

# RAILROAD COMMISSION OF TEXAS

BARRY T. SMITHERMAN, *CHAIRMAN*  
DAVID PORTER, *COMMISSIONER*  
CHRISTI CRADDICK, *COMMISSIONER*

**INTERNAL**  
OIL AND GAS DIVISION  
RAMON FERNANDEZ JR., P.E., DEPUTY DIRECTOR

## MEMORANDUM

**TO:** Chairman Barry T. Smitherman  
Commissioner David Porter  
Commissioner Christi Craddick

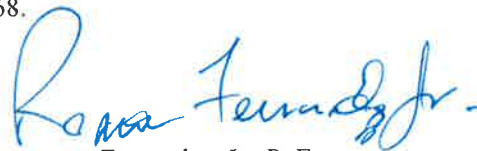
**FROM:** Ramon Fernandez, Jr., P. E.  
Deputy Director, Oil & Gas Division

**DATE:** April 22, 2014

**SUBJECT:** Well Plugging and Site Remediation Fiscal Year 2014, 2nd Quarter Report

**Well Plugging:** The 2nd quarter well plugging performance includes 148 wells plugged with Oil and Gas Regulation and Cleanup (OGRC) funds. This includes wells for which the state-funded plug files have been formally closed in Austin. The fiscal year-to-date is 224 wells plugged with OGRC funds. The number of wells physically plugged during the FY 13, through the end of the 2<sup>nd</sup> quarter, based on the daily field reports is 289 with a total expenditure of \$6,875,891. Additionally, during the 2<sup>nd</sup> quarter 238 wells were approved for plugging with state funds for a year-to-date total of 414 wells. At the end of the 2<sup>nd</sup> quarter, 1,118 wells were approved and remain to be plugged. Bids have been prepared on 640 wells, of which 289 have been plugged, contracts have been awarded for 290 wells, and bids remain to be opened on 61 wells. The well plugging goal for fiscal year 2014 is 529 wells. The actual wells plugged and expenditure by district for fiscal years 2012, 2013 and 2014 and the well plugging goals and budgets by district for fiscal year 2014 are shown on the attached graphs. The fiscal year 2014 budget is \$14,443,872, which includes eleven (11) offshore wells budgeted for \$5,995,000.

**Site Remediation:** During the 2nd quarter Site Remediation completed and formally closed 28 cleanup activities, of which all 28 were completed with the use of OGRC funds. Additionally, during the 2nd quarter 48 cleanup activities were authorized and at the end of the 2nd quarter a total of 105 cleanup activities are authorized and remain to be completed. Site Remediation has completed and formally closed a total of 48 cleanup activities during the fiscal year, of which all 48 were completed with the use of OGRC funds. The actual remediation activities and expenditure by district for fiscal years 2012, 2013, and 2014 and the goals and budgets for the Site Remediation activities by district for fiscal year 2014 are shown on the attached graphs. Site Remediation's original FY14 budget approved by the Commission on October 22, 2013, was \$2,690,968.



