

RAILROAD COMMISSION OF TEXAS

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

INTERNAL
OIL AND GAS DIVISION
DAVID LINDLEY
ASSISTANT DIRECTOR, FIELD OPERATIONS

MEMORANDUM

July 12, 2024

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

FROM: David Lindley
Assistant Director, Oil and Gas Division
Field Operations


SUBJECT: Field Operations Section
Monthly Report of State Managed Well Plugging Activities
June 2024, 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 1,800 wells. As of June 30, 2024, a total of 1,173 wells have been physically plugged, though not all of them have yet been invoiced and approved for payment.

KCW
Attachments



David Lindley
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
June 2024

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

June	2.09 %
Fiscal Year-to-date	12.0 %
Performance Measure Goal	20.0 %

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

June	179
Fiscal Year-to-date	1031
Performance Measure Goal	2,000

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

June	249,968
Fiscal Year-to-date	2,025,343
Performance Measure Goal	4,000,000

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

June	11.8
Fiscal Year-to-date	26.4
Performance Measure Goal	50

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

June	153
Fiscal Year-to-date	1,824
Performance Measure Goal	2,000

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

June	8,577
Performance Measure Goal	7,500

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

June	520
Fiscal Year-to-date	6,187
Performance Measure Goal	6,000

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

June	48.3 %
Performance Measure Goal	48.0 %

Explanatory measure: Numbered shut-in/inactive wells.

June	152,573
Performance Measure Goal	146,000

RAILROAD COMMISSION OF TEXAS
Oil Field Cleanup

Monthly State-Funded Plugging, Pollution Abatement and Salvage Activities
Commissioners Report
06/01/2024 to 06/30/2024

State-Funded Plugging Activities

Number of wells approved for plugging this month	153
Estimated cost of approvals	\$ 6,667,000.00
Number of wells approved for this fiscal year	1824
Number of approved wells remaining to plug	3306
Estimated cost to plug remaining approvals	\$ 151,620,481.64
Number of pluggings completed this month	179
Total cost to plug wells completed this month	\$ 2,760,354.79
Number of pluggings completed this fiscal year	1031
Cost of pluggings completed this fiscal year	\$ 29,601,924.36

