

RAILROAD COMMISSION OF TEXAS

DAVID PORTER, *CHAIRMAN*
CHRISTI CRADDICK, *COMMISSIONER*
RYAN SITTON, *COMMISSIONER*

INTERNAL
OIL AND GAS DIVISION
SANTOS GONZALES JR., P.E.
ASSISTANT DIRECTOR, FIELD OPERATIONS

MEMORANDUM

TO: Chairman David Porter
Commissioner Christi Craddick
Commissioner Ryan Sitton

FROM: Santos Gonzales, Jr., P. E.
Assistant Director, Field Operations

DATE: November 17, 2015

SUBJECT: Well Plugging and Site Remediation Fiscal Year 2015
3rd and 4th Quarter Report

Well Plugging: The 3rd quarter well plugging performance includes **190** wells plugged with a total expenditure of **\$3,658,214.29** using Oil and Gas Regulation and Cleanup (OGRC) funds. This includes wells for which the state-funded plug files have been formally closed in Austin. An additional **207** wells were approved for plugging during the 3rd quarter.

The 4th quarter well plugging performance includes **320** wells plugged with a total expenditure of **\$2,818,697.61** using OGRC funds. An additional **92** wells were approved for plugging during the 4th quarter.

Fiscal year 2015 totals include **692** wells plugged with a total expenditure of **\$10,731,174.12** using OGRC funds and **733** wells were approved for plugging. At the end of fiscal year 2015, **939** wells were approved and remain to be plugged. During fiscal year 2015, bids were prepared on 869 wells, of which, 692 wells were plugged and files closed. An additional thirty-five (35) wells were physically plugged but will not be closed until the final invoice is received. At the end of fiscal year 2015, 105 wells were under contract and thirty-seven (37) wells were out for bid. The well plugging target for fiscal year 2015 was 730 wells. The actual wells plugged and expenditure by district for fiscal years 2013, 2014 and 2015 and the well plugging targets and budgets by district for fiscal year 2015 are shown on the attached graphs.

Site Remediation: During the 3rd quarter Site Remediation completed and formally closed **57** cleanup activities for a total expenditure of **\$790,705.12**, of which 56 were completed with the use of OGRC funds of \$784,151.85 and 1 was completed with the use of grant funds of \$6,553.27. An additional **57** cleanup activities were authorized during the 3rd quarter.

During the 4th quarter Site Remediation completed and formally closed **139** cleanup activities for a total expenditure of **\$1,106,924.81**, of which 134 were completed with the use of OGRC funds of \$921,021.04 and 5 were completed with the use of grant funds of \$185,903.77. Additionally, during the 4th quarter 73 cleanup activities were authorized and at the end of the 4th quarter a total of 21 cleanup activities are authorized and remain to be completed.

Fiscal year 2015 totals include **252** cleanup activities completed and formally closed for a total expenditure of **\$3,564,328.15**, of which 240 were completed with the use of OGRC funds of \$3,241,938.82 and 12 were completed with the use of grant funds of \$322,389.33. The actual remediation activities and expenditure by district for fiscal years 2013, 2014, and 2015 and the targets and budgets for the Site Remediation activities by district for fiscal year 2015 are shown on the attached graphs.



