

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

November 10, 2020

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

FROM: Clay Woodul
Assistant Director, Oil and Gas Division
Field Operations

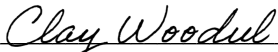
SUBJECT: Field Operations Section
Monthly Report of State Managed Well Plugging Activities
October 2020, FY 2021

Attached is the monthly report titled "State Managed 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 managed 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 2021 goal of plugging 1,400 wells. As of October 31, 2020, a total of 291 wells have been physically plugged, though not all of them have yet been invoiced and approved for payment.

KCW
Attachments



Clay Woodul
Assistant Director, Oil and Gas Division
Field Operations

cc: (via email)
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
R.J. DeSilva, Director Communications
Ryland Ramos, Office of the Governor
District Directors

RAILROAD COMMISSION OF TEXAS
Oil and Gas Division
Field Operations Section
Monthly State Managed Plugging Activities
October 2020

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

October	2.55%
Fiscal Year-to-date	3.07%
Performance Measure Goal	25 %

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

October	164
Fiscal Year-to-date	197
Performance Measure Goal	1,400

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

October	284,104
Fiscal Year-to-date	344,934
Performance Measure Goal	3,400,000

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

October	17.6
Fiscal Year-to-date	19.8
Performance Measure Goal	60

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

October	285
Fiscal Year-to-date	380
Performance Measure Goal	1,000

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

October	6,427
Performance Measure Goal	6,000

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

October	1,001
Fiscal Year-to-date	1,964
Performance Measure Goal	5,500

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

October	48.3%
Performance Measure Goal	41%

Explanatory measure: Numbered shut-in/inactive wells.

October	146,005
Performance Measure Goal	117,000

RAILROAD COMMISSION OF TEXAS
Oil Field Cleanup

Monthly State-Funded Plugging, Pollution Abatement and Salvage Activities
Commissioners Report
10/01/2020 to 10/31/2020

State-Funded Plugging Activities

Number of wells approved for plugging this month	285
Estimated cost of approvals	\$ 5,250,500.00
Number of wells approved for this fiscal year	380
Number of approved wells remaining to plug	1612
Estimated cost to plug remaining approvals	\$ 73,648,932.84
Number of pluggings completed this month	164
Total cost to plug wells completed this month	\$ 3,722,905.73
Number of pluggings completed this fiscal year	197
Cost of pluggings completed this fiscal year	\$ 4,334,171.28

