

RAILROAD COMMISSION OF TEXAS

CHRISTI CRADDICK, *CHAIRMAN*
WAYNE CHRISTIAN, *COMMISSIONER*
JIM WRIGHT, *COMMISSIONER*

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

MEMORANDUM

July 8, 2021

MEMORANDUM TO: Chairman Christi Craddick
Commissioner Wayne Christian
Commissioner Jim Wright

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

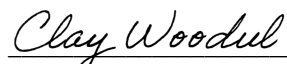
SUBJECT: Field Operations Section
Monthly Report of State Managed Well Plugging Activities
June 2021, FY 2021

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 June 30, 2021, a total of 1375 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
June 2021

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

June	1.60%
Fiscal Year-to-date	16.30%
Performance Measure Goal	25 %

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

June	116
Fiscal Year-to-date	1,185
Performance Measure Goal	1,400

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

June	278,687
Fiscal Year-to-date	2,704,173
Performance Measure Goal	3,400,000

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

June	50.4
Fiscal Year-to-date	41.7
Performance Measure Goal	60

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

June	134
Fiscal Year-to-date	1414
Performance Measure Goal	1,000

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

June	7,268
Performance Measure Goal	6,000

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

June	276
Fiscal Year-to-date	4,887
Performance Measure Goal	5,500

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

June	47.4%
Performance Measure Goal	41%

Explanatory measure: Numbered shut-in/inactive wells.

June	146,859
Performance Measure Goal	117,000

RAILROAD COMMISSION OF TEXAS
Oil Field Cleanup

Monthly State-Funded Plugging, Pollution Abatement and Salvage Activities
Commissioners Report
06/01/2021 to 06/30/2021

State-Funded Plugging Activities

Number of wells approved for plugging this month	134
Estimated cost of approvals	\$ 3,573,100.00
Number of wells approved for this fiscal year	1414
Number of approved wells remaining to plug	1681
Estimated cost to plug remaining approvals	\$ 73,316,186.84
Number of pluggings completed this month	116
Total cost to plug wells completed this month	\$ 3,137,197.71
Number of pluggings completed this fiscal year	1185
Cost of pluggings completed this fiscal year	\$ 27,367,506.90

