

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

October 12, 2023

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

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

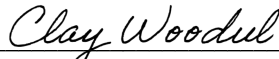
SUBJECT: Field Operations Section
Monthly Report of State Managed Well Plugging Activities
September 2023, FY 2024

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 2024 goal of plugging 2,000 wells. As of September 30, 2023, a total of 126 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
Paul Delaney, Internal Auditor
R.J. DeSilva, Director Communications
Jarred Shaffer, Office of the Governor
District Directors

RAILROAD COMMISSION OF TEXAS
Oil and Gas Division
Field Operations Section
Monthly State Managed Plugging Activities
September 2023

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

September	0.79 %
Fiscal Year-to-date	0.79 %
Performance Measure Goal	20.0 %

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

September	65
Fiscal Year-to-date	65
Performance Measure Goal	2,000

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

September	111,298
Fiscal Year-to-date	111,298
Performance Measure Goal	4,000,000

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

September	20.3
Fiscal Year-to-date	20.3
Performance Measure Goal	50

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

September	212
Fiscal Year-to-date	212
Performance Measure Goal	2,000

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

September	8,240
Performance Measure Goal	7,500

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

September	561
Fiscal Year-to-date	561
Performance Measure Goal	6,000

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

September	47.6 %
Performance Measure Goal	48.0 %

Explanatory measure: Numbered shut-in/inactive wells.

September	149,724
Performance Measure Goal	146,000

RAILROAD COMMISSION OF TEXAS
Oil Field Cleanup

Monthly State-Funded Plugging, Pollution Abatement and Salvage Activities
Commissioners Report
09/01/2023 to 09/30/2023

State-Funded Plugging Activities

Number of wells approved for plugging this month	212
Estimated cost of approvals	\$ 6,337,570.00
Number of wells approved for this fiscal year	212
Number of approved wells remaining to plug	2738
Estimated cost to plug remaining approvals	\$ 115,685,604.14
Number of pluggings completed this month	65
Total cost to plug wells completed this month	\$ 1,065,255.09
Number of pluggings completed this fiscal year	65
Cost of pluggings completed this fiscal year	\$ 1,065,255.09

