

RAILROAD COMMISSION OF TEXAS

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

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

MEMORANDUM

August 11, 2020

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

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


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

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 2020 goal of plugging 1,400 wells. As of July 31, 2020, a total of 1311 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
July 2020

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

July	1.24%
Fiscal Year-to-date	20.39%
Performance Measure Goal	25 %

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

July	78
Fiscal Year-to-date	1277
Performance Measure Goal	1,400

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

July	195,533
Fiscal Year-to-date	2,768,721
Performance Measure Goal	3,400,000

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

July	57
Fiscal Year-to-date	47
Performance Measure Goal	60

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

July	258
Fiscal Year-to-date	1149
Performance Measure Goal	1,000

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

July	6,263
Performance Measure Goal	6,000

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

July	1,036
Fiscal Year-to-date	7,145
Performance Measure Goal	5,500

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

July	47.7%
Performance Measure Goal	41%

Explanatory measure: Numbered shut-in/inactive wells.

July	144,264
Performance Measure Goal	117,000

RAILROAD COMMISSION OF TEXAS
Oil Field Cleanup

Monthly State-Funded Plugging, Pollution Abatement and Salvage Activities
Commissioners Report
07/01/2020 to 07/31/2020

State-Funded Plugging Activities

Number of wells approved for plugging this month	258
Estimated cost of approvals	\$ 6,539,926.00
Number of wells approved for this fiscal year	1149
Number of approved wells remaining to plug	1548
Estimated cost to plug remaining approvals	\$ 66,525,659.34
Number of pluggings completed this month	78
Total cost to plug wells completed this month	\$ 1,728,041.18
Number of pluggings completed this fiscal year	1277
Cost of pluggings completed this fiscal year	\$ 25,750,103.34

