

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: December 6, 2016

SUBJECT: Well Plugging and Site Remediation Fiscal Year 2016, 4th Quarter Report

Well Plugging: The 4th quarter well plugging performance includes **253** wells plugged with a total expenditure of **\$2,857,225.96** 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 **150** wells were approved for plugging with State funds during the 4th quarter.

Fiscal year-to-date totals include 544 wells plugged at a cost of \$8,546,937 and 811 wells have been approved for plugging with State funds. The average cost per well is \$15,711 and the removal of one high cost well makes the adjusted average cost per well \$11,846. 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 was \$14,443,872.

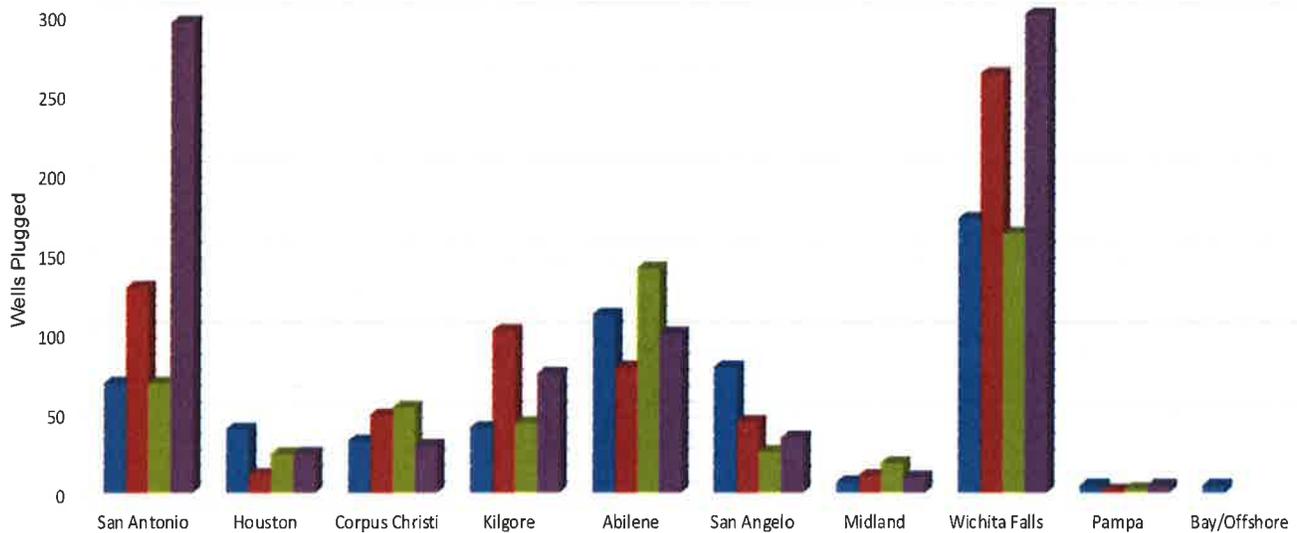
Site Remediation: During the 4th quarter, Site Remediation completed and formally closed 122 cleanup activities, of which 105 were completed with the use of OGRC funds and 17 were completed with the use of grant funds. Additionally, during the 4th quarter, 51 cleanup activities were authorized and at the end of the 4th quarter, a total of 88 cleanup activities are authorized and remain to be completed. Site Remediation has completed and formally closed a total of 241 cleanup activities during the fiscal year, of which 214 were completed with the use of OGRC funds and 27 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. The fiscal year 2016 budget was \$2,699,068.00.


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

KCW
Attachments:

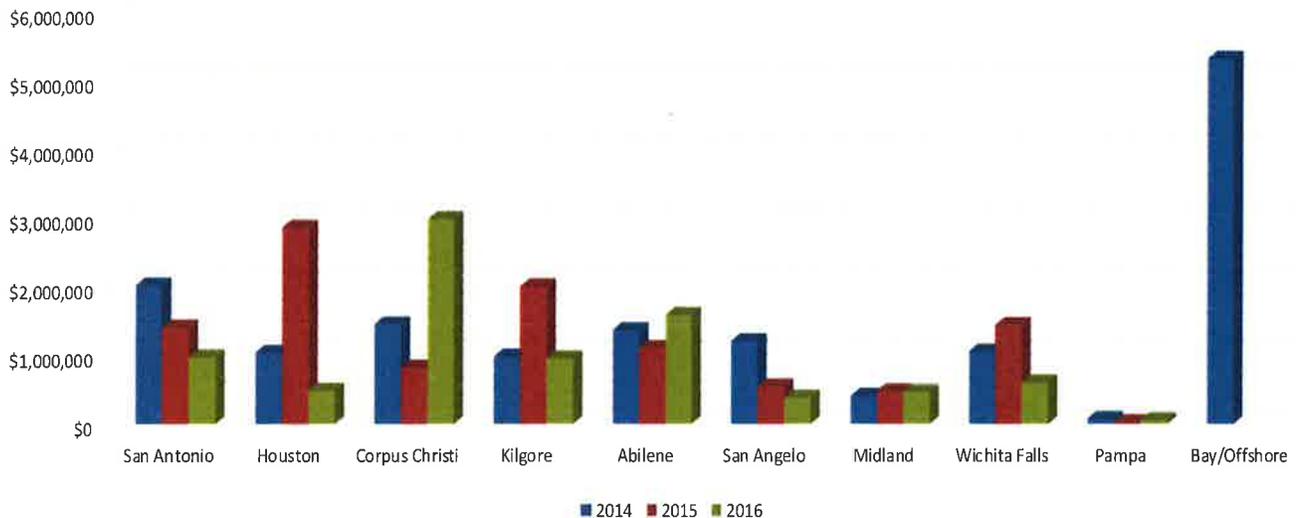
cc Kimberly Corley, Executive Director
Lori Wrotenbery, Director, Oil & Gas Division
Peter G. Pope, P.G., Manager, Site Remediation

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



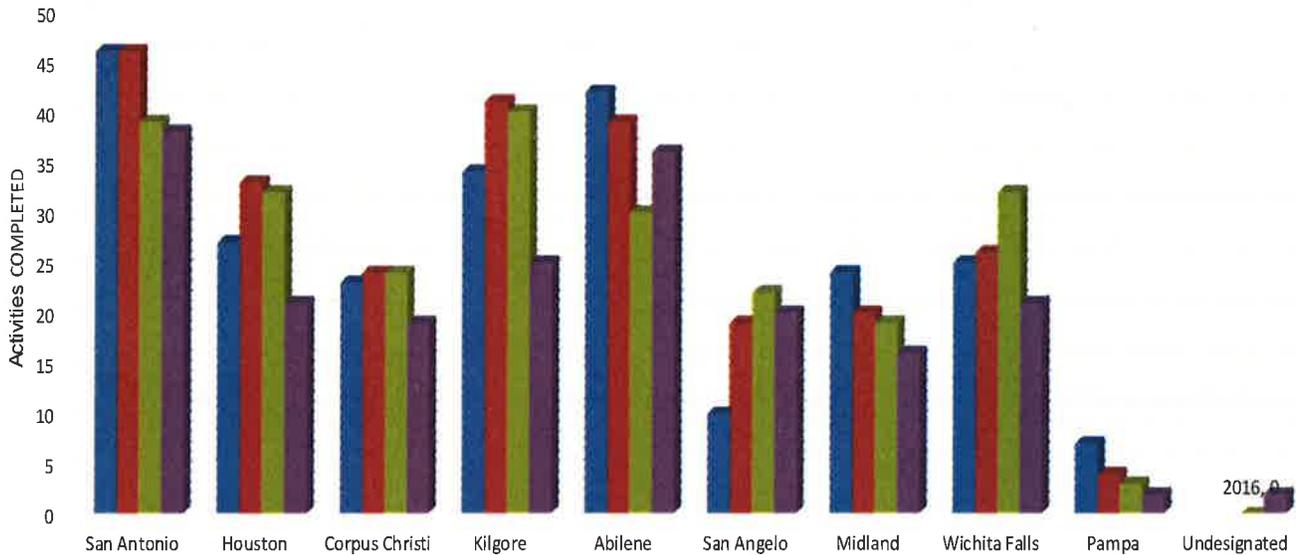
	San Antonio	Houston	Corpus Christi	Kilgore	Abilene	San Angelo	Midland	Wichita Falls	Pampa	Bay/Offshore	Total
2014	69	40	33	41	112	79	7	172	5	5	563
2015	129	12	49	102	79	45	11	263	2		692
2016	69	25	54	44	141	26	19	163	3		544
2016 Goal	295	25	30	75	100	35	10	300	5		875

