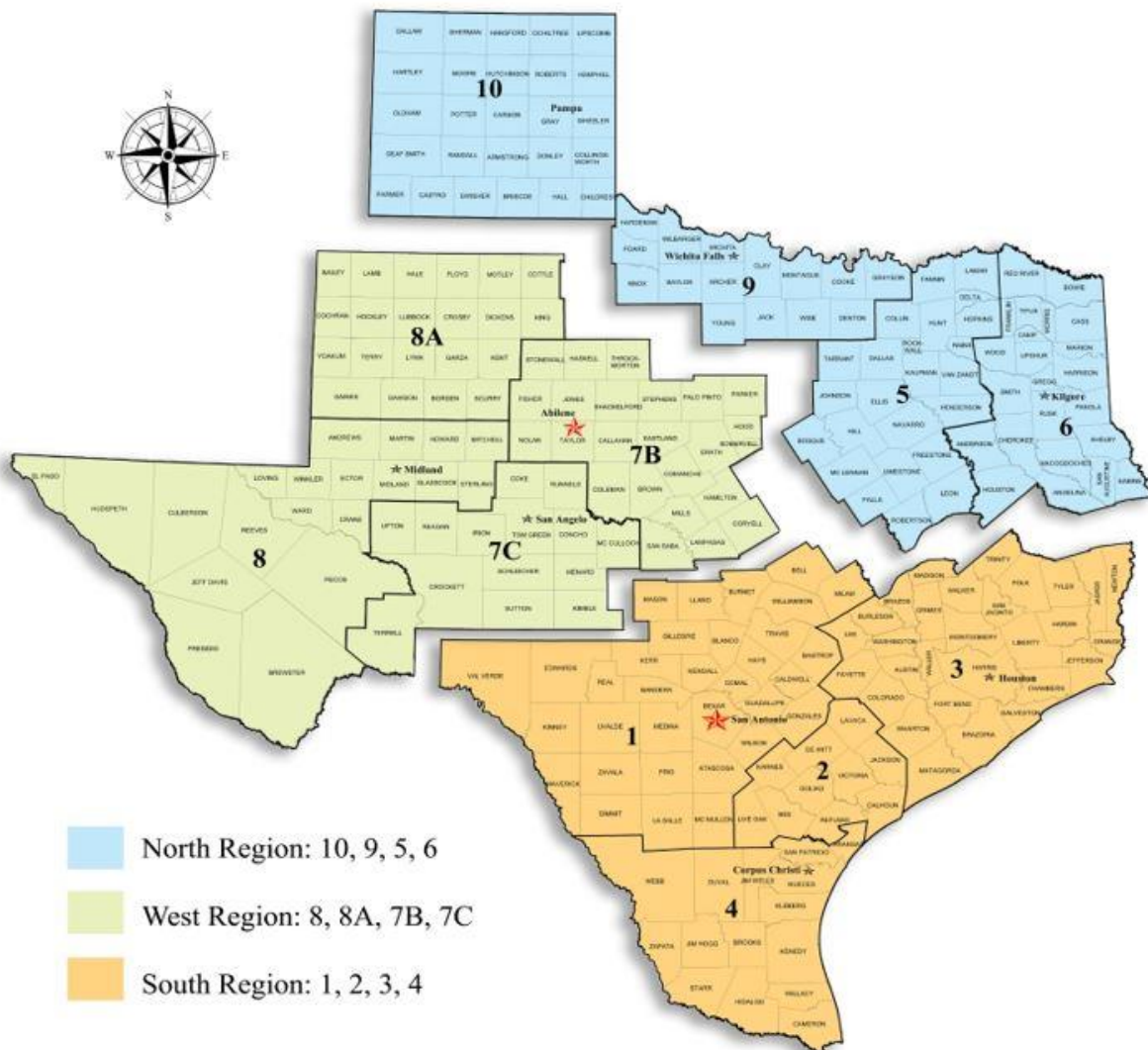
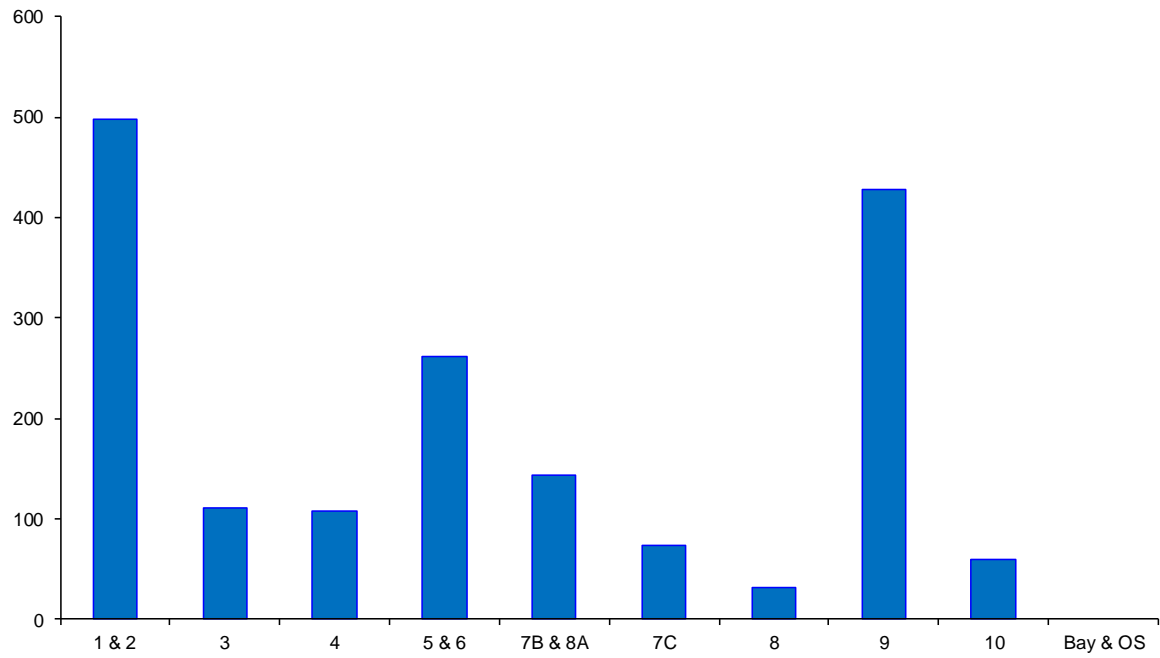