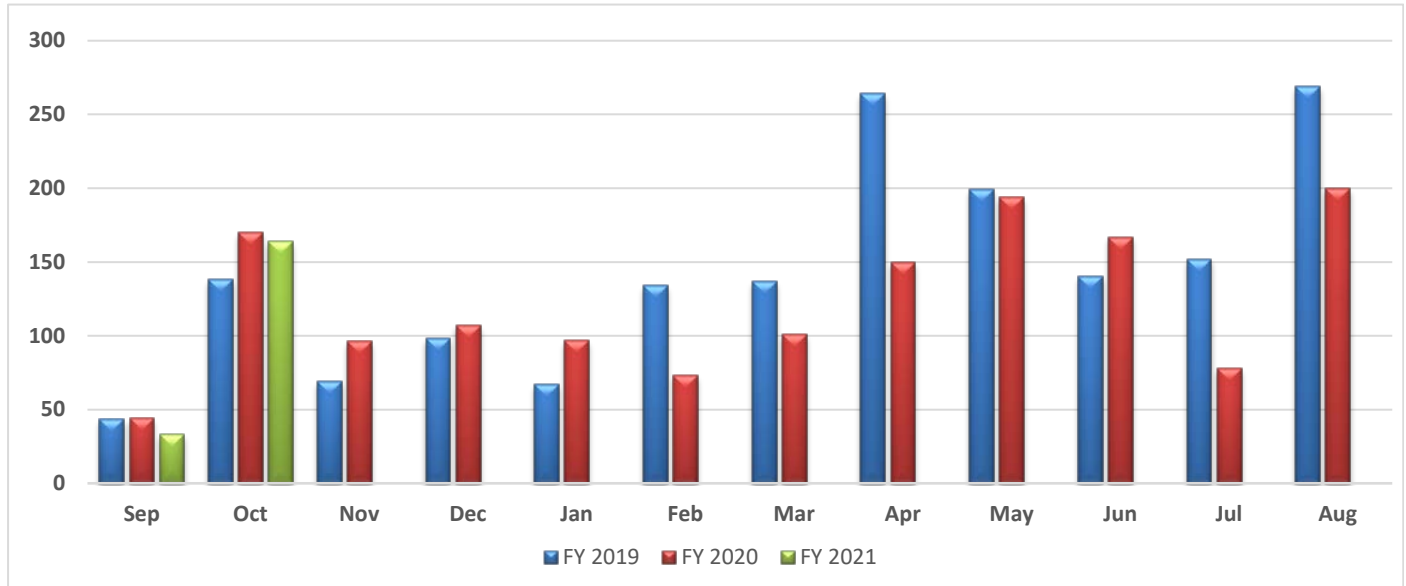
Pollution Abatement Activities

Number of pollution abatements approved this month	1
Estimated cost of approvals	\$ 7,500.00
Number of pollution abatements approved for this fiscal year	5
Number of pollution abatements remaining	58
Estimated cost to pollution abatements remaining	\$ 1,209,760.00
Number of pollution abatements completed this month	5
Total cost of pollution abatements completed this month	\$ 72,736.16
Number of pollution abatements completed this fiscal year	6
Cost of pollution abatements completed this fiscal year	\$ 76,581.16

Salvage Activities

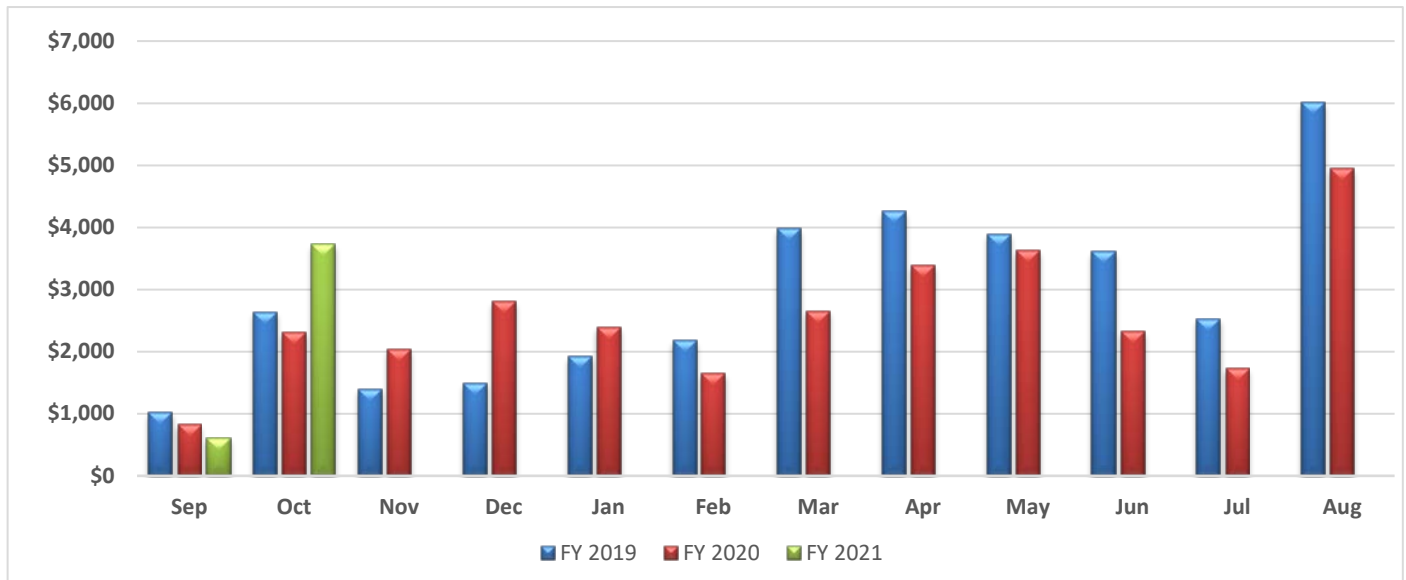
Number of salvage activities completed this month	35
Total proceeds received this month	\$ 40,373.42
Number of salvage activities completed this fiscal year	110
Total proceeds received this year	\$ 164,892.05