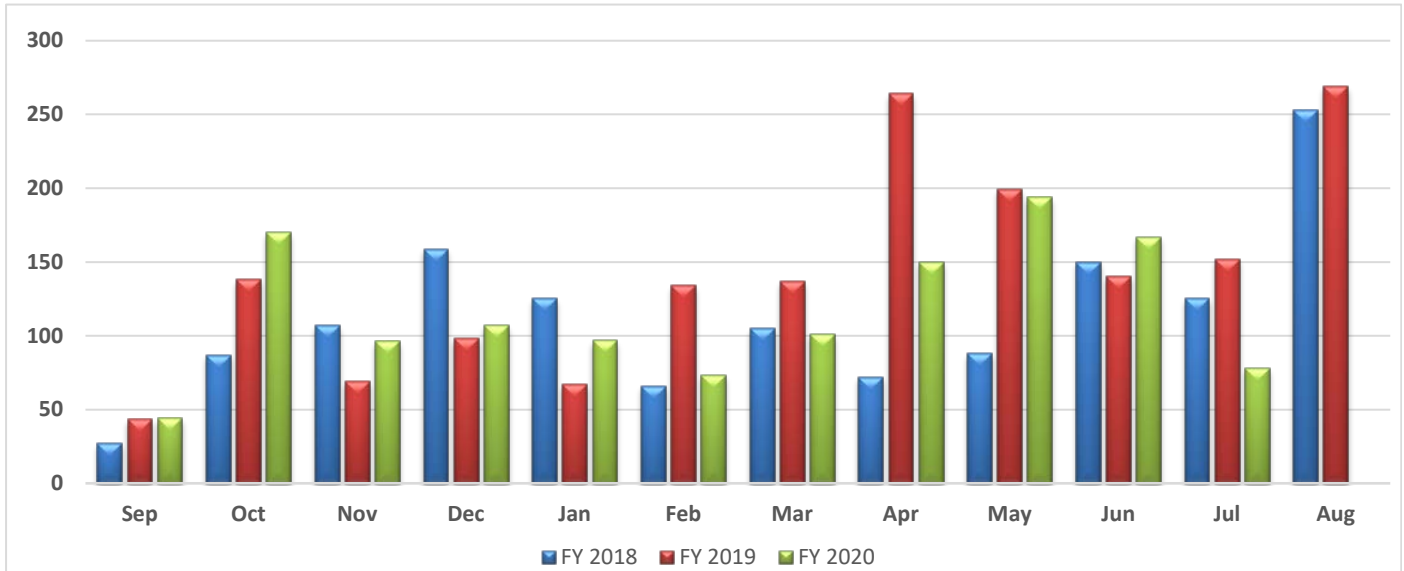
Pollution Abatement Activities

Number of pollution abatements approved this month	2
Estimated cost of approvals	\$ 1,700.00
Number of pollution abatements approved for this fiscal year	43
Number of pollution abatements remaining	61
Estimated cost to pollution abatements remaining	\$ 1,216,410.00
Number of pollution abatements completed this month	2
Total cost of pollution abatements completed this month	\$ 11,961.59
Number of pollution abatements completed this fiscal year	28
Cost of pollution abatements completed this fiscal year	\$ 436,320.41

Salvage Activities

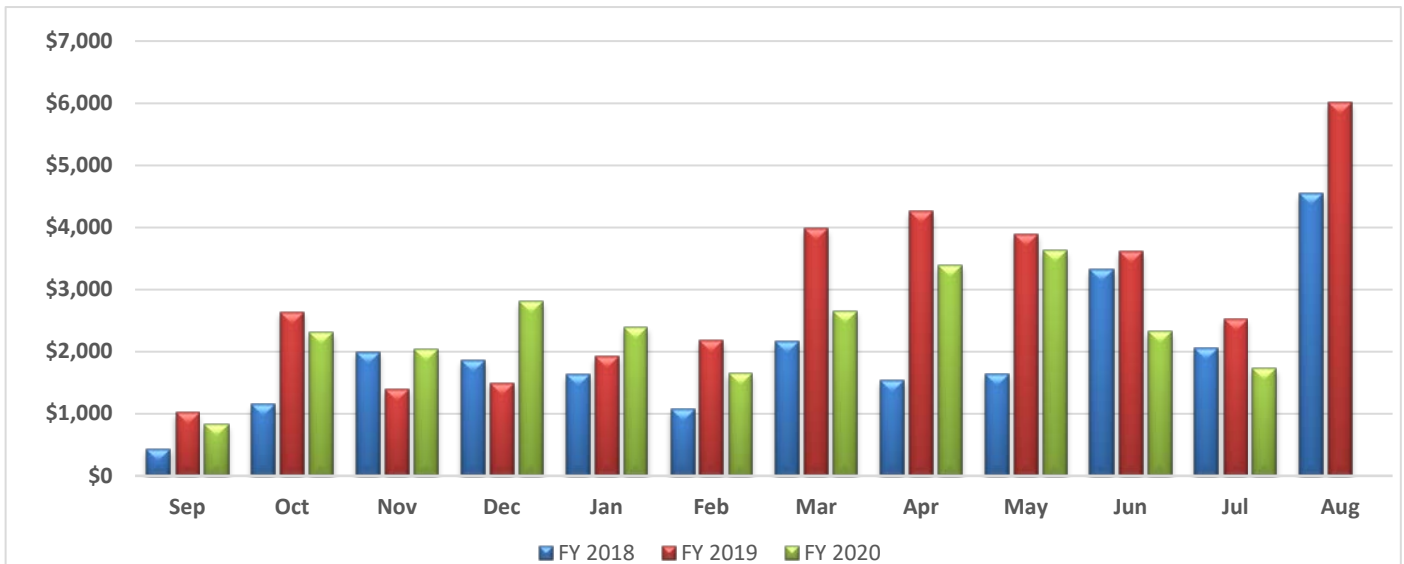
Number of salvage activities completed this month	60
Total proceeds received this month	\$ 152,529.65
Number of salvage activities completed this fiscal year	331
Total proceeds received this year	\$ 814,841.28