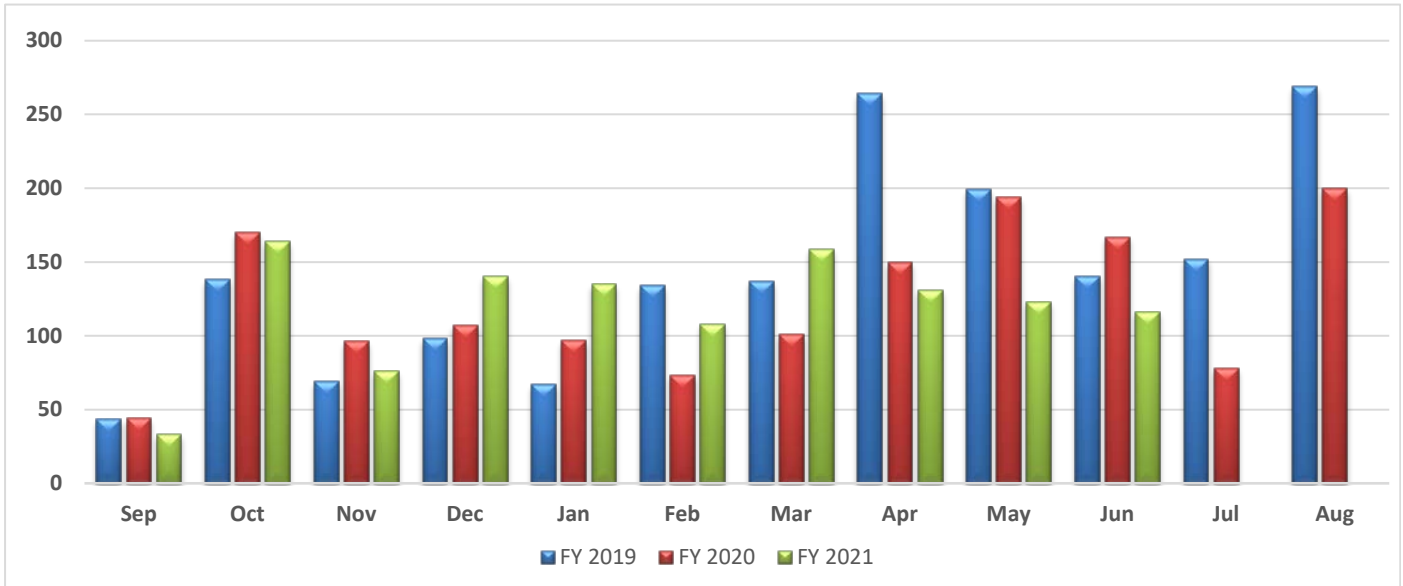
Pollution Abatement Activities

Number of pollution abatements approved this month	3
Estimated cost of approvals	\$ 250,400.00
Number of pollution abatements approved for this fiscal year	29
Number of pollution abatements remaining	67
Estimated cost to pollution abatements remaining	\$ 1,506,760.00
Number of pollution abatements completed this month	4
Total cost of pollution abatements completed this month	\$ 4,365.05
Number of pollution abatements completed this fiscal year	21
Cost of pollution abatements completed this fiscal year	\$ 90,727.47

Salvage Activities

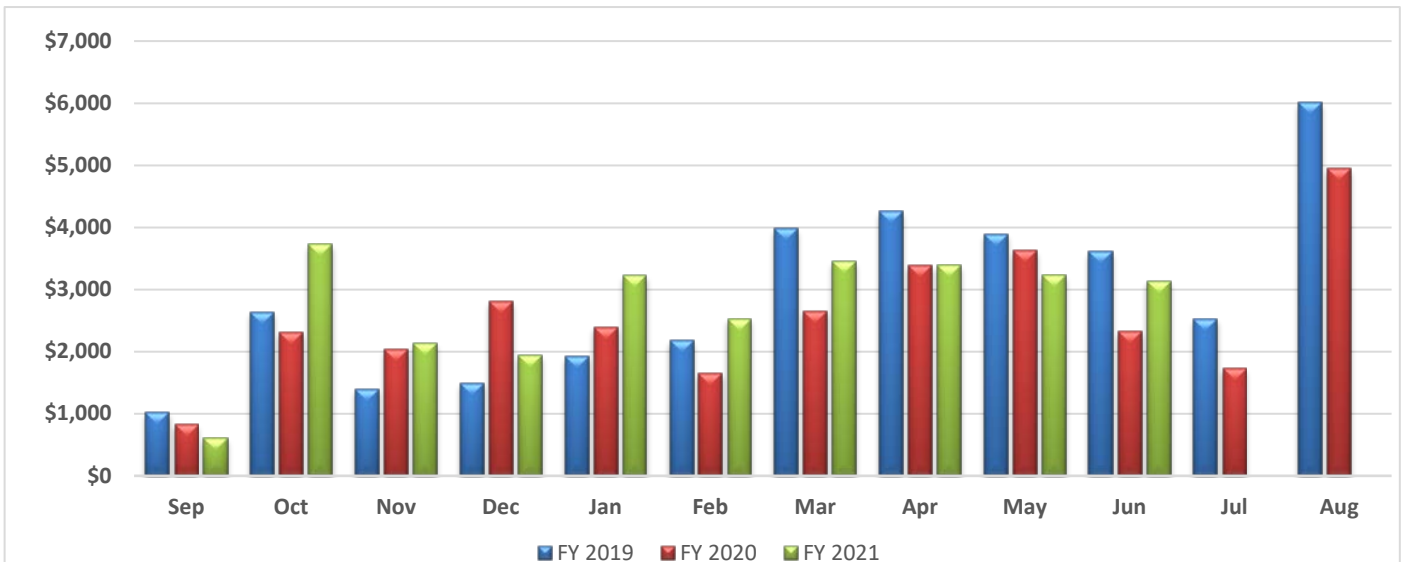
Number of salvage activities completed this month	76
Total proceeds received this month	\$ 278,695.87
Number of salvage activities completed this fiscal year	373
Total proceeds received this year	\$ 929,380.74

