

# 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:** June 21, 2016

**SUBJECT:** Well Plugging and Site Remediation Fiscal Year 2016, 3rd Quarter Report

**Well Plugging:** The 3<sup>rd</sup> quarter well plugging performance includes **163** wells plugged 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. Additionally, during the 3<sup>rd</sup> quarter, **271** were approved for plugging with State funds. As of May 31, 2016, 227 wells are under contract, of which 51 wells have been physically plugged but will not be closed until a final invoice is received. An additional 270 wells are in the bid process,

Fiscal year-to-date totals include 291 wells plugged at a cost of \$5,689,711 and 661 wells have been approved for plugging with State funds. The average cost per well is \$19,522 and the removal of one high cost well makes the adjusted average cost per well \$12,286. Bids have been prepared on 788 wells, of which 518 have been awarded and 270 remain to be awarded. The well plugging goal for fiscal year 2016 is 875 wells. The actual wells plugged and expenditure by district for fiscal years 2014, 2015 and 2016 and the well plugging goals by district for fiscal year 2016 are shown on the attached graphs. The fiscal year 2016 budget, approved by the Commission on November 17, 2015, is \$8,443,872.

**Site Remediation:** During the 3<sup>rd</sup> quarter, Site Remediation completed and formally closed 50 cleanup activities, of which 46 were completed with the use of OGRC funds and 4 were completed with the use of grant funds. Additionally, during the 3<sup>rd</sup> quarter, 63 cleanup activities were authorized and at the end of the 3<sup>rd</sup> quarter, a total of 88 cleanup activities are authorized and remain to be completed. Site Remediation has completed and formally closed a total of 119 cleanup activities during the fiscal year, of which 109 were completed with the use of OGRC funds and 10 were completed with grant funds. The actual remediation activities and expenditure by district for fiscal years 2014, 2015, and 2016 and the goals for the Site Remediation activities by district for fiscal year 2016 are shown on the attached graphs. Site Remediation's FY16 budget approved by the Commission on November 17, 2015, is \$1,999,068.00.

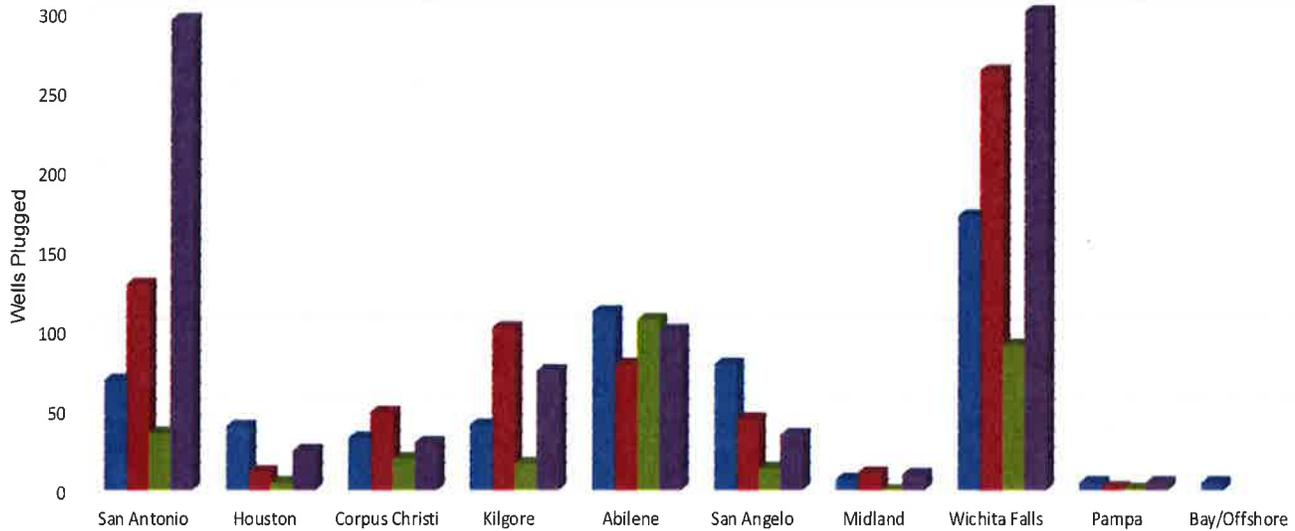


Santos Gonzales, Jr., P. E.  
Assistant Director, Field Operations

KCW  
Attachments:

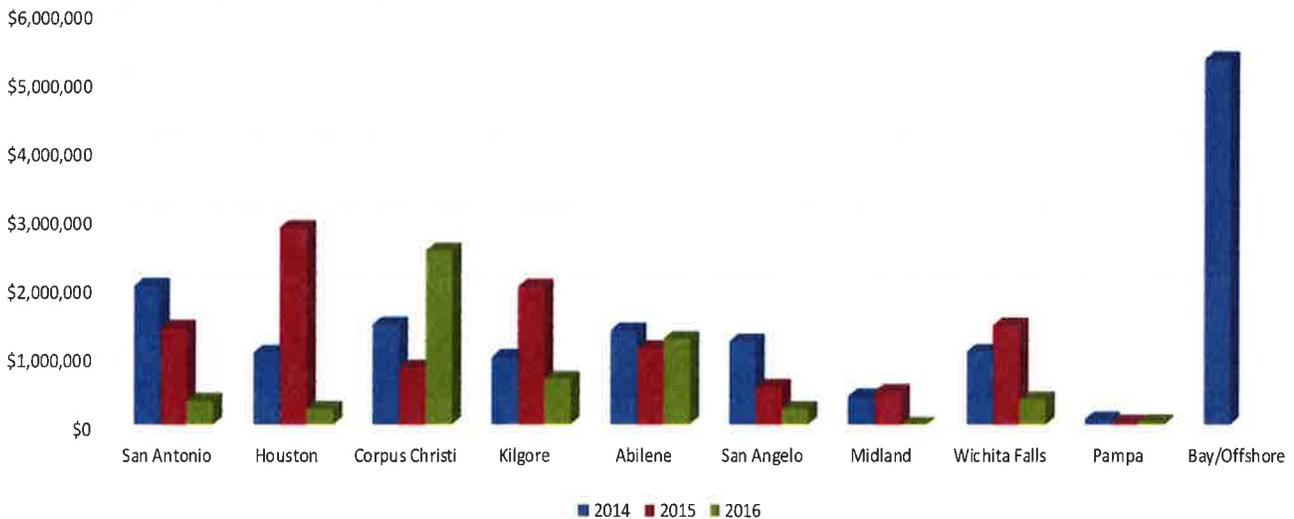
cc Kimberly Corley, Executive Director  
Lori Wrottenbery, Director, Oil & Gas Division  
Peter G. Pope, P.G., Manager, Site Remediation

**Field Operations/Well Plugging  
Oil Field Cleanup Program  
Wells Plugged  
FY 14 Actual, FY 15 Actual, FY 16 Actual, FY 16 Plugging Goal**



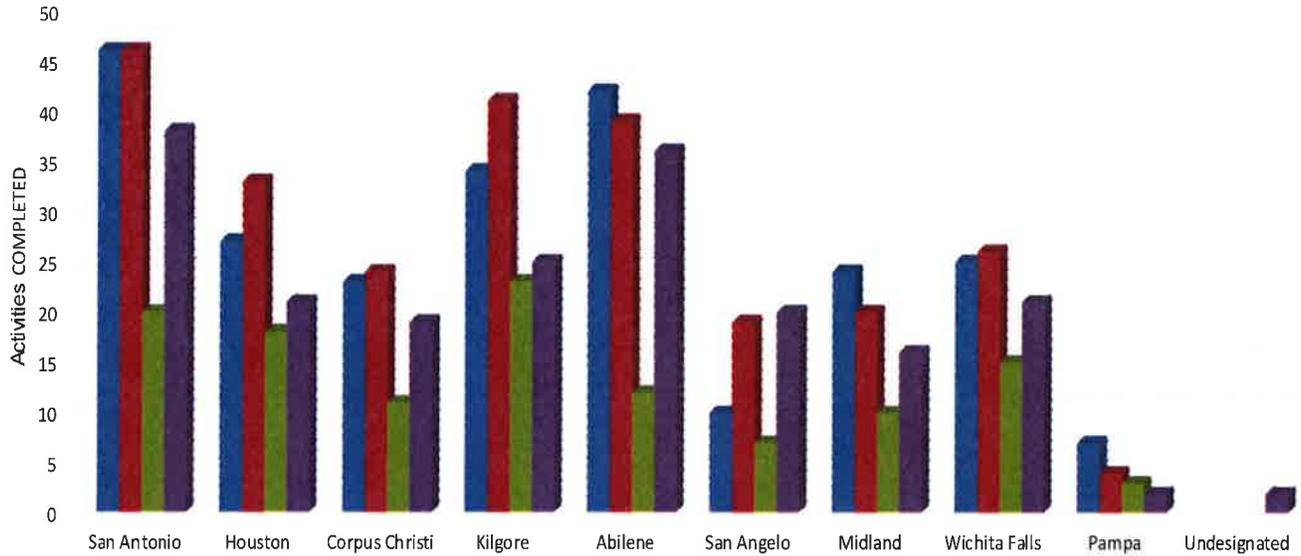
	San Antonio	Houston	Corpus Christi	Kilgore	Abilene	San Angelo	Midland	Wichita Falls	Pampa	Bay/Offshore	Total
<b>2014</b>	69	40	33	41	112	79	7	172	5	5	563
<b>2015</b>	129	12	49	102	79	45	11	263	2		692
<b>2016</b>	36	5	20	17	107	14	0	91	1		291
<b>2016 Goal</b>	295	25	30	75	100	35	10	300	5		875