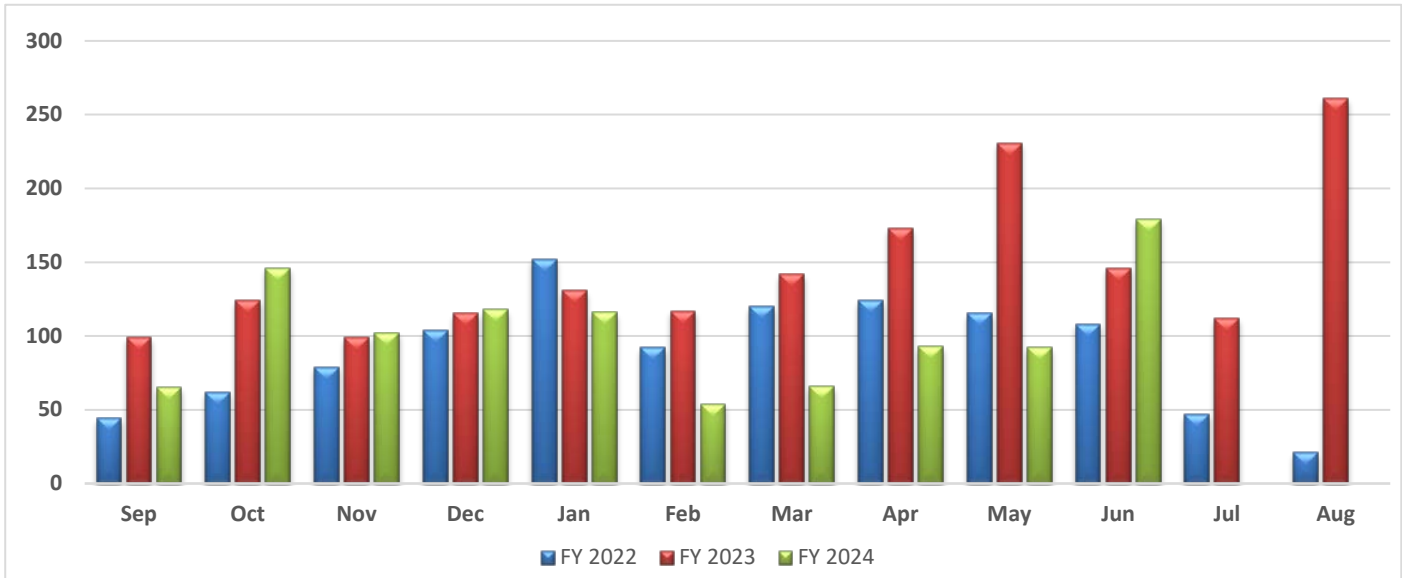
Pollution Abatement Activities

Number of pollution abatements approved this month	5
Estimated cost of approvals	\$ 134,000.00
Number of pollution abatements approved for this fiscal year	61
Number of pollution abatements remaining	81
Estimated cost to pollution abatements remaining	\$ 926,560.00
Number of pollution abatements completed this month	3
Total cost of pollution abatements completed this month	\$ 36,036.93
Number of pollution abatements completed this fiscal year	46
Cost of pollution abatements completed this fiscal year	\$ 1,779,050.59

Salvage Activities

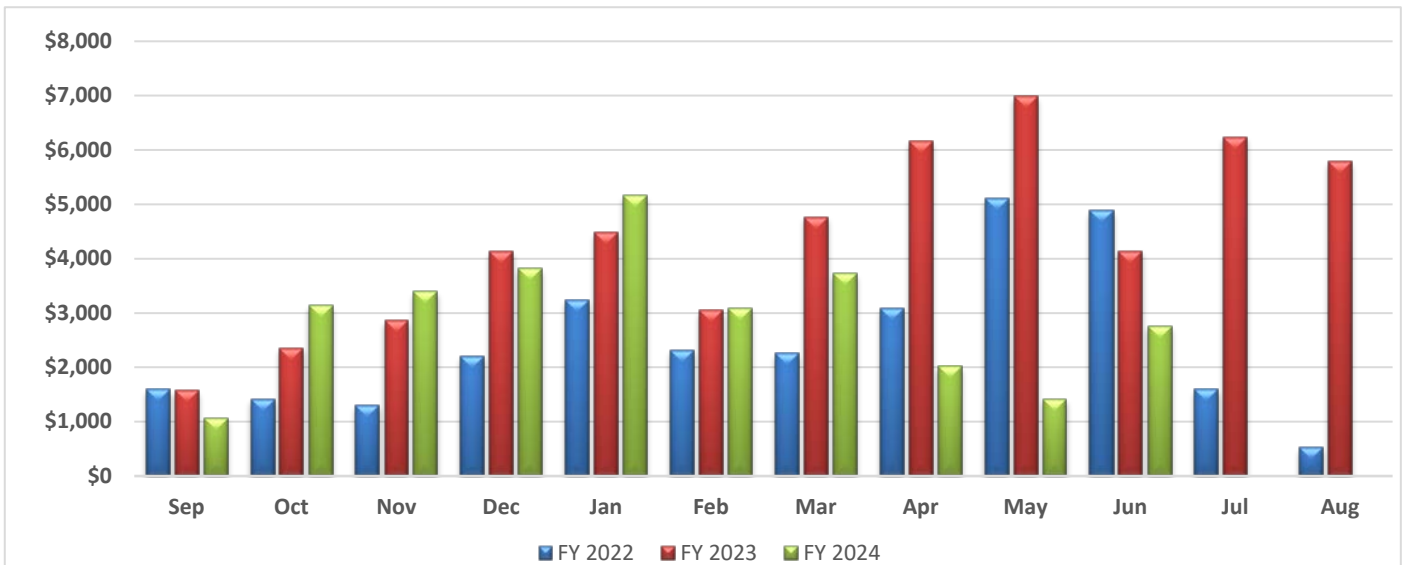
Number of salvage activities completed this month	14
Total proceeds received this month	\$ 57,316.99
Number of salvage activities completed this fiscal year	314
Total proceeds received this year	\$ 1,414,627.89