Figure 4: Wells plugged and paid by RRC district FY 2019

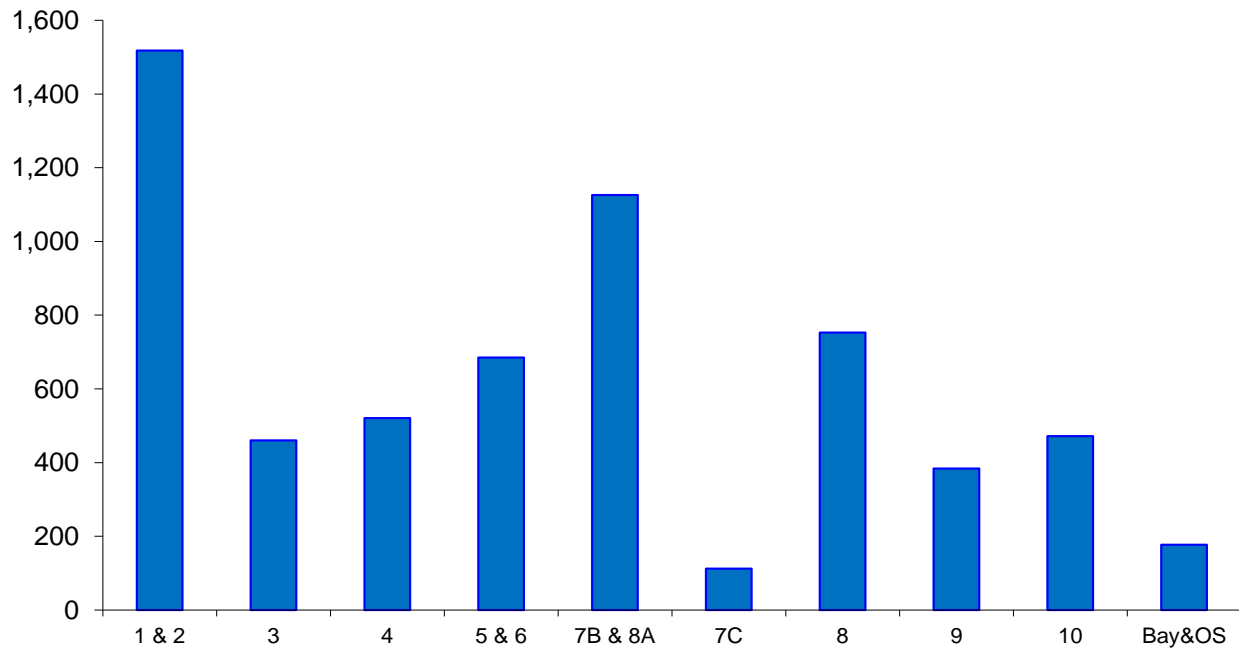


District Office	1 & 2	3	4	5 & 6	7B & 8A	7C	8	9	10	Bay & OS	Total
Wells Plugged	497	110	107	262	143	73	31	428	59	0	1,710