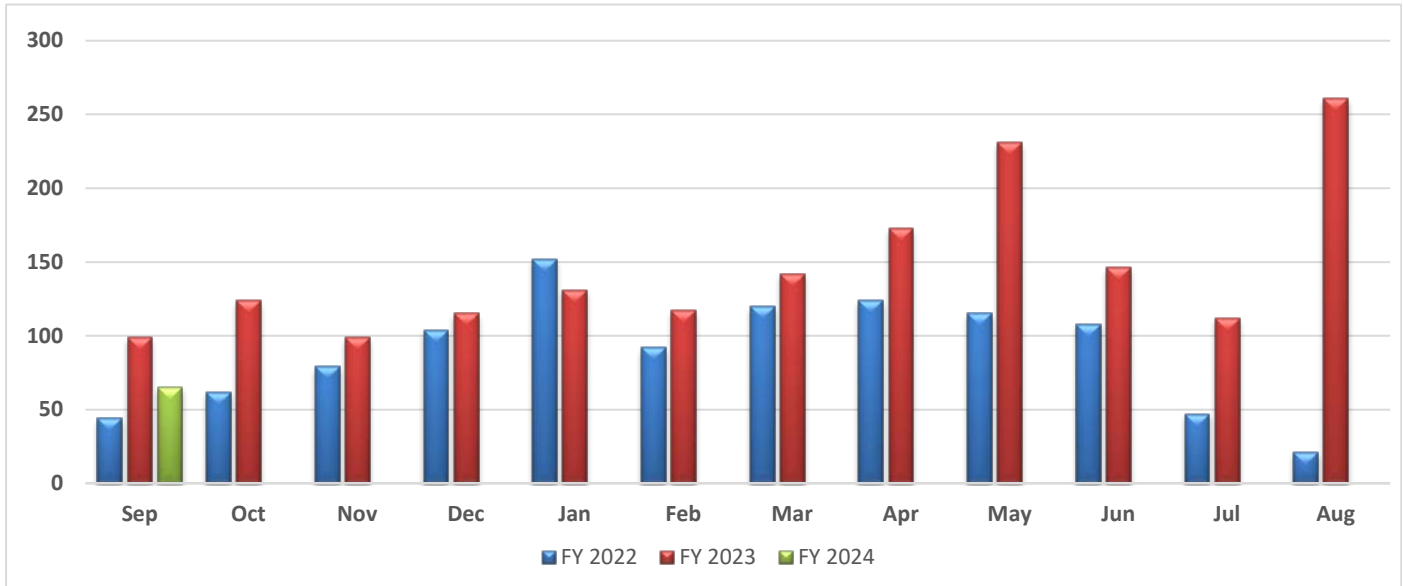
Pollution Abatement Activities

Number of pollution abatements approved this month	4
Estimated cost of approvals	\$ 67,500.00
Number of pollution abatements approved for this fiscal year	4
Number of pollution abatements remaining	66
Estimated cost to pollution abatements remaining	\$ 590,560.00
Number of pollution abatements completed this month	4
Total cost of pollution abatements completed this month	\$ 298,901.56
Number of pollution abatements completed this fiscal year	4
Cost of pollution abatements completed this fiscal year	\$ 298,901.56

Salvage Activities

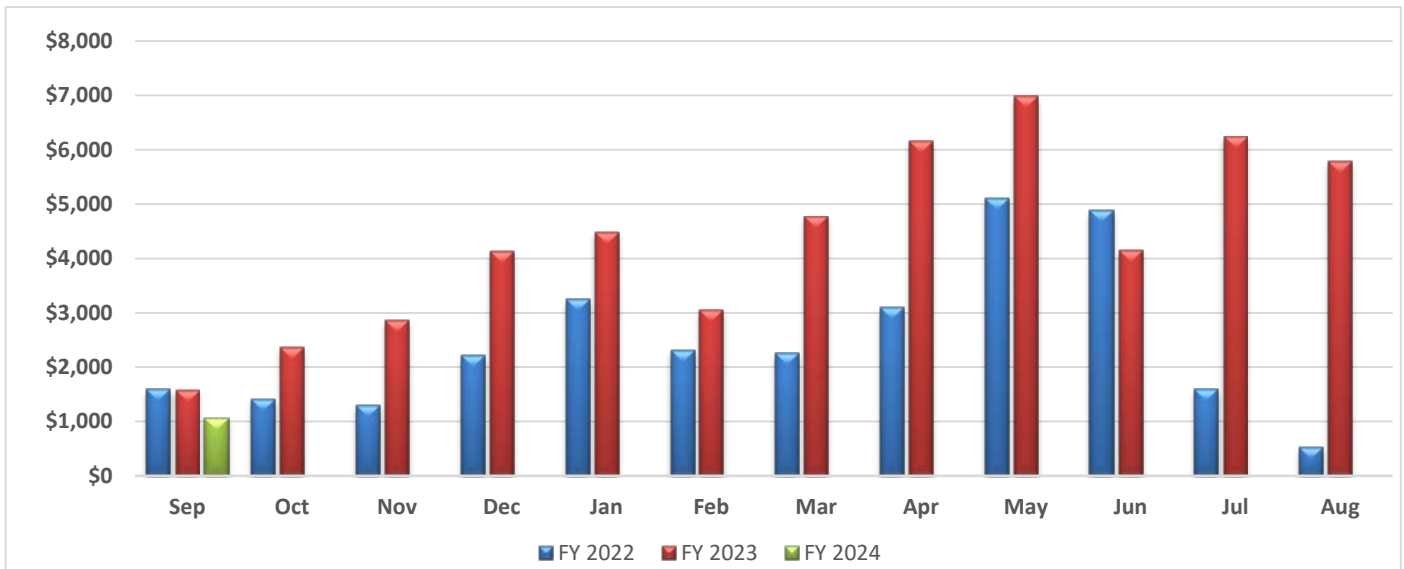
Number of salvage activities completed this month	33
Total proceeds received this month	\$ 151,947.70
Number of salvage activities completed this fiscal year	33
Total proceeds received this year	\$ 151,947.70