State Managed Well Plugging Program Monthly Wells Plugged June 2024



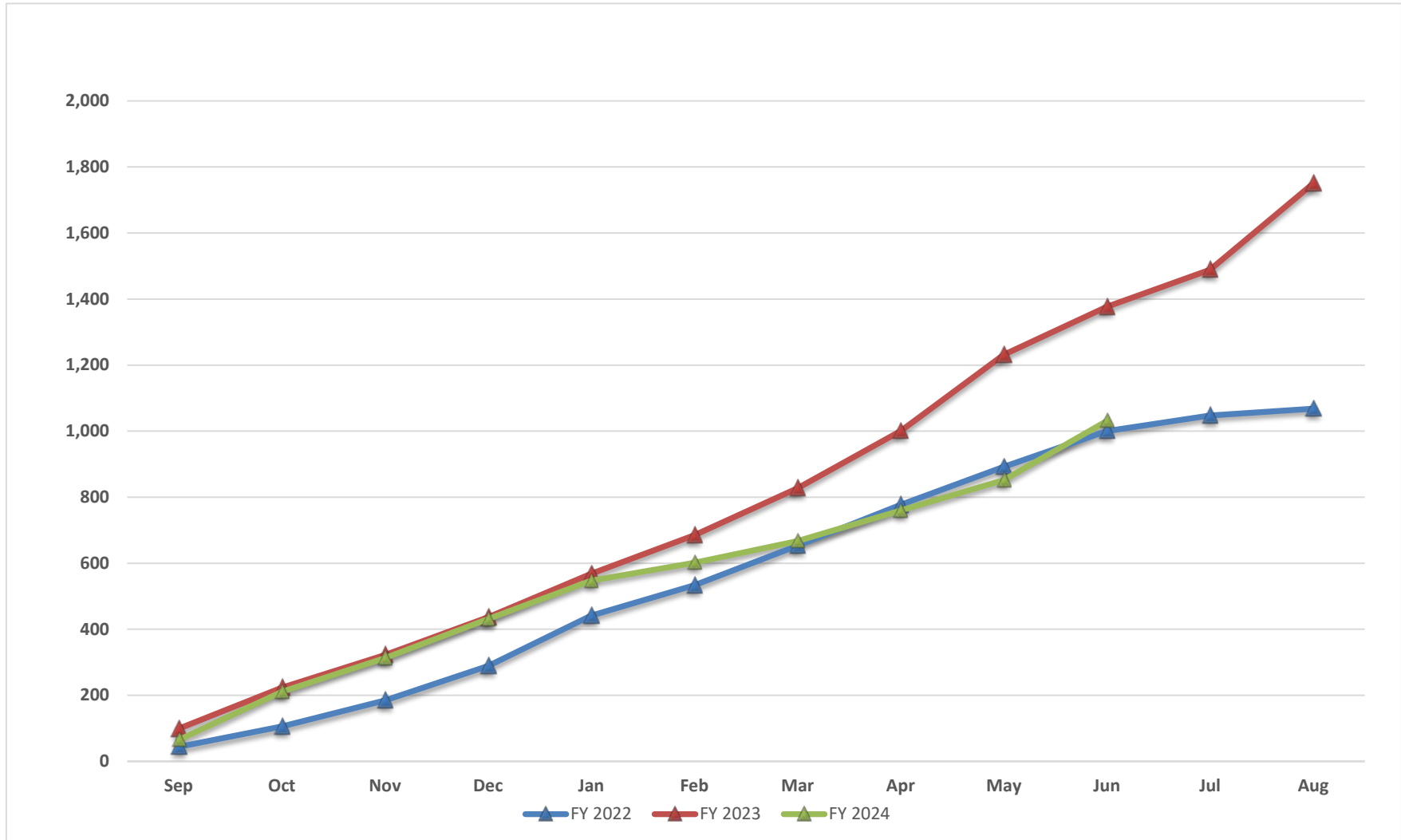
	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Tot
FY 2022	44	62	79	104	152	92	120	124	115	108	47	21	1,068
FY 2023	99	124	99	115	131	117	142	173	231	146	112	261	1,750
FY 2024	65	146	102	118	116	54	66	93	92	179	0	0	1,031