State Managed Well Plugging Program Monthly Wells Plugged June 2021



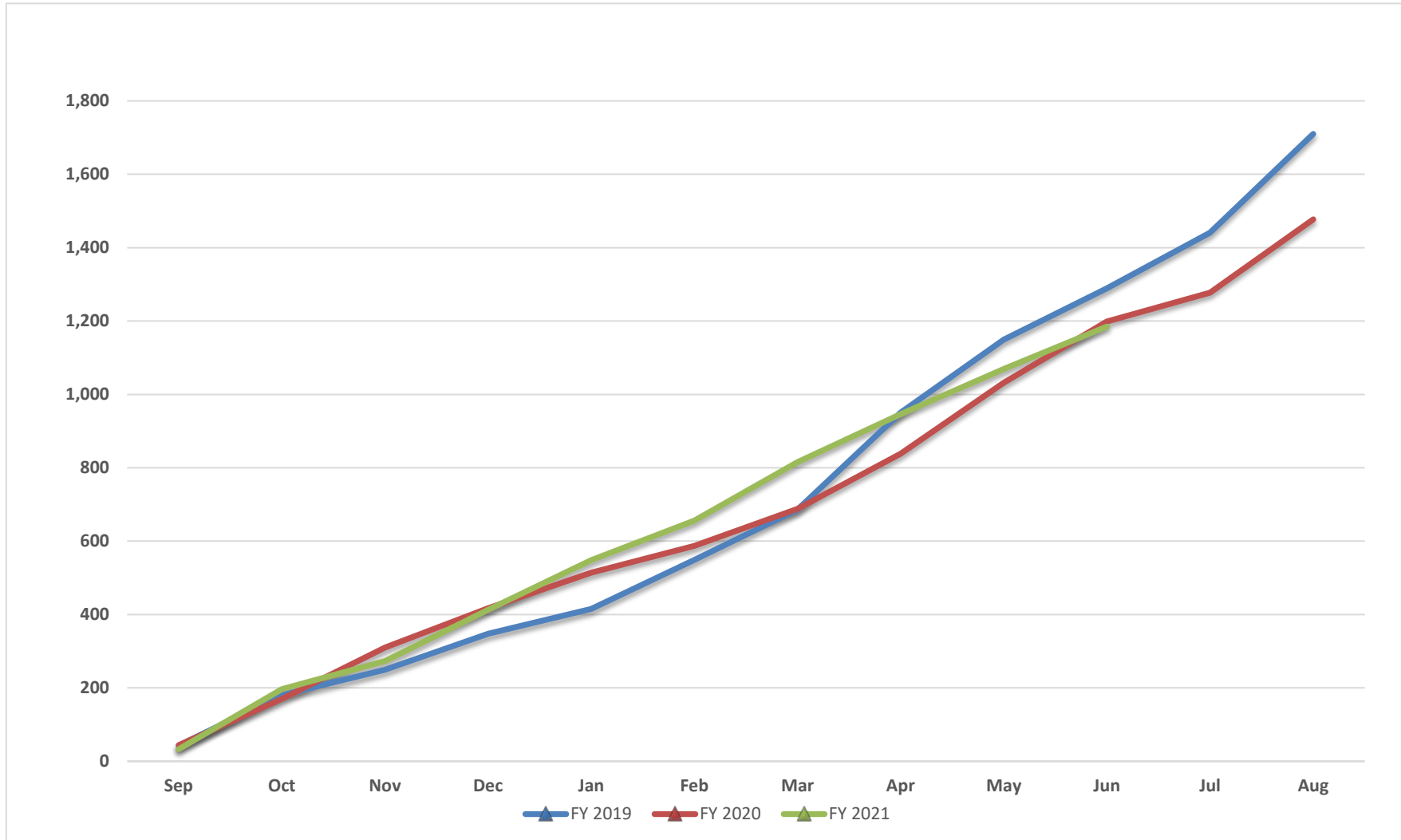
	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Tot
FY 2019	43	138	69	98	67	134	137	264	199	140	152	269	1,710
FY 2020	44	170	96	107	97	73	101	150	194	167	78	200	1,477
FY 2021	33	164	76	140	135	108	159	131	123	116			1,185