State Managed Well Plugging Program Monthly Wells Plugged September 2023



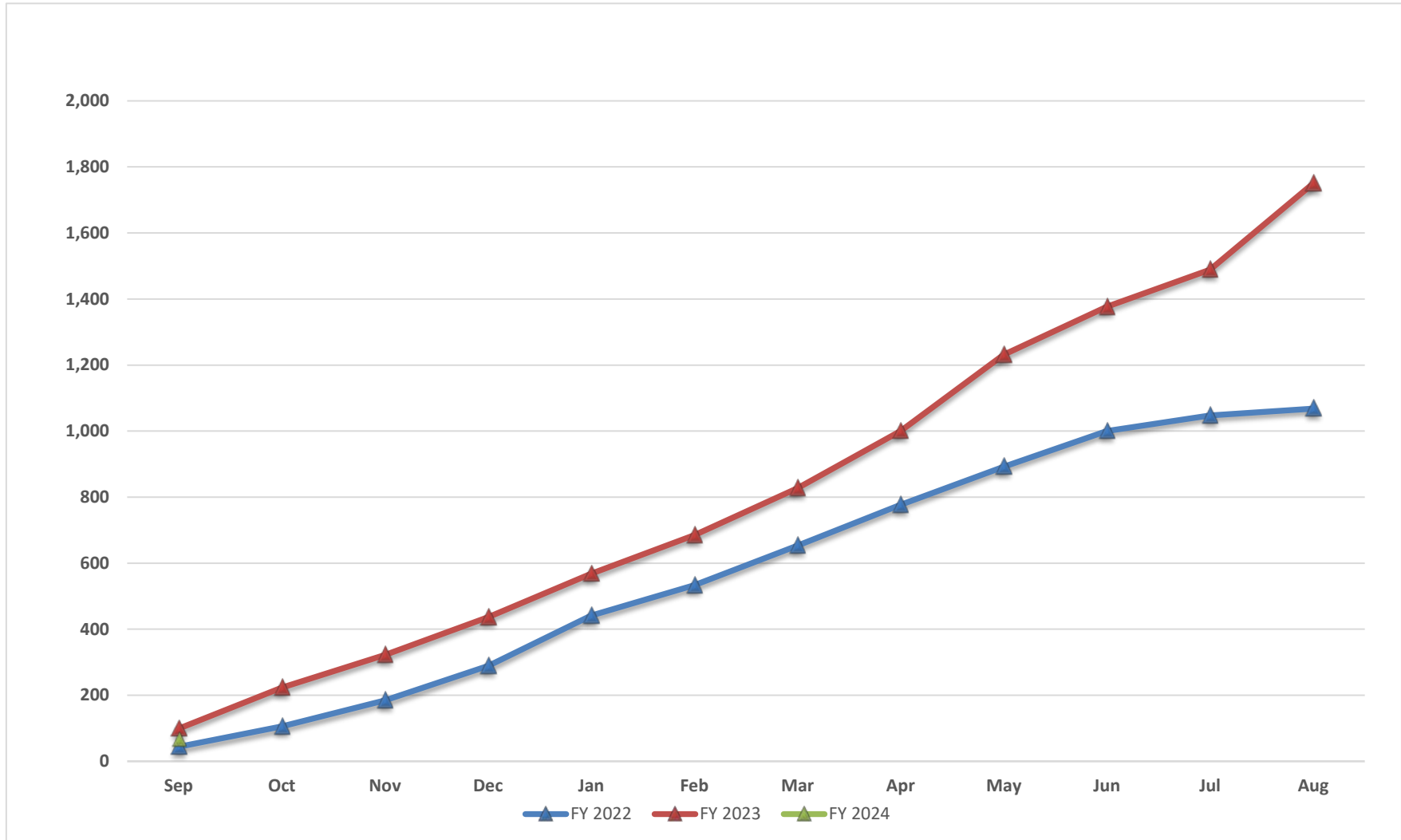
	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Tot
FY 2022	44	62	79	104	152	92	120	124	115	108	47	21	1,068
FY 2023	99	124	99	115	131	117	142	173	231	146	112	261	1,750
FY 2024	65	0	0	0	0	0	0	0	0	0	0	0	65