State Managed Well Plugging Program Monthly Cost of Wells Plugged June 2024



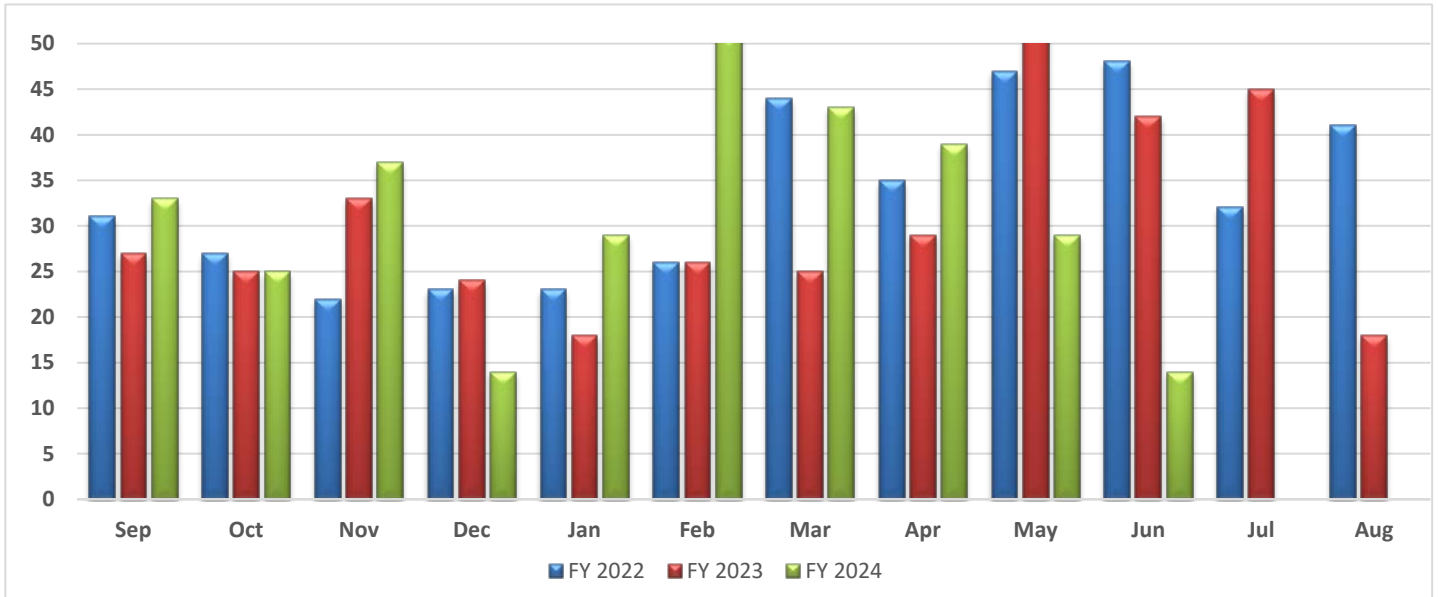
\$M	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Tot
FY 2022	\$1,592	\$1,418	\$1,293	\$2,212	\$3,245	\$2,320	\$2,253	\$3,097	\$5,109	\$4,886	\$1,593	\$523	\$29,541
FY 2023	\$1,578	\$2,360	\$2,858	\$4,132	\$4,478	\$3,051	\$4,766	\$6,164	\$6,985	\$4,142	\$6,238	\$5,790	\$52,541
FY 2024	\$1,065	\$3,140	\$3,400	\$3,822	\$5,161	\$3,090	\$3,730	\$2,017	\$1,417	\$2,760	\$0	\$0	\$29,602