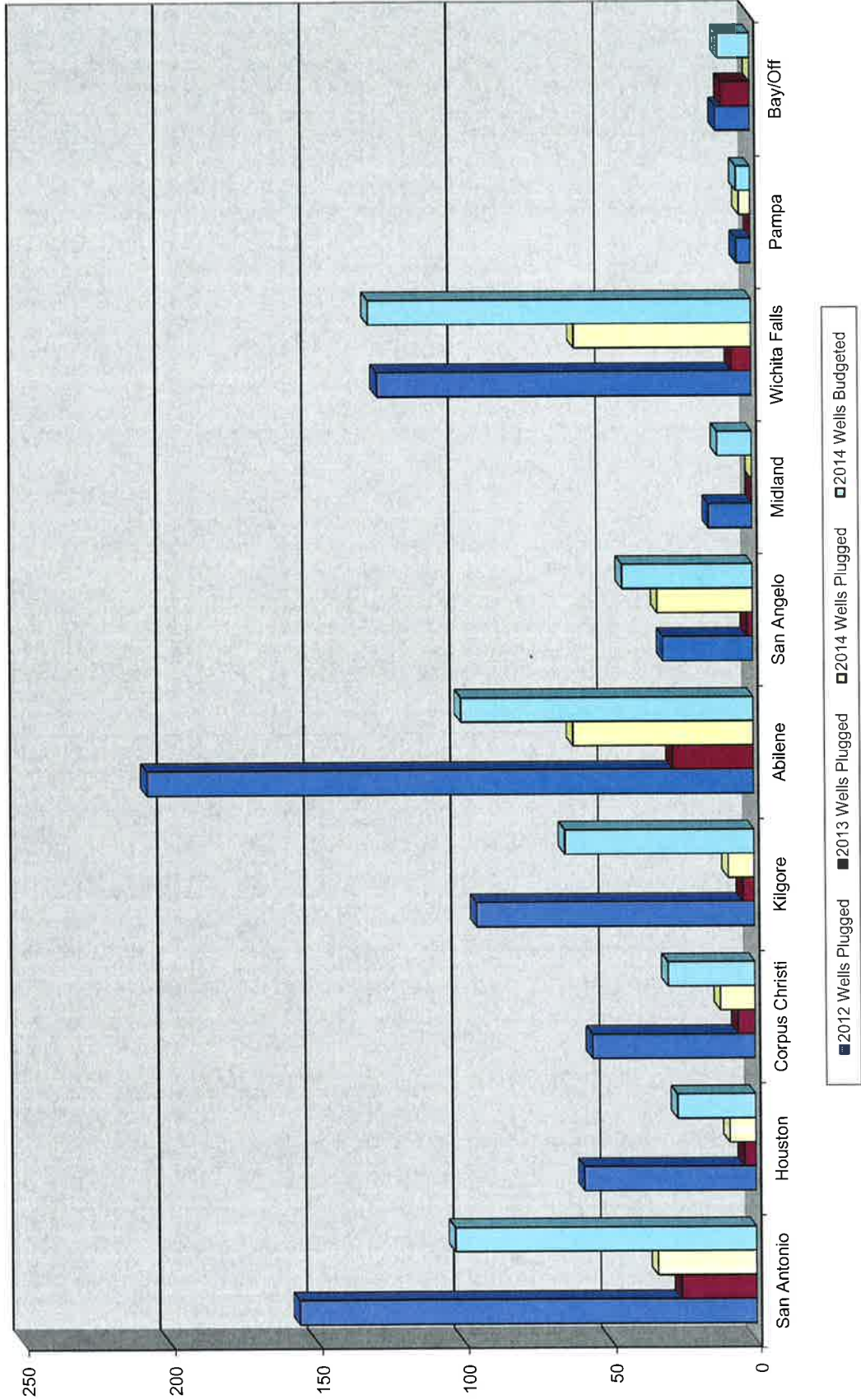
Ramon Fernandez, Jr., P. E.  
Deputy Director, Oil & Gas Division

KCW  
Attachments:

cc Milton Rister, Executive Director  
Gil Bujano, P. E., Director, Oil & Gas Division  
Peter G. Pope, P.G., Assistant Director, Site Remediation