State Managed Well Plugging Program Monthly Cost of Wells Plugged September 2023



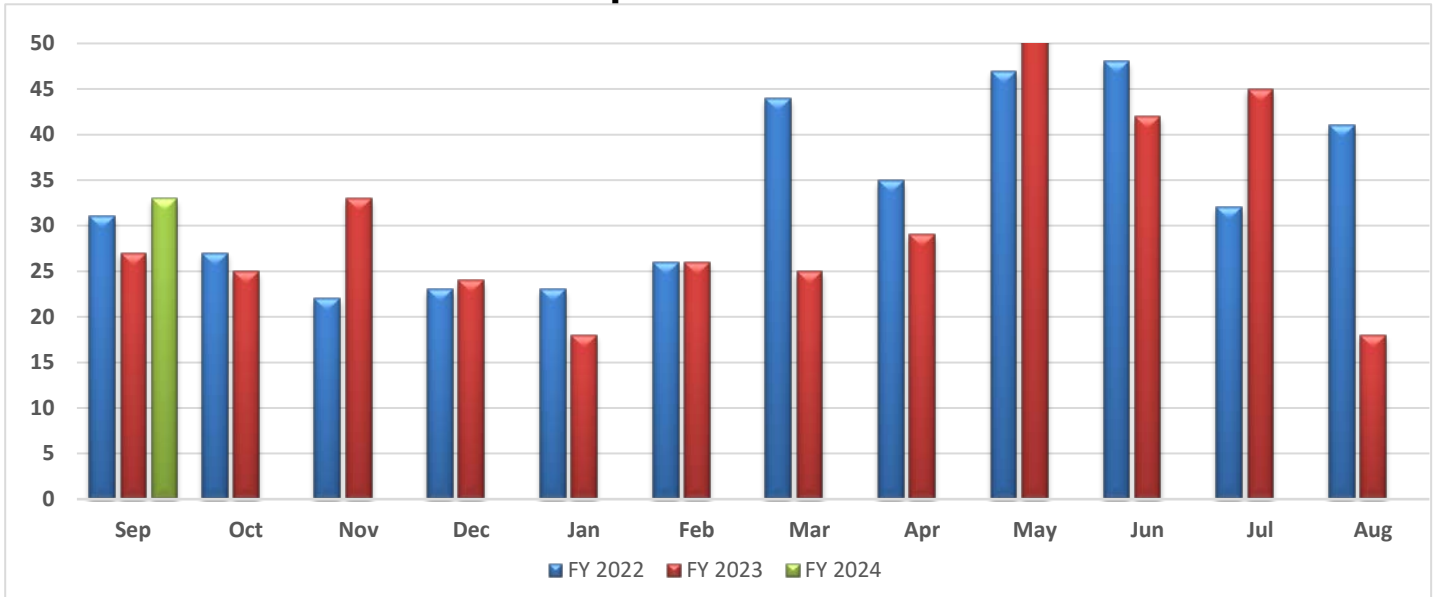
\$M	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Tot
FY 2022	\$1,592	\$1,418	\$1,293	\$2,212	\$3,245	\$2,320	\$2,253	\$3,097	\$5,109	\$4,886	\$1,593	\$523	\$29,541
FY 2023	\$1,578	\$2,360	\$2,858	\$4,132	\$4,478	\$3,051	\$4,766	\$6,164	\$6,985	\$4,142	\$6,238	\$5,790	\$52,541
FY 2024	\$1,065	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,065