State Managed Well Plugging Program Cumulative Wells Plugged June 2024



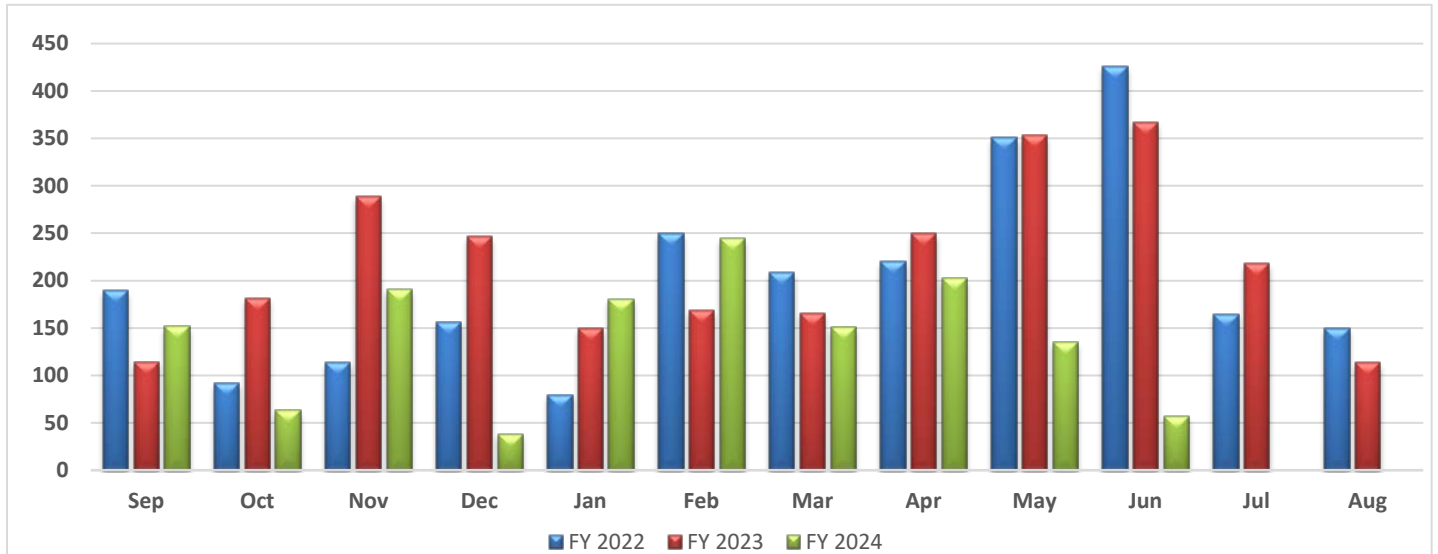
	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
FY 2022	44	106	185	289	441	533	653	777	892	1,000	1,047	1,068
FY 2023	99	223	322	437	568	685	827	1,000	1,231	1,377	1,489	1,750
FY 2024	65	211	313	431	547	601	667	760	852	1,031		