State Managed Well Plugging Program Monthly Wells Plugged July 2020



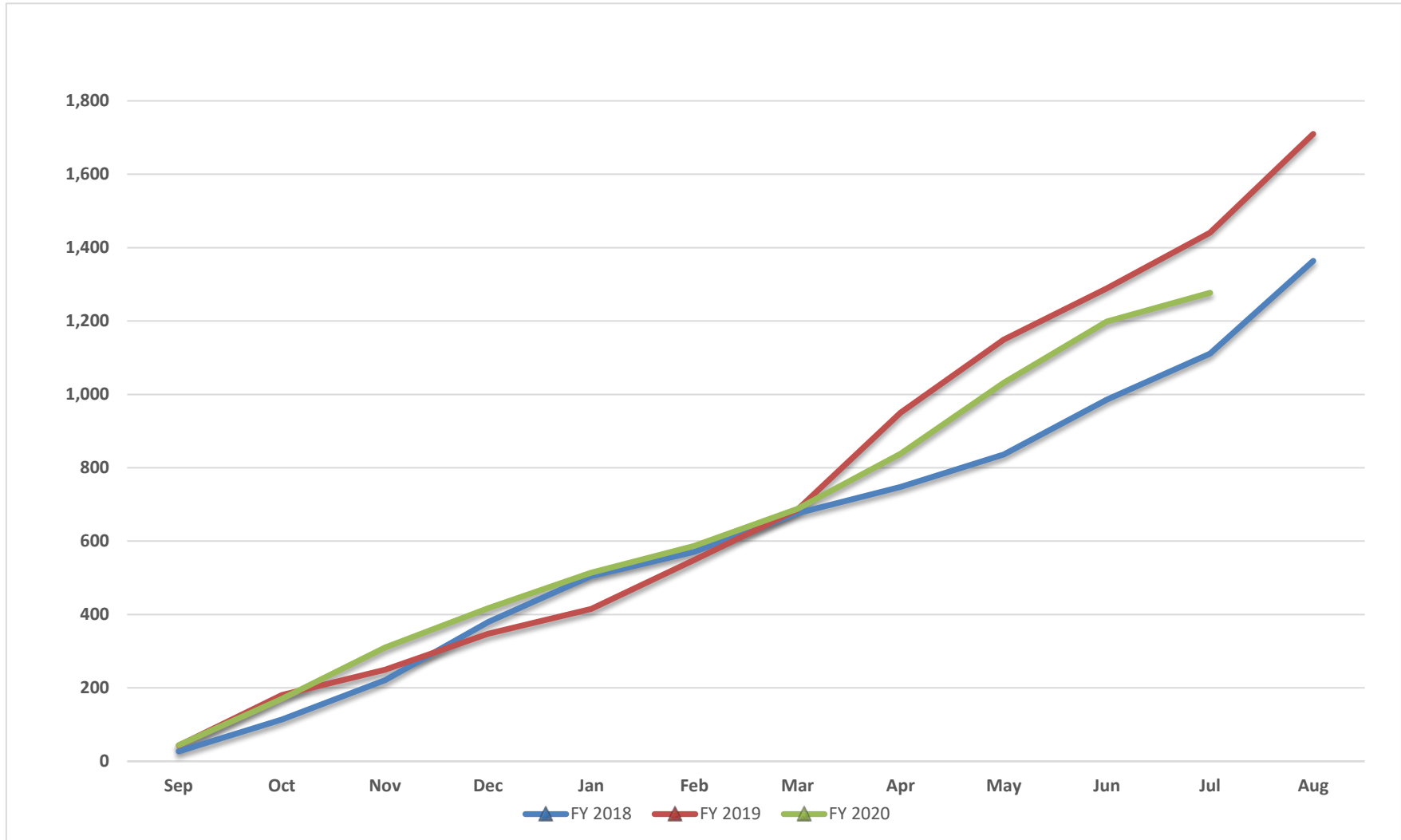
	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Tot
FY 2018	27	87	107	159	125	66	105	72	88	150	125	253	1,364
FY 2019	43	138	69	98	67	134	137	264	199	140	152	269	1,710
FY 2020	44	170	96	107	97	73	101	150	194	167	78		1,277