Santos Gonzalez, Jr., P. E.
Assistant Director, Field Operations

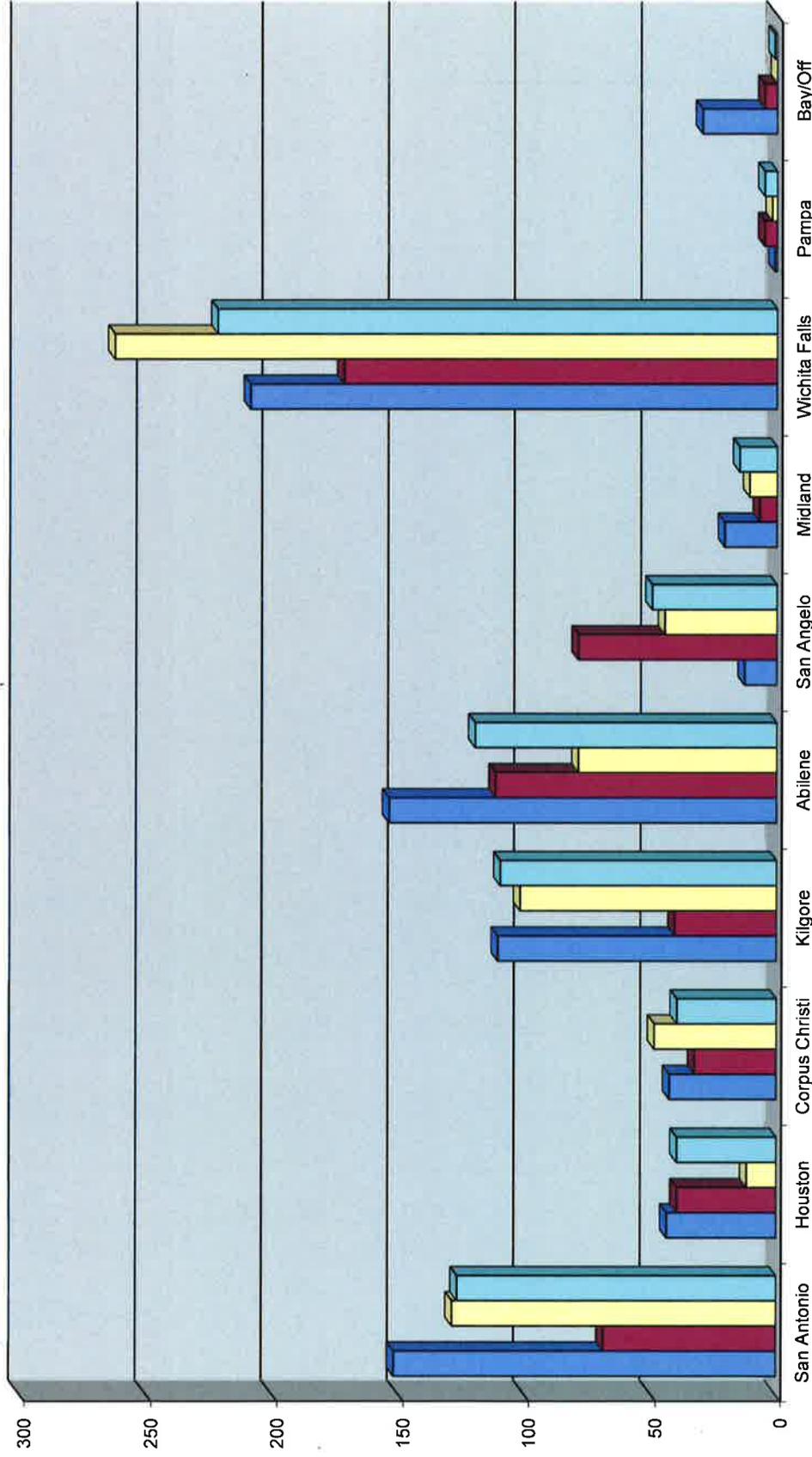
KCW

Attachments:

cc Lindil Fowler, Acting Executive Director
Lori Wrotenbery, Director, Oil & Gas Division
Peter G. Pope, P.G., Assistant Director, Site Remediation