State Managed Well Plugging Program Cumulative Wells Plugged September 2023



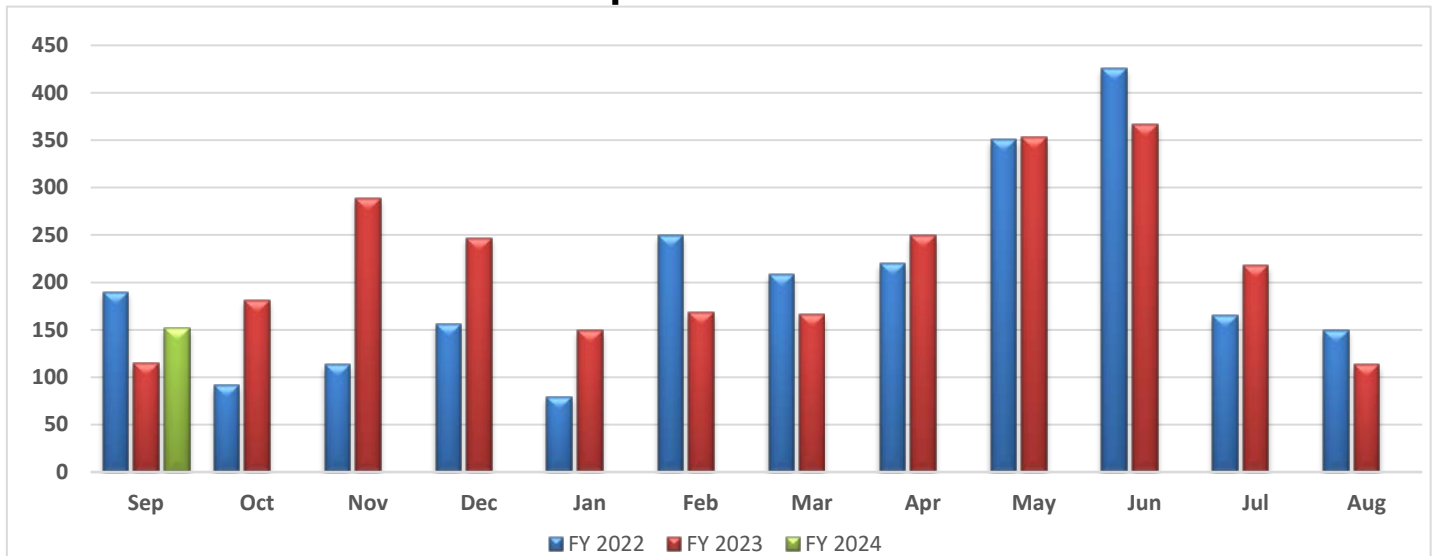
	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
FY 2022	44	106	185	289	441	533	653	777	892	1,000	1,047	1,068
FY 2023	99	223	322	437	568	685	827	1,000	1,231	1,377	1,489	1,750
FY 2024	65											