State Managed Well Plugging Program Monthly Cost of Wells Plugged June 2021



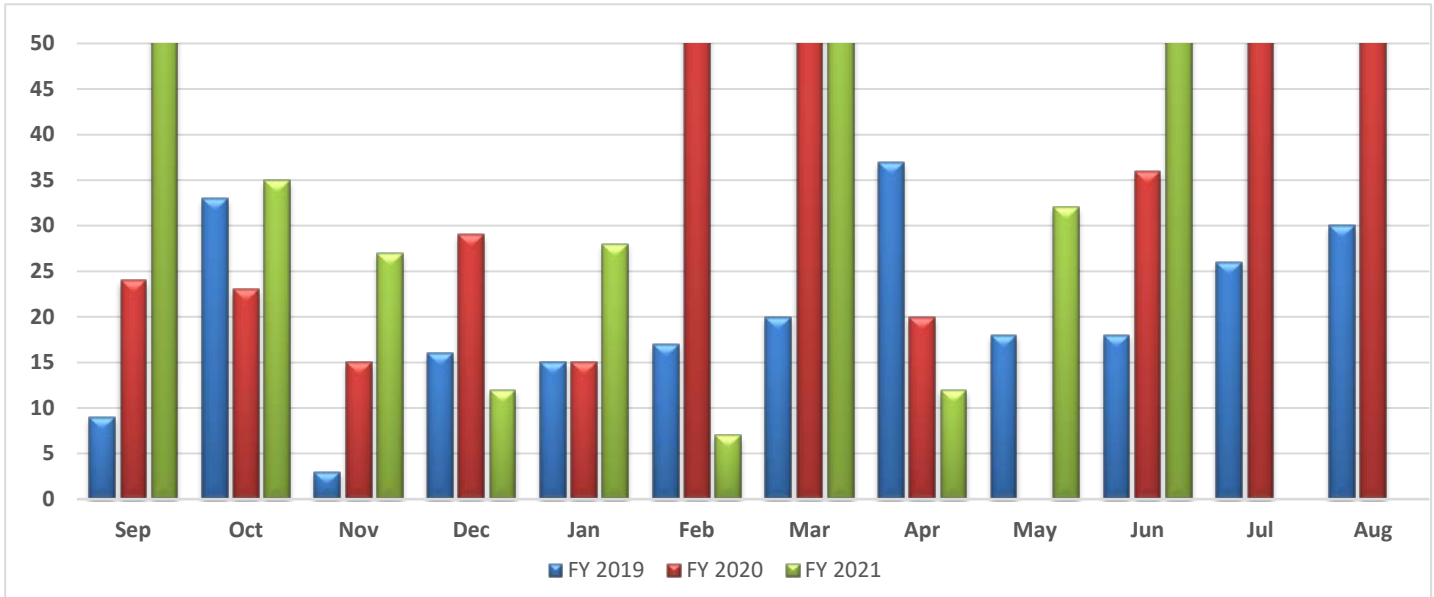
\$M	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Tot
FY 2019	\$1,020	\$2,637	\$1,397	\$1,494	\$1,921	\$2,181	\$3,983	\$4,257	\$3,894	\$3,617	\$2,528	\$6,014	\$34,943
FY 2020	\$831	\$2,306	\$2,044	\$2,805	\$2,395	\$1,651	\$2,655	\$3,381	\$3,625	\$2,328	\$1,728	\$4,951	\$30,700
FY 2021	\$611	\$3,723	\$2,143	\$1,935	\$3,222	\$2,526	\$3,449	\$3,393	\$3,227	\$3,137			\$27,367