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



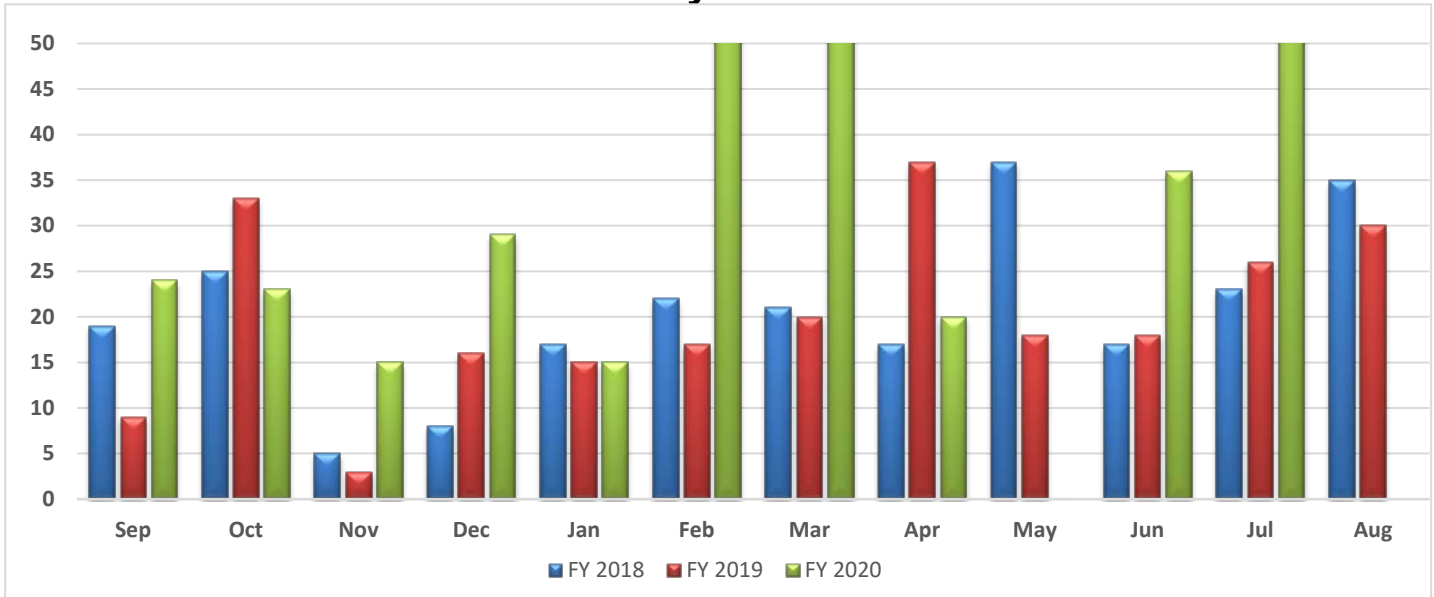
\$M	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Tot
FY 2018	\$433	\$1,144	\$1,996	\$1,865	\$1,636	\$1,064	\$2,163	\$1,532	\$1,639	\$3,319	\$2,052	\$4,550	\$23,393
FY 2019	\$1,020	\$2,637	\$1,397	\$1,494	\$1,921	\$2,181	\$3,983	\$4,257	\$3,894	\$3,617	\$2,528	\$6,014	\$34,943
FY 2020	\$831	\$2,306	\$2,044	\$2,805	\$2,395	\$1,651	\$2,655	\$3,381	\$3,625	\$2,328	\$1,728		\$25,750