State Managed Well Plugging Program Monthly Wells Plugged October 2020



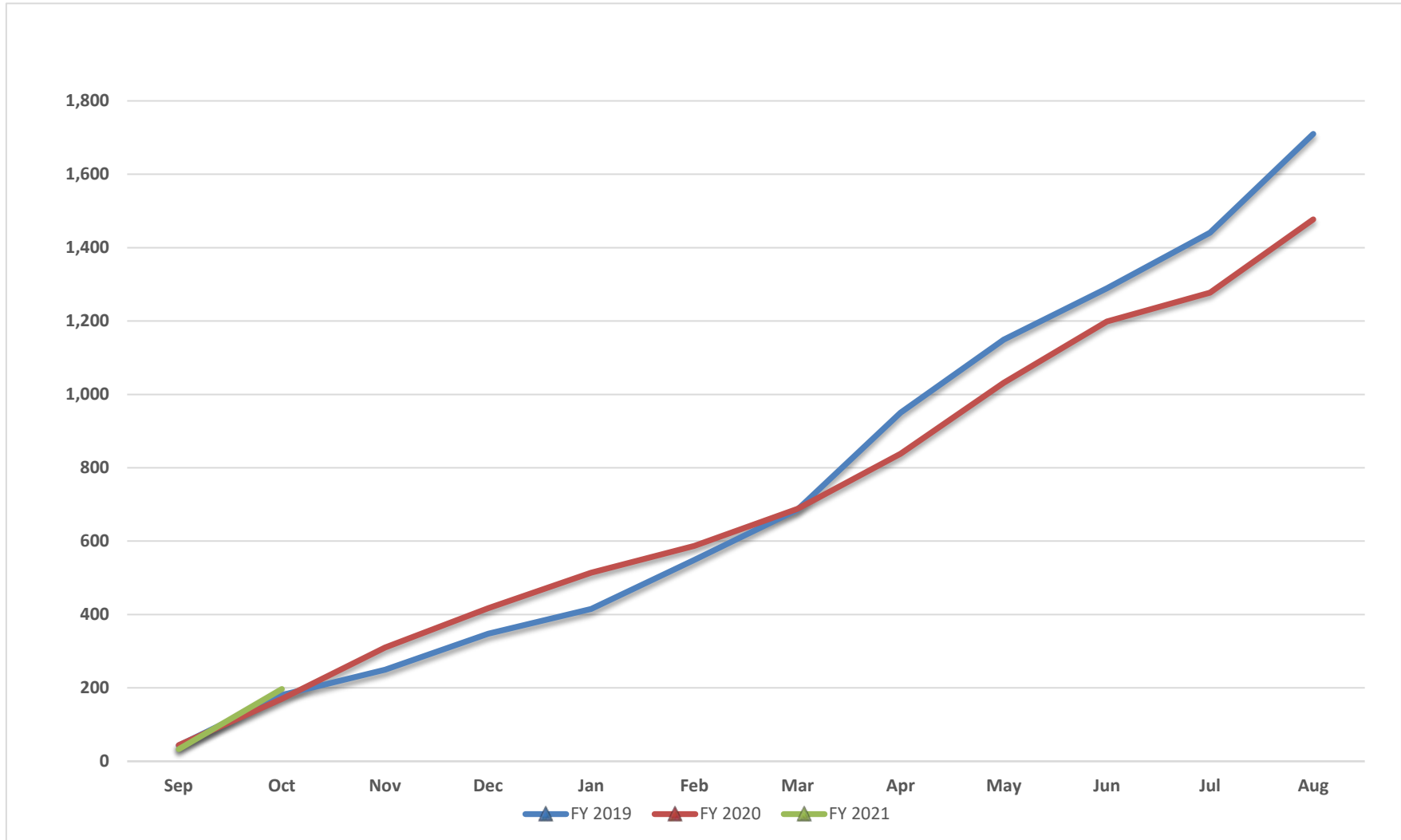
	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Tot
FY 2019	43	138	69	98	67	134	137	264	199	140	152	269	1,710
FY 2020	44	170	96	107	97	73	101	150	194	167	78	200	1,477
FY 2021	33	164											197