Field Operations/Well Plugging Oil Field Cleanup Program Wells Plugged

FY 13 Actual, FY 14 Actual, FY 15 Actual, FY 15 Budgeted

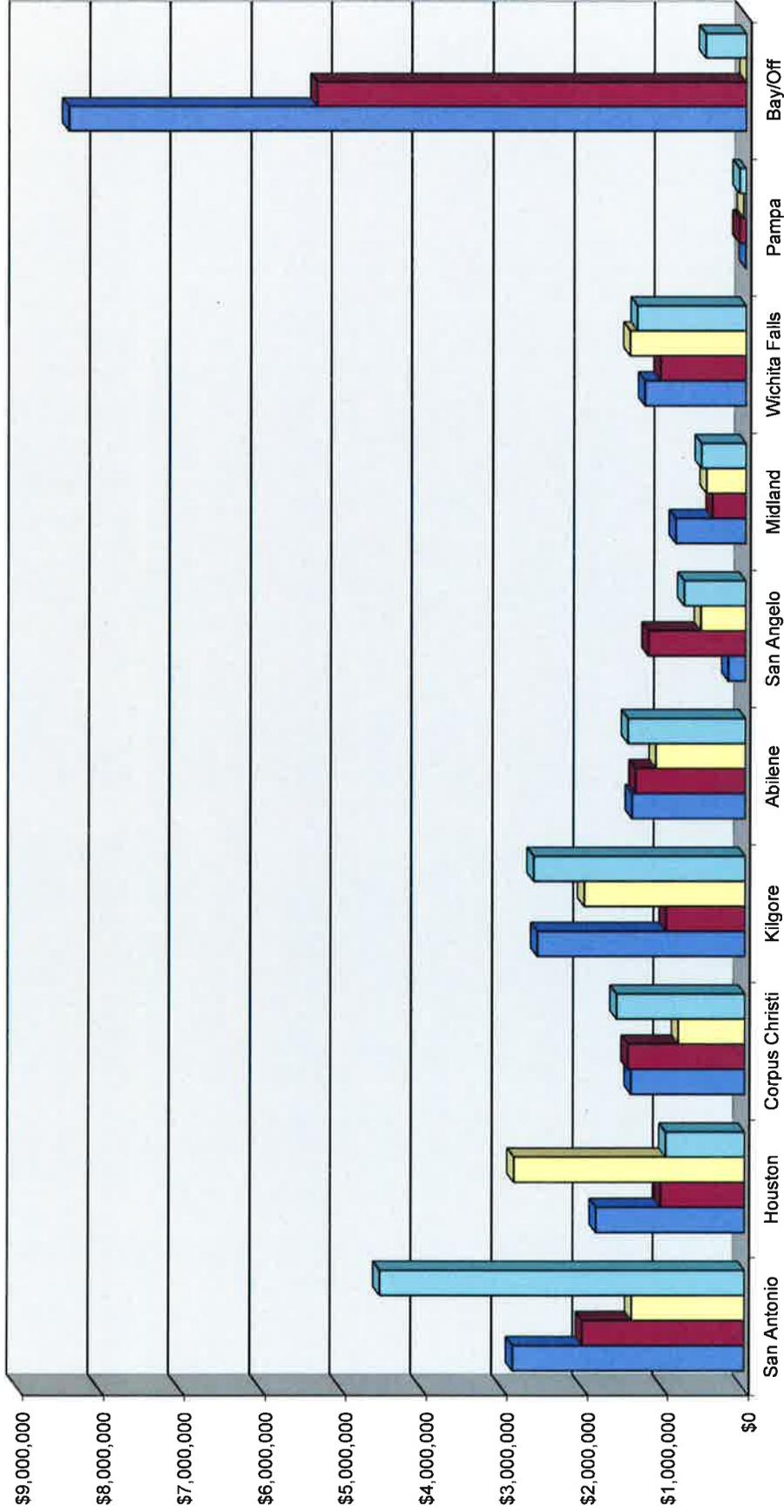


■ 2013 Wells Plugged
 ■ 2014 Wells Plugged
 ■ 2015 Wells Plugged
 ■ 2015 Wells Budgeted

	San Antonio	Houston	Corpus Christi	Kilgore	Abilene	San Angelo	Midland	Wichita Falls	Pampa	Bay/Off	Statewide
2013 Wells Plugged	152	44	43	111	154	13	21	209	1	30	778
2014 Wells Plugged	69	40	33	41	112	79	7	172	5	5	563
2015 Wells Plugged	129	12	49	102	79	45	11	263	2	0	692
2015 Wells Budgeted	127	40	40	110	120	50	15	222	5	1	730