### 3. Number of Wells Orphaned, by District:

As of August 2019, the Commission's count of abandoned, orphaned wells equaled 6,208. Figure 5 illustrates the number of orphaned wells by agency district at the end of August 2019.

Figure 5: Orphaned wells by district, FY 2019



District Office	1 & 2	3	4	5 & 6	7B & 8A	7C	8	9	10	Bay&OS	Total
Orphaned Wells	1,518	460	521	685	1,126	112	753	384	472	177	6,208

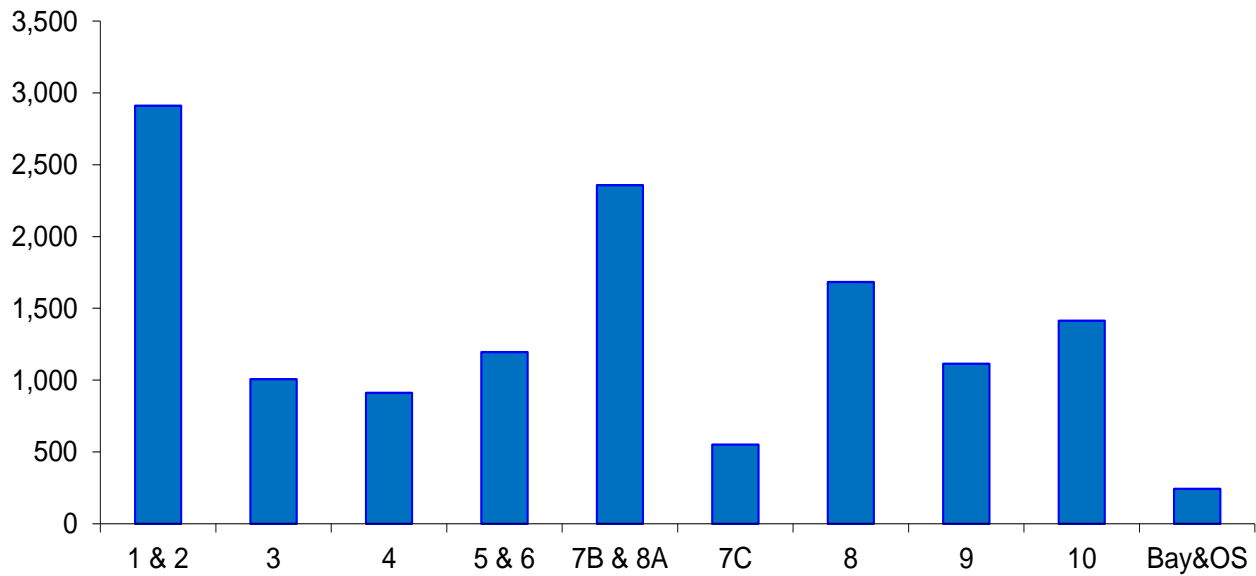
In addition to the 6,208 orphaned wells, there are also an unknown number of old, unidentified wells in Texas that were not recorded with the Commission. These include antiquated wells that were dug in the decades following Spindletop. As these wells are located, the Commission initiates plugging operations in accordance with the well plugging priority system, which is based on the threat the well poses to the environment and public safety. In fiscal year 2019, 42 previously unidentified abandoned wells were plugged with OGRC and Economic Stabilization funds. These unidentified wells accounted for 2.4 percent of all wells plugged by the Commission for that fiscal year.



#### 4. Number of Inactive Wells Not Currently in Compliance with Commission Rules, by District:

The number of known inactive wells not in compliance with Commission rules as of August 2019 totals 13,385. The number represents wells that remain shut-in beyond the initial 12-month shut-in period authorized by Commission 16 Texas Administrative Code §3.14(b)(2) [Statewide Rule 14(b)(2)] and do not have a plugging extension, regardless of whether the operator's Organization Report is active or delinquent. Figure 6 shows the number of non-compliant wells by district at the end of August 2019.