State Managed Well Plugging Program Monthly Salvage Operations June 2024



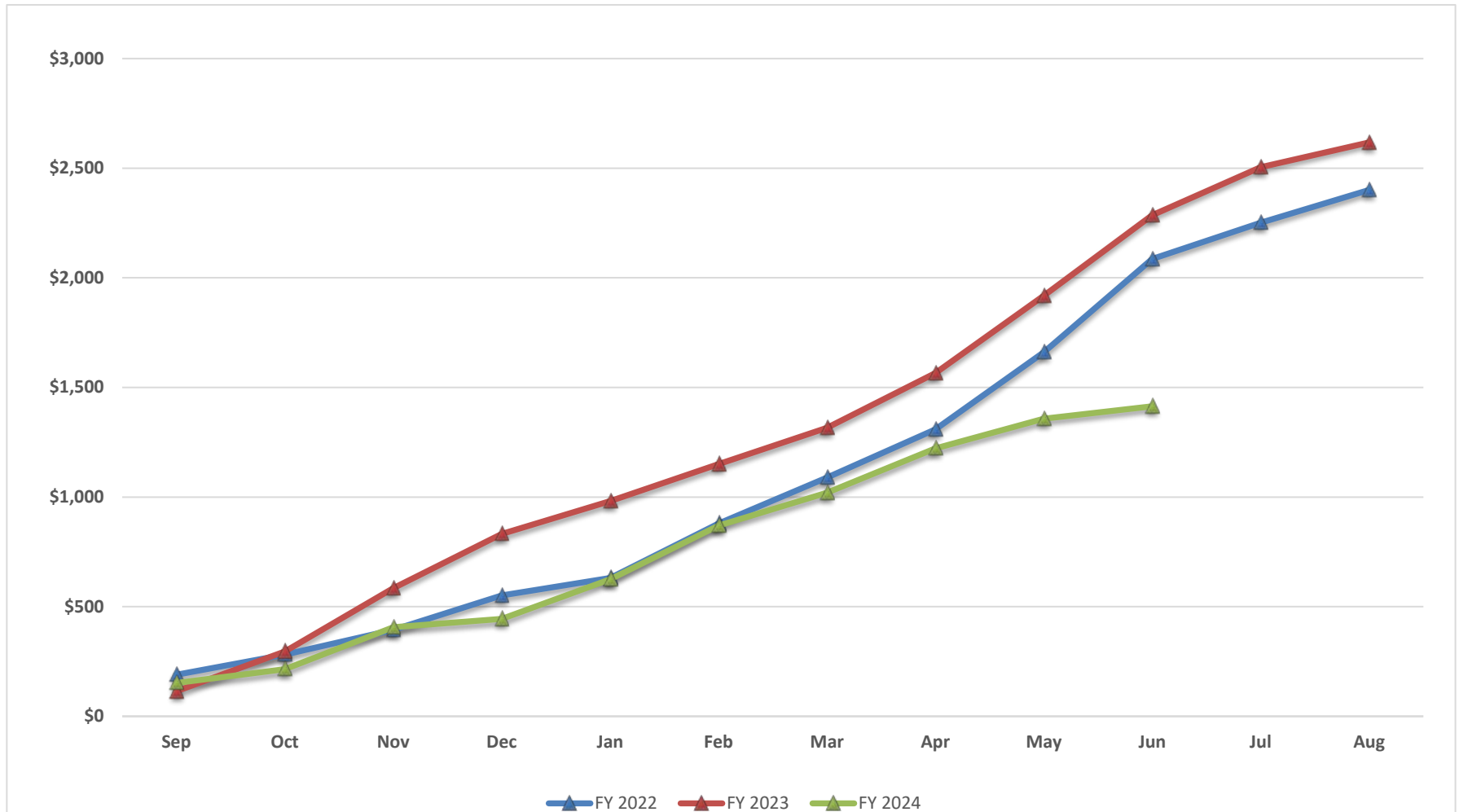
	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Tot
FY 2022	31	27	22	23	23	26	44	35	47	48	32	41	399
FY 2023	27	25	33	24	18	26	25	29	52	42	45	18	364
FY 2024	33	25	37	14	29	51	43	39	29	14			314

State Managed Well Plugging Program Monthly Salvage Proceeds June 2024



\$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	\$63	\$191	\$39	\$181	\$245	\$151	\$202	\$135	\$57			\$1,414

State Managed Well Plugging Program Cumulative Salvage Proceeds June 2024



\$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	\$215	\$406	\$444	\$625	\$870	\$1,020	\$1,222	\$1,357	\$1,414		