**Field Operations/Well Plugging
Oil Field Cleanup Program
Expenditures**

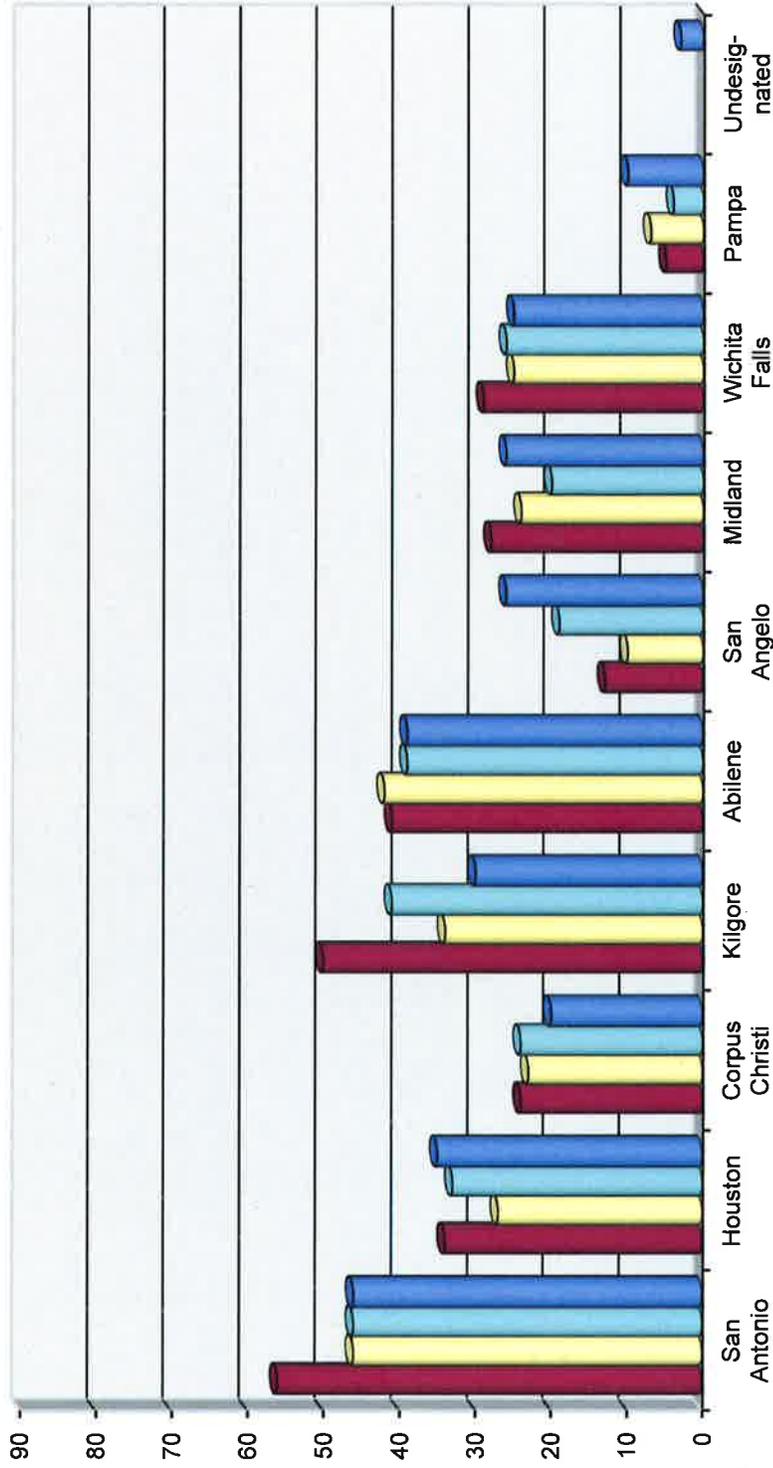
FY 13 Actual, FY 14 Actual, FY 15 Actual, FY 15 Budgeted



	San Antonio	Houston	Corpus Christi	Kilgore	Abilene	San Angelo	Midland	Wichita Falls	Pampa	Bay/Off	Statewide
2013 Actual	\$2,879,899	\$1,851,136	\$1,420,742	\$2,581,148	\$1,413,887	\$212,620	\$868,291	\$1,258,601	\$7,542	\$8,399,145	\$20,893,010
2014 Actual	\$2,020,123	\$1,042,783	\$1,459,993	\$983,165	\$1,370,321	\$1,208,706	\$411,321	\$1,062,047	\$82,977	\$5,317,809	\$14,959,244
2015 Actual	\$1,408,785	\$2,866,873	\$826,712	\$2,002,672	\$1,112,365	\$553,421	\$485,677	\$1,444,956	\$29,713	\$0	\$10,731,174
2015 Budgeted*	\$4,523,125	\$981,036	\$1,600,000	\$2,629,000	\$1,464,000	\$762,500	\$547,500	\$1,354,200	\$82,511	\$500,000	\$14,443,872

*Approved by the Commission on October 14, 2014. Does not reflect subsequent adjustments.

**Site Remediation
Oil Field Cleanup Program
Activities Completed/Budgeted
FY 13 Completed, FY 14 Completed, FY 15 Budgeted**