**Field Operations/Well Plugging  
Oil Field Cleanup Program  
Plugging Expenditures  
FY 14 Actual, FY 15 Actual, FY 16 Actual**



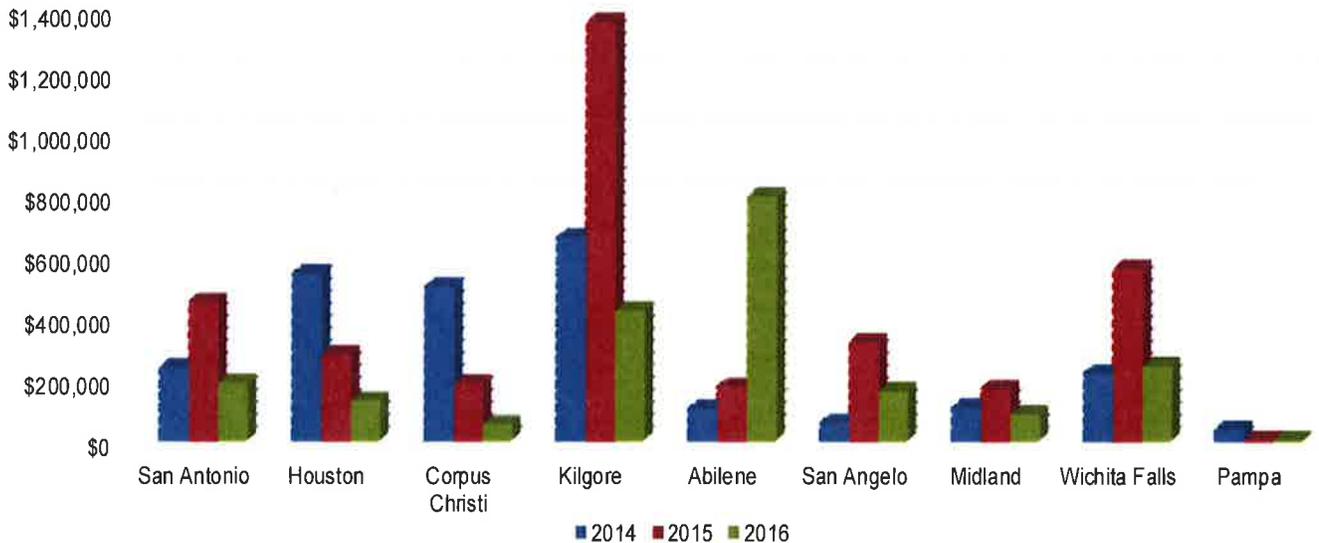
	San Antonio	Houston	Corpus Christi	Kilgore	Abilene	San Angelo	Midland	Wichita Falls	Pampa	Bay/Offshore	Total
<b>2014</b>	\$2,020,123	\$1,042,783	\$1,459,993	\$983,165	\$1,370,321	\$1,208,706	\$411,321	\$1,062,047	\$82,977	\$5,317,809	\$14,959,245
<b>2015</b>	\$1,408,785	\$2,866,873	\$826,712	\$2,002,672	\$1,112,365	\$553,421	\$485,677	\$1,444,956	\$29,713		\$10,731,174
<b>2016</b>	\$351,846	\$236,583	\$2,531,863	\$675,126	\$1,249,578	\$231,110	\$0	\$374,186	\$39,419		\$5,689,710

**Site Remediation  
Oil Field Cleanup Program  
Activities Completed  
FY 14 Actual, FY 15 Actual, FY 16 Actual, FY 16 Cleanup Goal**



	San Antonio	Houston	Corpus Christi	Kilgore	Abilene	San Angelo	Midland	Wichita Falls	Pampa	Undesignated	Total
<b>2014</b>	46	27	23	34	42	10	24	25	7		238
<b>2015</b>	46	33	24	41	39	19	20	26	4		252
<b>2016</b>	20	18	11	23	12	7	10	15	3		119
<b>2016 Goal</b>	38	21	19	25	36	20	16	21	2	2	200

**Site Remediation  
Oil Field Cleanup Program  
Cleanup Expenditures  
FY 14 Actual, FY 15 Actual, FY 16 Actual**



	San Antonio	Houston	Corpus Christi	Kilgore	Abilene	San Angelo	Midland	Wichita Falls	Pampa	Undesignated	Total
<b>2014</b>	\$242,529	\$548,538	\$506,358	\$665,944	\$109,099	\$64,861	\$114,173	\$225,745	\$43,799		\$2,521,047
<b>2015</b>	\$457,220	\$285,238	\$190,926	\$1,368,424	\$182,873	\$327,408	\$176,456	\$565,678	\$10,105		\$3,564,328
<b>2016</b>	\$193,811	\$136,483	\$59,945	\$429,597	\$800,648	\$167,873	\$92,298	\$250,087	\$10,020		\$2,140,764