State Managed Well Plugging Program Cumulative Wells Plugged June 2021



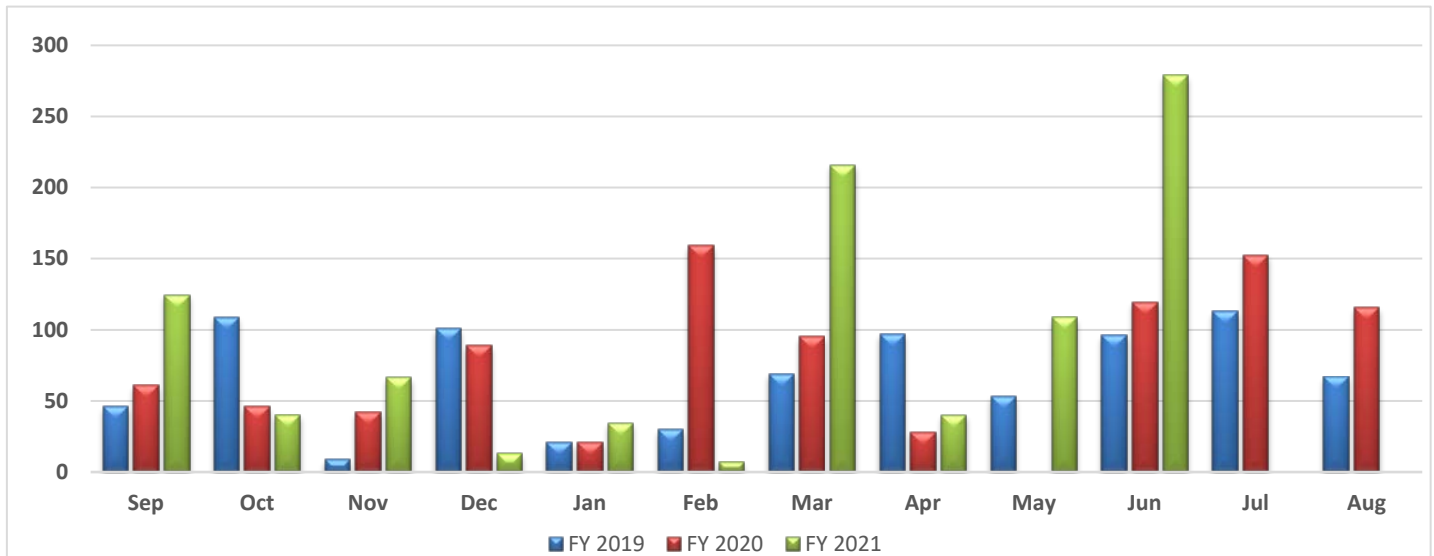
	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
FY 2019	43	181	250	348	415	549	686	950	1,149	1,289	1,441	1,710
FY 2020	44	170	310	417	514	587	688	838	1,032	1,199	1,277	1,477
FY 2021	33	197	273	413	548	656	815	946	1,069	1,185		