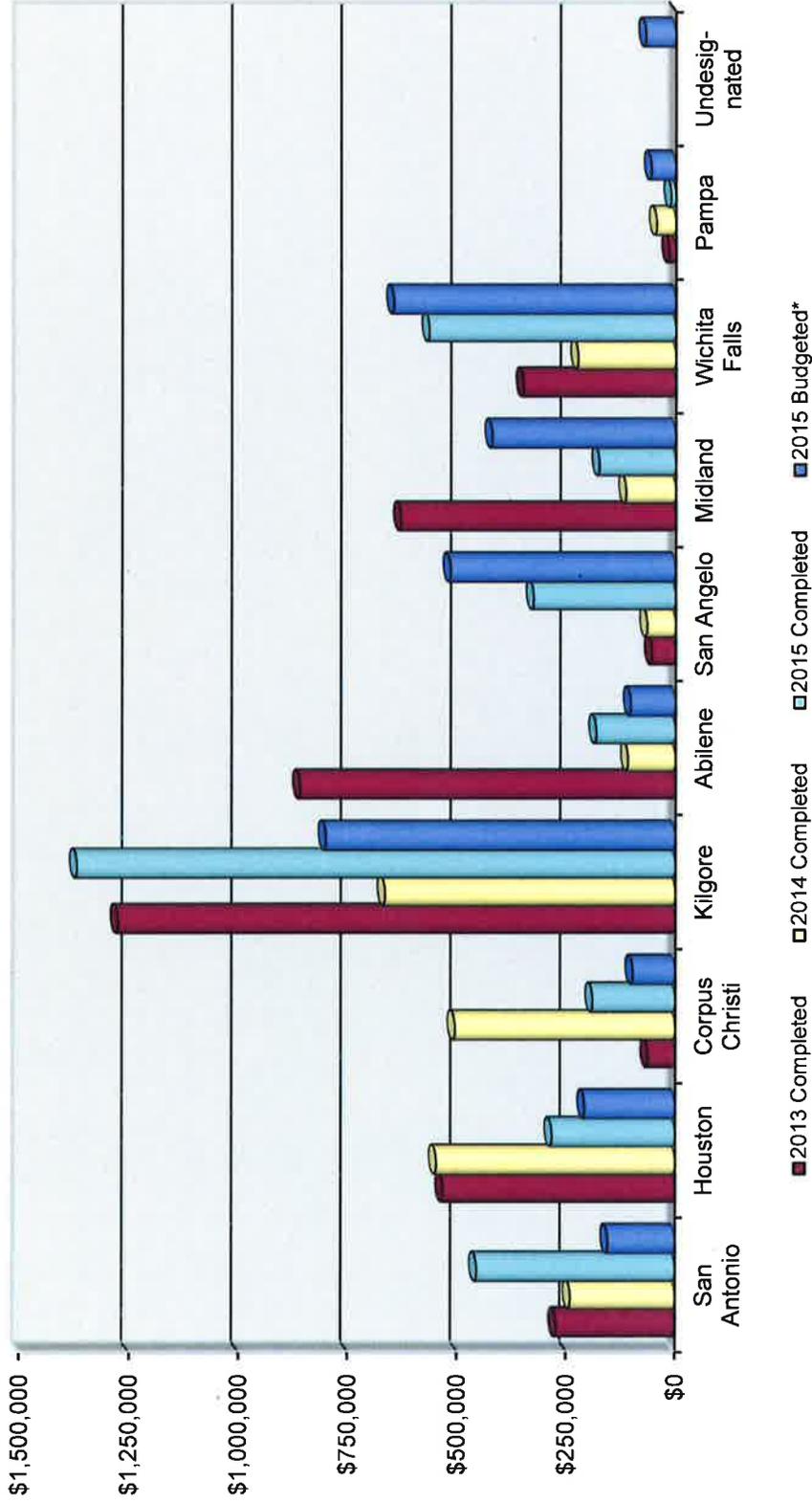


■ 2013 Activities Completed □ 2014 Activities Completed □ 2015 Activities Budgeted

	San Antonio	Houston	Corpus Christi	Kilgore	Abilene	San Angelo	San Angelo	Midland	Wichita Falls	Pampa	Undesignated	Statewide
2013 Activities Completed	56	34	24	50	41	13	28	29	5			280
2014 Activities Completed	46	27	23	34	42	10	24	25	7			238
2015 Activities Completed	46	33	24	41	39	19	20	26	4			252
2015 Activities Budgeted	46	35	20	30	39	26	26	25	10	3		260

**Site Remediation
Oil Field Cleanup Program
Expenditures**

FY 13 Completed, FY 14 Completed, FY 15 Completed, FY 15 Budgeted



	San Antonio	Houston	Corpus Christi	Kilgore	Abilene	San Angelo	Midland	Wichita Falls	Pampa	Undesignated	Statewide
2013 Completed	\$275,383	\$533,297	\$62,907	\$1,274,980	\$859,229	\$53,923	\$630,285	\$350,989	\$15,103		\$4,056,095
2014 Completed	\$242,529	\$548,538	\$506,358	\$665,944	\$109,099	\$64,861	\$114,173	\$225,745	\$43,799		\$2,521,047
2015 Completed	\$457,220	\$285,238	\$190,926	\$1,368,424	\$182,873	\$327,408	\$176,456	\$565,678	\$10,105		\$3,564,328
2015 Budgeted*	\$155,386	\$209,528	\$97,813	\$800,152	\$102,746	\$516,684	\$421,881	\$646,850	\$55,728	\$68,500	\$3,075,268

*Approved by the Commission on October 14, 2014. Does not reflect subsequent adjustments.