State Managed Well Plugging Program Monthly Cost of Wells Plugged October 2020



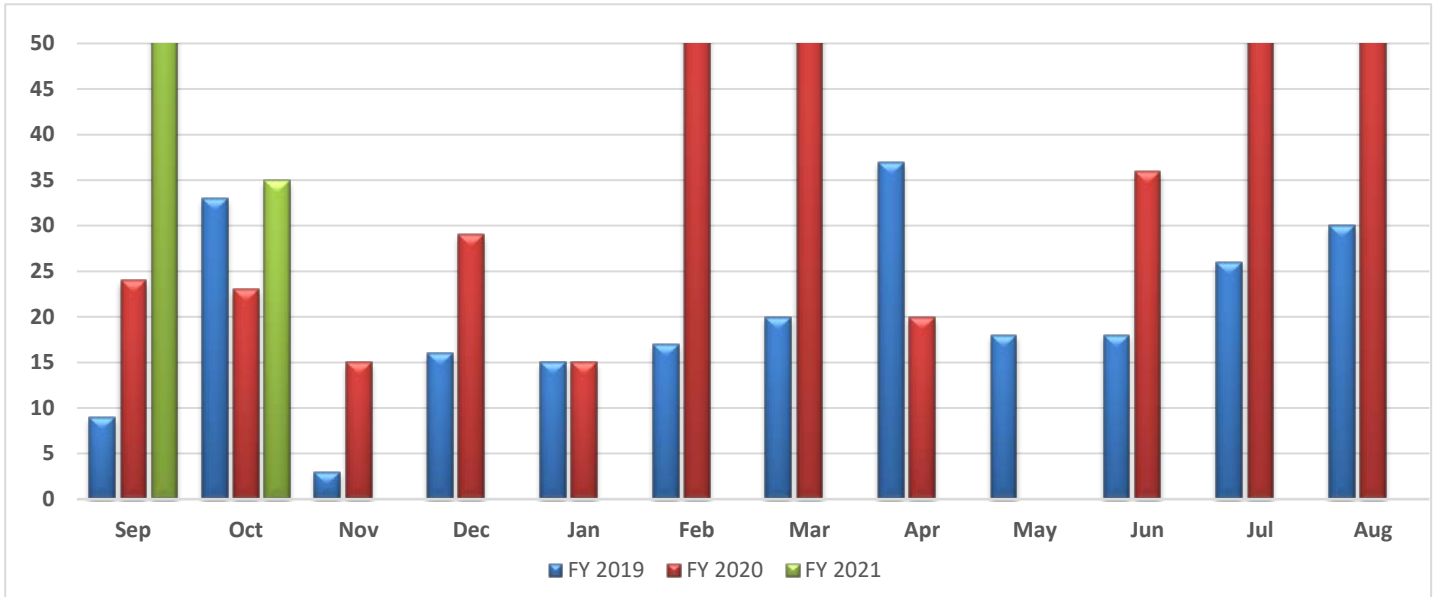
\$M	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Tot
FY 2019	\$1,020	\$2,637	\$1,397	\$1,494	\$1,921	\$2,181	\$3,983	\$4,257	\$3,894	\$3,617	\$2,528	\$6,014	\$34,943
FY 2020	\$831	\$2,306	\$2,044	\$2,805	\$2,395	\$1,651	\$2,655	\$3,381	\$3,625	\$2,328	\$1,728	\$4,951	\$30,700
FY 2021	\$611	\$3,723											\$4,334