Figure 6: Non-compliant wells FY 2019



District Office	1 & 2	3	4	5 & 6	7B & 8A	7C	8	9	10	Bay&OS	Total
Non-Compliant Wells	2,911	1,007	912	1,195	2,358	550	1,683	1,113	1,414	242	13,385

**5. Status of Enforcement Proceedings for Wells in Violation of Commission Rules, by District:**

In fiscal year 2019, the Commission referred a total of 384 non-compliant wells to the Office of the Attorney General (OAG) for collection. Table 5 depicts the number of wells, by district, in violation of the Commission's plugging rule that have been referred to the Office of General Counsel—Legal Enforcement Section for enforcement and/or the OAG for collection. The wells referenced here are in various stages of enforcement/collection.

*Table 5: Enforcement proceedings by district*

<b>ENFORCEMENT PROCEEDINGS</b>	<b>1/2</b>	<b>3</b>	<b>4</b>	<b>5/6</b>	<b>7B/8A</b>	<b>7C</b>	<b>8</b>	<b>9</b>	<b>10</b>	<b>Total</b>
<b>STATUS</b>										
<b>1. Awaiting RRC review</b>	<b>9</b>	<b>56</b>	<b>4</b>	<b>9</b>	<b>66</b>	<b>7</b>	<b>10</b>	<b>49</b>	<b>58</b>	<b>268</b>
<b>2. Awaiting Hearing</b>	<b>21</b>	<b>15</b>	<b>15</b>	<b>4</b>	<b>52</b>	<b>12</b>	<b>1</b>	<b>34</b>	<b>0</b>	<b>154</b>
<b>3. Awaiting Final Order</b>	<b>37</b>	<b>11</b>	<b>9</b>	<b>11</b>	<b>102</b>	<b>1</b>	<b>13</b>	<b>50</b>	<b>14</b>	<b>248</b>
<b>4. Wells Referred to AG</b>	<b>36</b>	<b>34</b>	<b>9</b>	<b>28</b>	<b>77</b>	<b>1</b>	<b>8</b>	<b>171</b>	<b>20</b>	<b>384</b>
<b>Total Wells Still in Violation</b>	<b>103</b>	<b>116</b>	<b>37</b>	<b>52</b>	<b>297</b>	<b>21</b>	<b>32</b>	<b>304</b>	<b>92</b>	<b>1054</b>
<b>TIME PERIOD</b>										
<b>5. In Enforcement &lt; 2yrs</b>	<b>66</b>	<b>81</b>	<b>26</b>	<b>23</b>	<b>220</b>	<b>20</b>	<b>24</b>	<b>109</b>	<b>72</b>	<b>641</b>
<b>6. In Enforcement &gt; 2yrs &amp; &lt; 5yrs</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>21</b>	<b>0</b>	<b>25</b>
<b>7. In Enforcement &gt; 5yrs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3</b>	<b>0</b>	<b>4</b>
<b>Total Wells Still in Enforcement</b>	<b>67</b>	<b>82</b>	<b>28</b>	<b>24</b>	<b>220</b>	<b>20</b>	<b>24</b>	<b>133</b>	<b>72</b>	<b>670</b>