State Managed Well Plugging Program Monthly Salvage Operations September 2023



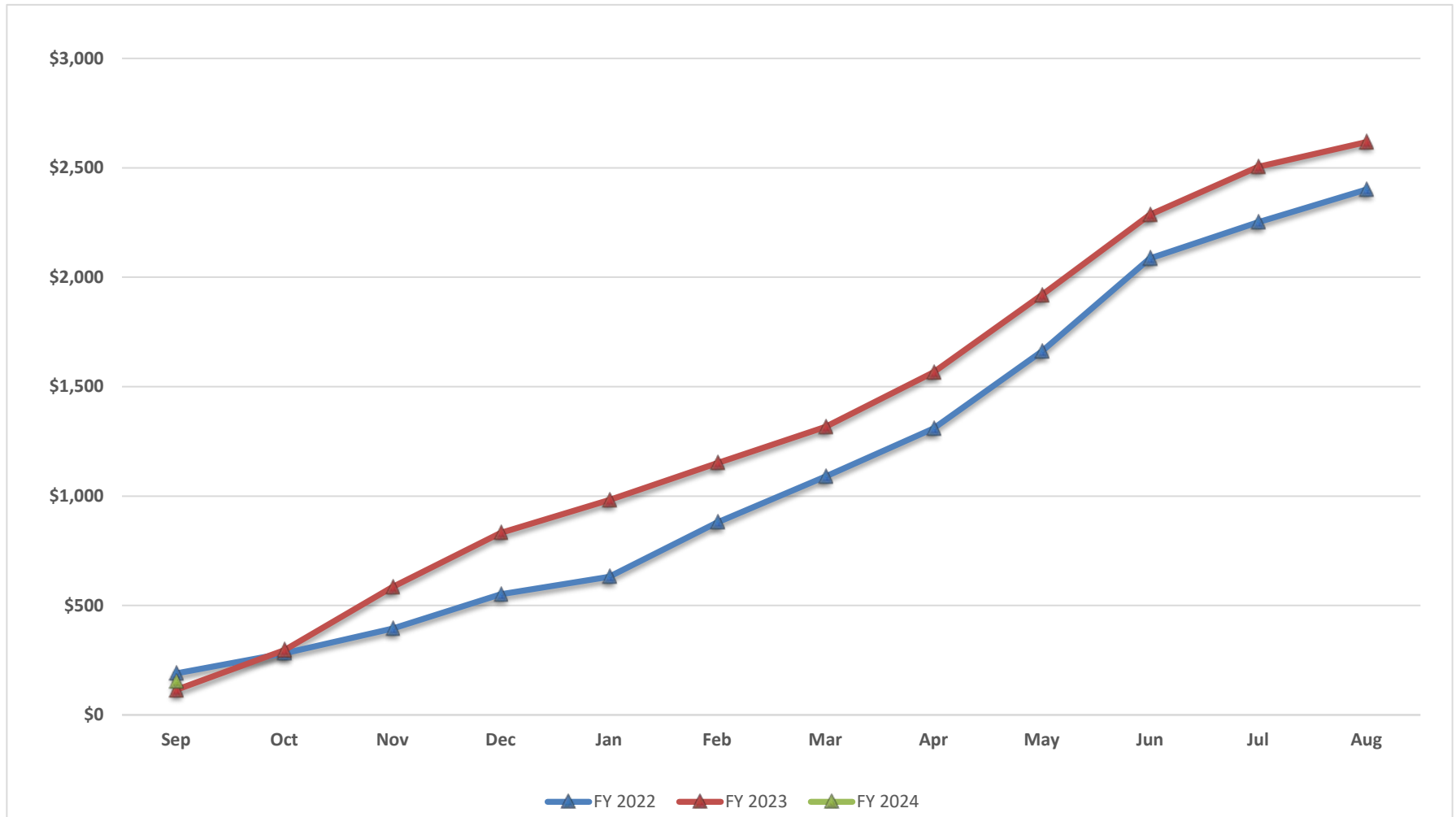
	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Tot
FY 2022	31	27	22	23	23	26	44	35	47	48	32	41	399
FY 2023	27	25	33	24	18	26	25	29	52	42	45	18	364
FY 2024	33												33

State Managed Well Plugging Program Monthly Salvage Proceeds September 2023



\$M	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Tot
FY 2022	\$190	\$91	\$114	\$156	\$79	\$250	\$209	\$220	\$351	\$426	\$165	\$150	\$2,401
FY 2023	\$114	\$182	\$289	\$247	\$150	\$169	\$166	\$250	\$353	\$367	\$218	\$114	\$2,617
FY 2024	\$152												

State Managed Well Plugging Program Cumulative Salvage Proceeds September 2023



\$M	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
FY 2022	\$190	\$281	\$395	\$551	\$631	\$880	\$1,089	\$1,309	\$1,660	\$2,086	\$2,251	\$2,401
FY 2023	\$114	\$296	\$585	\$832	\$982	\$1,150	\$1,316	\$1,566	\$1,919	\$2,286	\$2,504	\$2,618
FY 2024	\$152											