State Managed Well Plugging Program Cumulative Wells Plugged October 2020



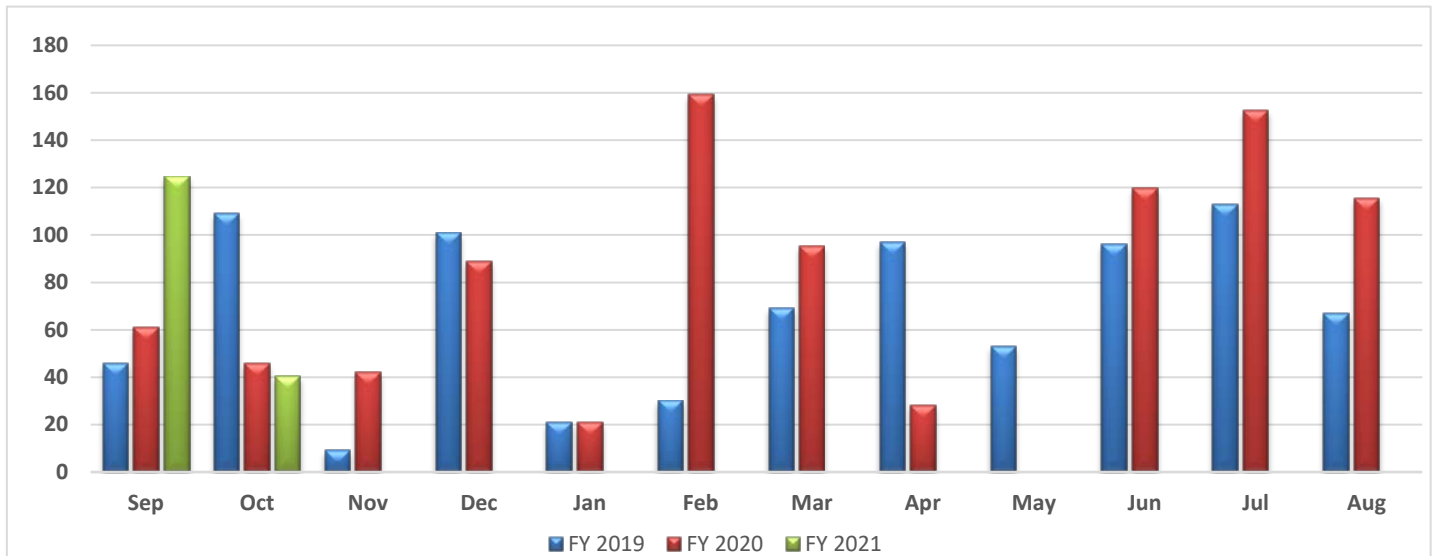
	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
FY 2019	43	181	250	348	415	549	686	950	1,149	1,289	1,441	1,710
FY 2020	44	170	310	417	514	587	688	838	1,032	1,199	1,277	1,477
FY 2021	33	197										