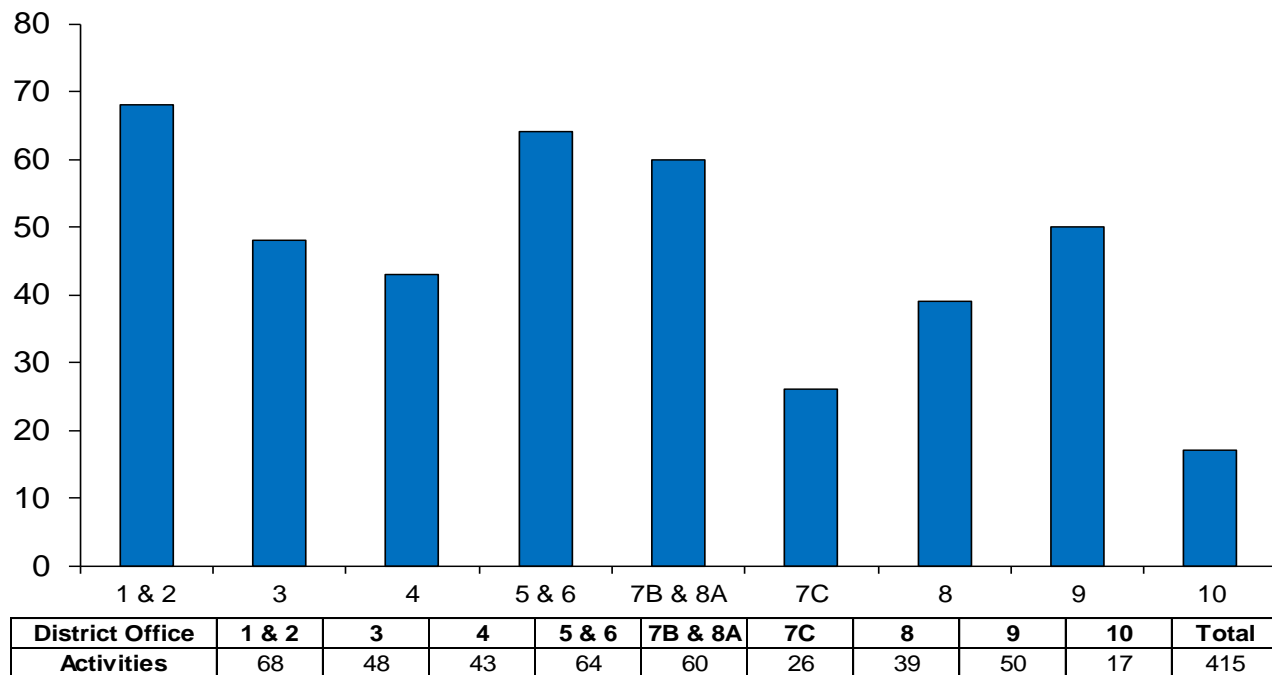
## 6. Number of Surface Locations Remediated, by Region:

During fiscal year 2019, the Commission conducted 415 cleanup activities through the State Managed Cleanup Program. This includes all remediation activities invoiced by contractors that were approved and processed by the Commission before August 31, 2019. State-managed remediation activities included the following:

- 328 routine remediation operations,
- 13 emergency operations, and
- 74 site assessment investigations.

Figure 7 depicts these 415 activities by district for fiscal year 2019.

Figure 7: Remediation Activities FY 2019



### 7. Oil and Gas Regulation and Cleanup Fund Expenditures for Oil Field Cleanup Activities:

The Commission spent \$70,528,531 from the Oil Field Cleanup Fund (OGRC) on oilfield cleanup activities in FY 2019. These included expenditures for abandoned well plugging through the State Managed Plugging Program, and for site remediation activities through the State Managed Cleanup Program. In addition to these expenditures, \$21,755 of OGRC funds were encumbered for cleanup activities in FY 2019. Table 6 provides a line item description for OGRC expenditures and encumbrances for FY 2019.

Table 6: FY 2019 OGRC Expenditures for Oil Field Cleanup Activities \*

Category	Expenditures	Encumbrances	Total
Salaries and Wages	\$5,094,213.25		\$5,094,213.25
Payroll-Related Benefits	\$1,585,178.11		\$1,585,178.11
Professional Fees	\$1,773,467.83		\$1,773,467.83
Motor Vehicles	\$196,612.40		\$196,612.40
Well Plugging / Site Remediation Contracts	\$61,427,777.87	\$20,765.50	\$61,448,543.37
Training	\$42,747.74		\$42,747.74
Travel	\$80,077.76		\$80,077.76
Other Operating	\$315,816.50	\$989.88	\$316,806.38
Postage	\$12,639.46		\$12,639.46
GRAND TOTAL	\$70,528,530.92	\$21,755.38	\$70,550,286.30

\*All FY 2019 OGRC expenditures for Well Plugging and Site Remediation strategy excluding include indirect costs.

- Includes expenditures for Site Remediation, architectural and other contracted services.

- Financial Information current as of December 2, 2019

### *8. Orphaned Well Plugging Prioritization Methodology:*

The Commission uses a priority methodology to rank wells for plugging to ensure that those wells posing the greatest threat to public safety and the environment are plugged first. The priority system includes four factors relating to the threat a wellbore poses to public safety and the environment:

1. Well Completion;
2. Wellbore Conditions;
3. Well Location with respect to sensitive areas; and
4. Unique Environmental, Safety, or Economic Concern.

Table 7 lists the factors used in this prioritization system. The sum of all factors provides a total weight, which determines a well's plugging priority. Wells receive a priority of 1, 2H, 2, 3, or 4, where 1 is the highest priority. The priority system assigns leaking wells the highest priority (an automatic priority 1) and assigns an automatic priority 2 if the well fails a fluid level test.