State Managed Well Plugging Program Monthly Salvage Operations June 2021



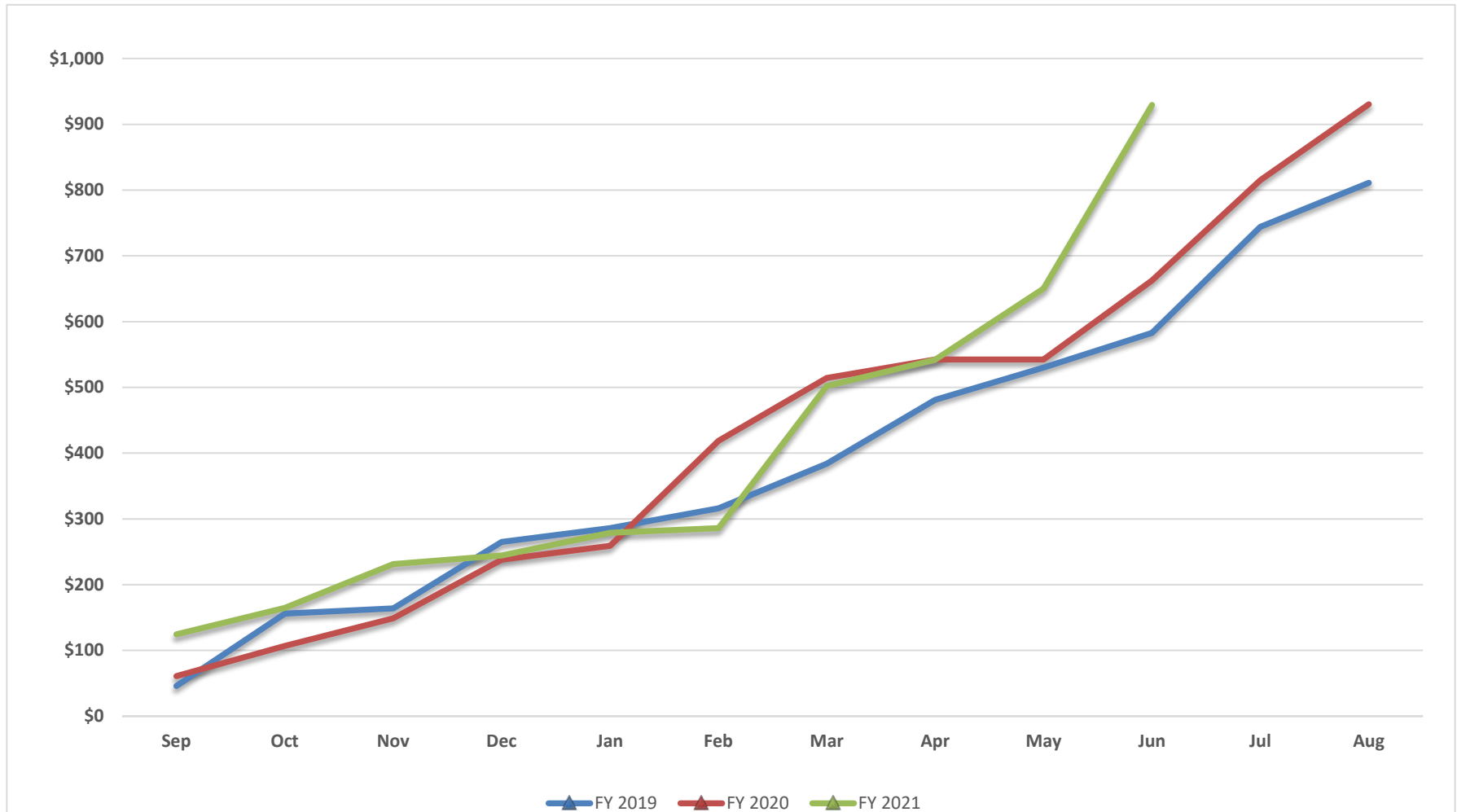
	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Tot
FY 2019	9	33	3	16	15	17	20	37	18	18	26	30	242
FY 2020	24	23	15	29	15	55	54	20	0	36	60	57	388
FY 2021	75	35	27	12	28	7	69	12	32	76			373

State Managed Well Plugging Program Monthly Salvage Proceeds June 2021



\$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	\$67	\$13	\$35	\$7	\$216	\$40	\$109	\$279			\$929

State Managed Well Plugging Program Cumulative Salvage Proceeds June 2021



\$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	\$232	\$244	\$279	\$286	\$502	\$542	\$650	\$929		