State Managed Well Plugging Program Monthly Salvage Operations October 2020



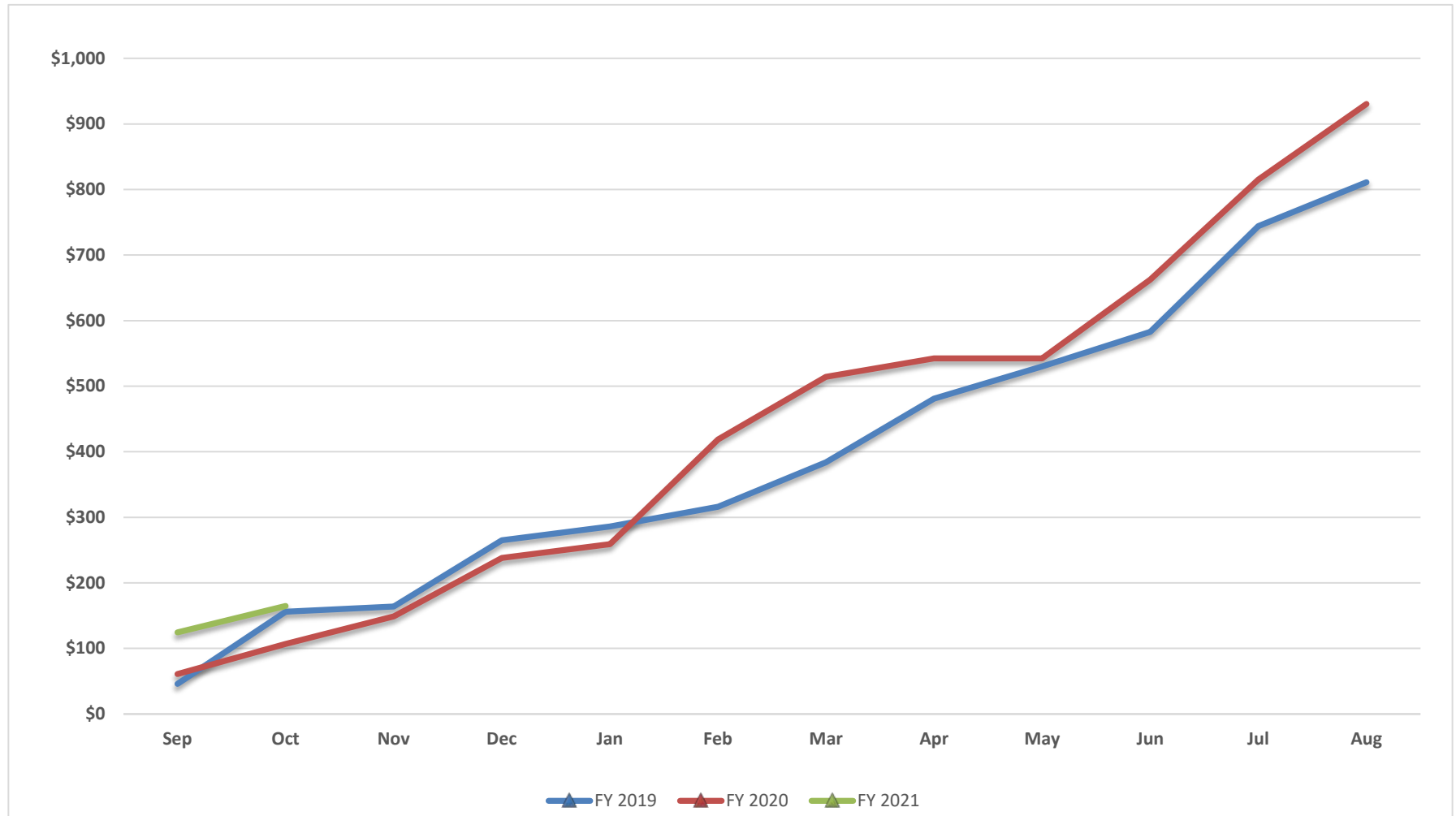
	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Tot
FY 2019	9	33	3	16	15	17	20	37	18	18	26	30	242
FY 2020	24	23	15	29	15	55	54	20	0	36	60	57	388
FY 2021	75	35											110

State Managed Well Plugging Program Monthly Salvage Proceeds October 2020



\$M	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Tot
FY 2019	\$46	\$109	\$9	\$101	\$21	\$30	\$69	\$97	\$53	\$96	\$113	\$67	\$811
FY 2020	\$61	\$46	\$42	\$89	\$21	\$159	\$95	\$28	\$0	\$120	\$153	\$116	\$930
FY 2021	\$125	\$40											\$165

State Managed Well Plugging Program Cumulative Salvage Proceeds October 2020



\$M	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
FY 2019	\$46	\$156	\$164	\$265	\$286	\$316	\$384	\$481	\$530	\$583	\$744	\$811
FY 2020	\$61	\$107	\$149	\$238	\$259	\$419	\$514	\$543	\$543	\$662	\$815	\$930
FY 2021	\$125	\$165										