# Field Operations/Well Plugging Oil Field Cleanup Program Wells Plugged

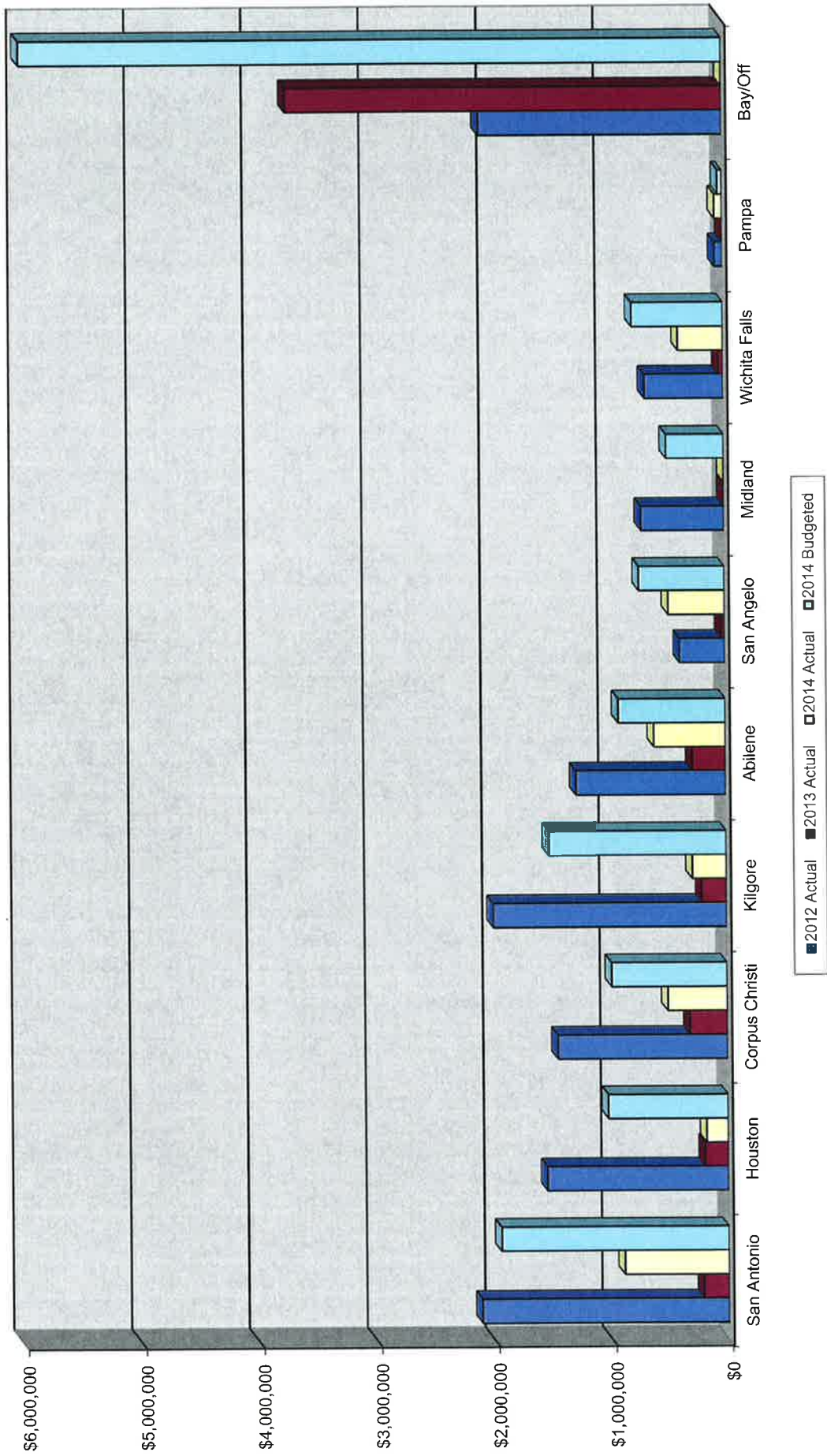
**FY 12 Actual, FY 13 Actual, FY 14 Actual, FY 14 Budgeted**



|                            | San Antonio | Houston | Corpus Christi | Kilgore | Abilene | San Angelo | Midland | Wichita Falls | Pampa | Bay/Off | Statewide |
|----------------------------|-------------|---------|----------------|---------|---------|------------|---------|---------------|-------|---------|-----------|
| <b>2012 Wells Plugged</b>  | 156         | 59      | 56             | 95      | 207     | 31         | 15      | 128           | 5     | 12      | 764       |
| <b>2013 Wells Plugged</b>  | 26          | 4       | 6              | 4       | 28      | 2          | 0       | 7             | 0     | 10      | 87        |
| <b>2014 Wells Plugged</b>  | 34          | 9       | 12             | 9       | 62      | 33         | 0       | 61            | 4     | 0       | 224       |
| <b>2014 Wells Budgeted</b> | 103         | 27      | 30             | 65      | 100     | 45         | 12      | 131           | 5     | 11      | 529       |