State Managed Well Plugging Program Cumulative Wells Plugged July 2020



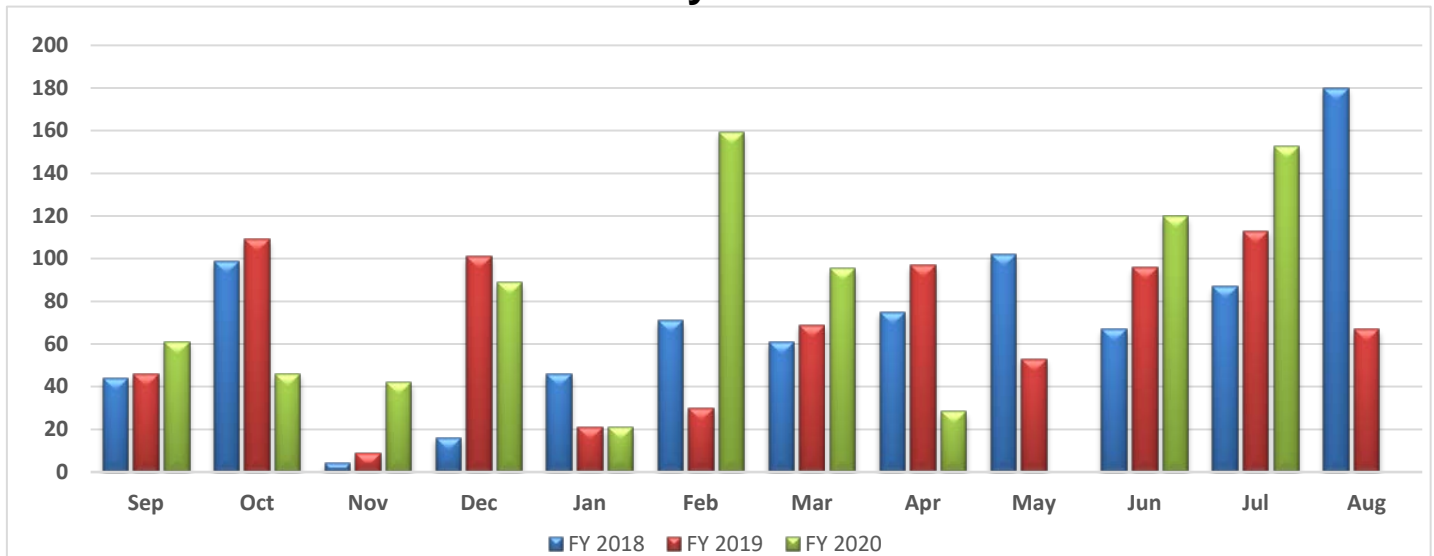
	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
FY 2018	27	114	221	380	505	571	676	748	836	986	1,111	1,364
FY 2019	43	181	250	348	415	549	686	950	1,149	1,289	1,441	1,710
FY 2020	44	170	310	417	514	587	688	838	1,032	1,199	1,277	