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



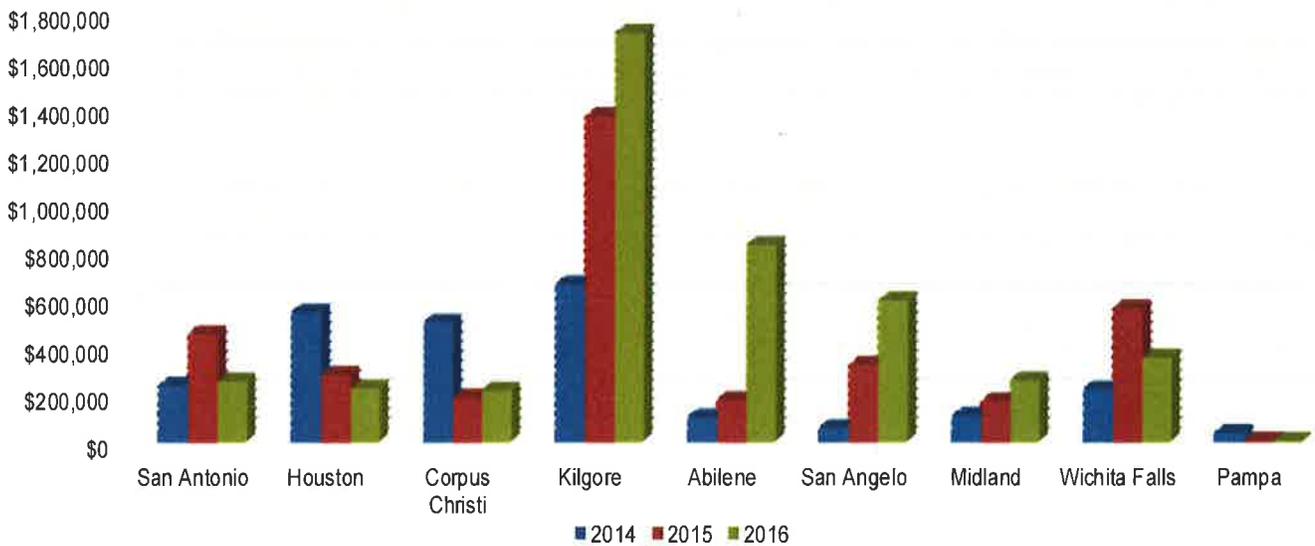
	San Antonio	Houston	Corpus Christi	Kilgore	Abilene	San Angelo	Midland	Wichita Falls	Pampa	Bay/Offshore	Total
2014	\$2,020,123	\$1,042,783	\$1,459,993	\$983,165	\$1,370,321	\$1,208,706	\$411,321	\$1,062,047	\$82,977	\$5,317,809	\$14,959,245
2015	\$1,408,785	\$2,866,873	\$826,712	\$2,002,672	\$1,112,365	\$553,421	\$485,677	\$1,444,956	\$29,713		\$10,731,174
2016	\$978,717	\$495,667	\$2,984,700	\$955,527	\$1,592,590	\$390,658	\$476,943	\$606,674	\$65,462		\$8,546,937

**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
2014	46	27	23	34	42	10	24	25	7		238
2015	46	33	24	41	39	19	20	26	4		252
2016	39	32	24	40	30	22	19	32	3	0	241
2016 Goal	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
2014	\$242,529	\$548,538	\$506,358	\$665,944	\$109,099	\$64,861	\$114,173	\$225,745	\$43,799		\$2,521,047
2015	\$457,220	\$285,238	\$190,926	\$1,368,424	\$182,873	\$327,408	\$176,456	\$565,678	\$10,105		\$3,564,328
2016	\$260,469	\$231,043	\$220,776	\$1,718,564	\$830,034	\$596,977	\$264,633	\$358,306	\$10,020		\$4,490,823