Table 7: Well Plugging Priority System

	FACTOR	Weight
<b>1</b>	<b>Well Completion</b>	
<b>A</b>	Unknown (no well records)	15
<b>B</b>	No surface casing or set above base of deepest usable quality water	10
<b>C</b>	Additional casing string not adequately cemented to isolate usable quality water	5
<b>D</b>	Injection or Disposal Well	10
<b>E.</b>	Well penetrates salt/corrosive water bearing formation or abnormally pressured formation	5
<b>F.</b>	Well in H2S Field	5
<b>G</b>	Age: Well drilled $\geq$ 25 years ago	5
	<b>Total: (40 points max)</b>	
<b>2</b>	<b>Wellbore Conditions</b>	
<b>A</b>	Well is pressured up at the surface (tubing or prod casing)	10
<b>B</b>	Bradenhead pressure exists *	5
	<b>Auto 2H if UQW not protected and fluid at BH is not UQW</b>	
<b>C</b>	Measured fluid level	
<b>D</b>	Fluid level at or above the base of deepest usable quality water.	50
<b>E.</b>	Fluid level less than 250' below base of deepest usable quality water (NA if 2D applies)	15
<b>F.</b>	MIT Failure	5
<b>G</b>	H-15 (MIT) never performed or test > 5 years old (NA if F applies)	3
<b>H</b>	Inadequate wellhead control/integrity	5
	<b>Total: (75 points max)</b>	
<b>3</b>	<b>Well location with respect to sensitive areas:</b>	
<b>A</b>	H2S well with Public area ROE** <b>Automatic Priority 2H</b>	
<b>B</b>	In Marine Environment	10
<b>C</b>	Within 100' or river, lake, creek, or domestic use fresh water well (NA if B applies)	5
<b>D</b>	Between 100' and 1/4 mile of river, lake, creek, or domestic use fresh water well (NA if C applies)	3
<b>E.</b>	Located within agricultural area.	2
<b>F.</b>	Well located in known sensitive wildlife area.	3
<b>G</b>	Well located within city or town site limits.	10
	<b>Total (20 points max)</b>	
<b>4</b>	<b>Unique environmental, Safety, or Economic Concern</b>	
<b>A</b>	Adjacent to active water flood or disposal well at or above completion interval.	5
<b>B</b>	Logistics (poor roads, encroaching public, etc.)	5
<b>C</b>	Well contains junk.	5
<b>D</b>	P-5 Delinquent > 5 years	5
<b>E.</b>	Other (attach explanation)	1-20
	<b>Total: (20 points max)</b>	

Total Weight

Priority 1 = Leaking Well [ based upon definition]
Priority 2H = Higher Risk well [based on definition and/or total weight of 75+]
Priority 2 = Total Weight of 50-75
Priority 3 = Total Weight of 25-49
Priority 4 = Total Weight < 25

\*BH pressure is sustained.

\*\*2H if public areas could be impacted based on 16 Texas Administrative Code §3.36 [Statewide Rule 36] definition.

Undetected/continuous leak possible.

Table 8 shows the number of wells plugged with OGRC funds by priority during fiscal year 2019 and between fiscal years 1992 and 2019. In September 2001, the Commission implemented the High Risk Well Testing Program, established by SB 310 (77<sup>th</sup> Legislature, 2001) and began concentrating its well plugging efforts on priority 1 and 2 wells. This continued through fiscal year 2019.

*Table 8: Number of wells plugged by priority*

	Fiscal Year 2019	Fiscal Years 1992 – 2019
Priority 1	4	3,513
Priority 2H	337	5,618
Priority 2	379	11,150
Priority 3	780	8,262
Priority 4	210	4,016
Priority 5*	0	1,651
Total	1,710	34,210

\*No longer used (Priority 5 category eliminated in fiscal year 2001)

***9. Projection of the amount of money needed for the next biennium for plugging orphaned wells, investigating, assessing, and cleaning up abandoned sites, and remediating surface locations.***

Using current average plugging and cleanup costs, the Commission estimates a budget of \$99.1M during the 2020-2021 biennium to meet the legislatively established performance targets of plugging 2,800 wells and cleaning and remediating 460 abandoned sites and surface locations. Actual cost, however, will be determined by the number of wells plugged and sites remediated, which are based on the Commission's risk-based priority system.

***10. Number of Sites Successfully Remediated Under the Voluntary Cleanup Program, by District:***

During fiscal year 2019, the Commission issued Certificates of Completion for eleven (11) sites in the Voluntary Cleanup Program. The number of sites completed by Commission district are as follows:

- District 1: 1
- District 3: 9
- District 4: 1