State Managed Well Plugging Program Monthly Salvage Operations July 2020



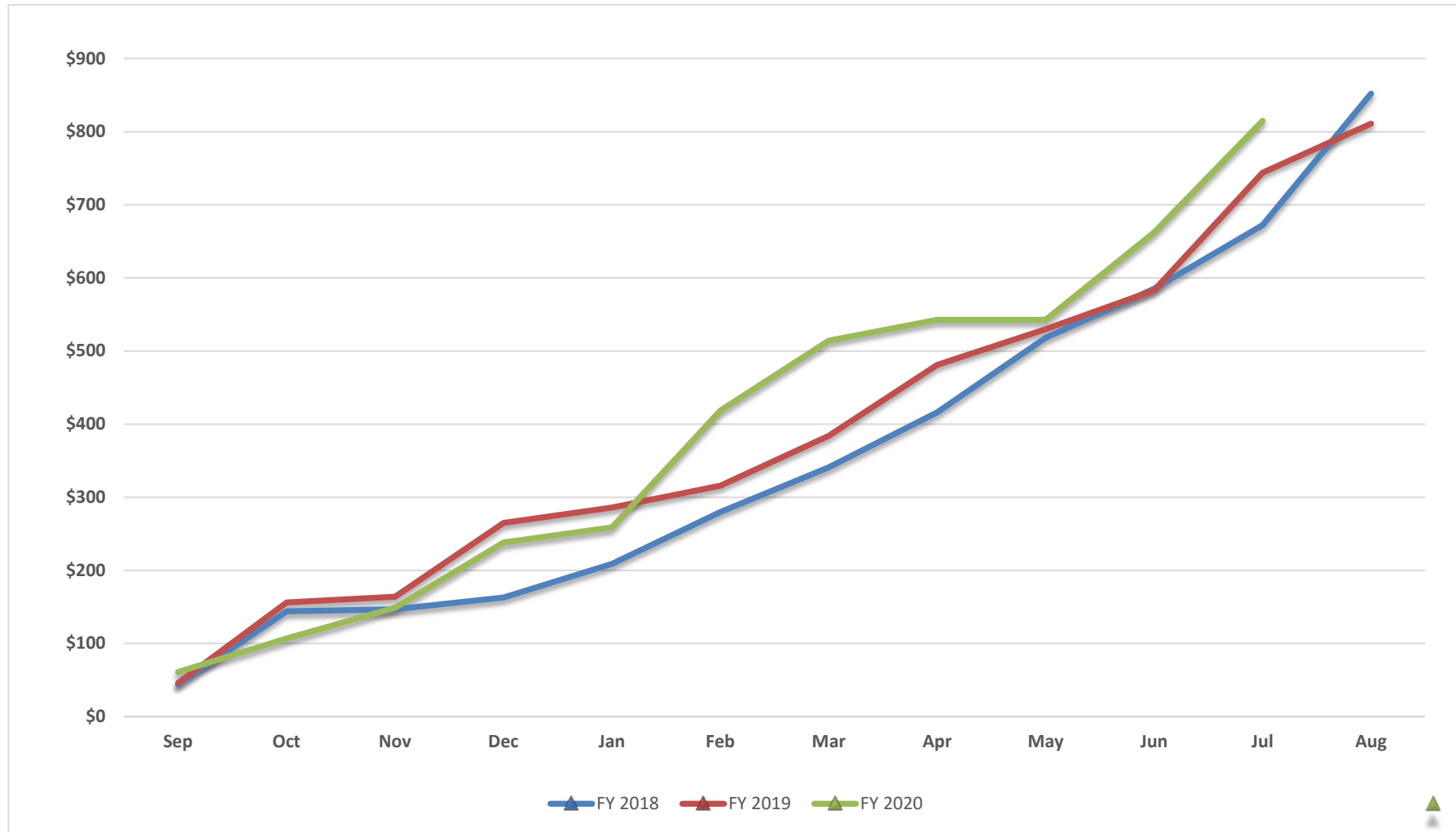
	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Tot
FY 2018	19	25	5	8	17	22	21	17	37	17	23	35	246
FY 2019	9	33	3	16	15	17	20	37	18	18	26	30	242
FY 2020	24	23	15	29	15	55	54	20	0	36	60		331

State Managed Well Plugging Program Monthly Salvage Proceeds July 2020



\$M	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Tot
FY 2018	\$44	\$99	\$4	\$16	\$46	\$71	\$61	\$75	\$102	\$67	\$87	\$180	\$852
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		\$814

State Managed Well Plugging Program Cumulative Salvage Proceeds July 2020



\$M	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
FY 2018	\$44	\$144	\$147	\$163	\$209	\$280	\$341	\$416	\$518	\$585	\$672	\$852
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	