# Field Operations/Well Plugging Oil Field Cleanup Program Expenditures

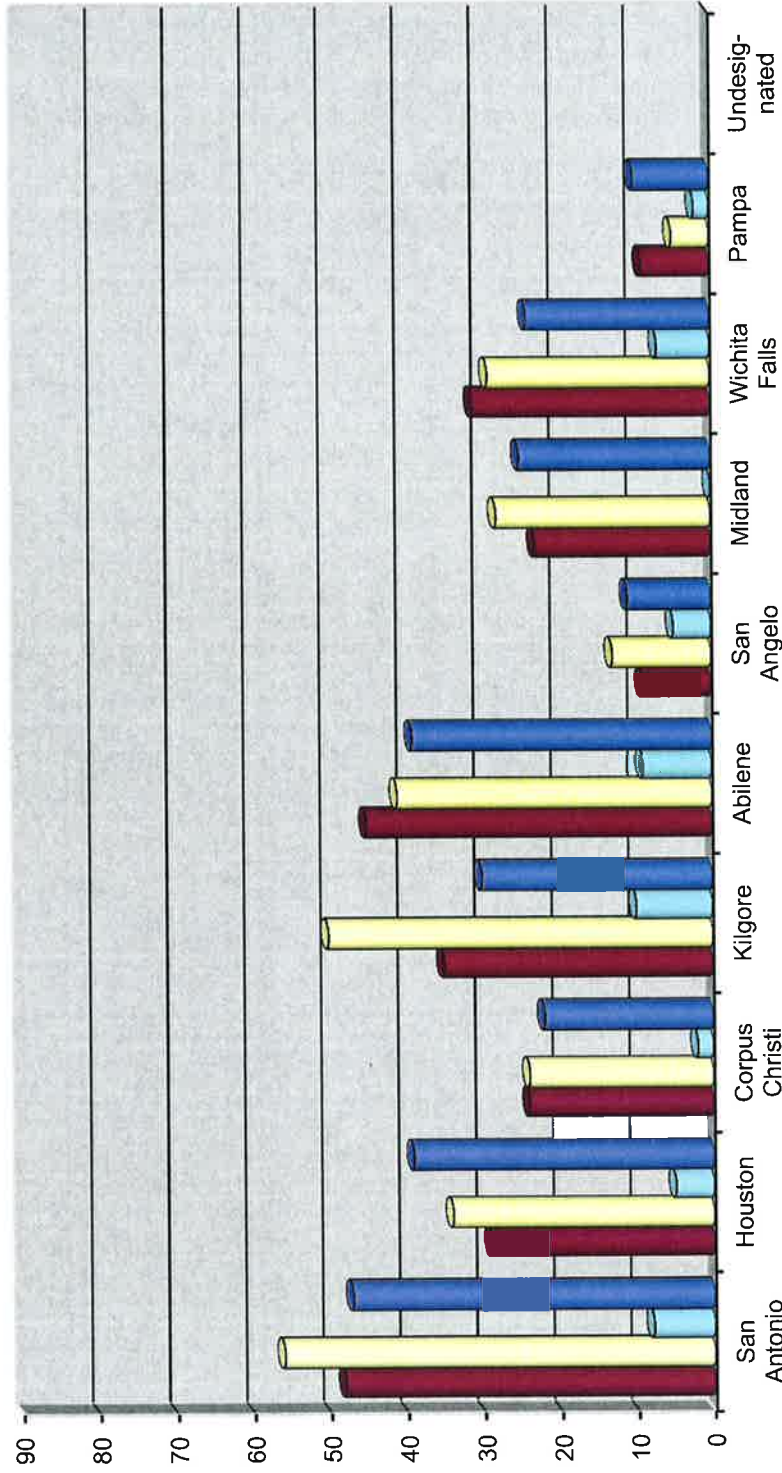
**FY 12 Actual, FY 13 Actual, FY 14 Actual, FY 14 Budgeted**



■ 2012 Actual ■ 2013 Actual ■ 2014 Actual ■ 2014 Budgeted

|                      | San Antonio | Houston     | Corpus Christi | Kilgore     | Abilene     | San Angelo | Midland   | Wichita Falls | Pampa    | Bay/Off     | Statewide    |
|----------------------|-------------|-------------|----------------|-------------|-------------|------------|-----------|---------------|----------|-------------|--------------|
| <b>2012 Actual</b>   | \$2,109,235 | \$1,546,182 | \$1,450,311    | \$1,995,664 | \$1,281,709 | \$388,909  | \$710,908 | \$675,763     | \$68,876 | \$2,081,920 | \$12,309,477 |
| <b>2013 Actual</b>   | \$214,756   | \$199,965   | \$323,007      | \$212,495   | \$285,746   | \$27,540   | \$0       | \$39,530      | \$0      | \$3,723,661 | \$5,026,701  |
| <b>2014 Actual</b>   | \$894,228   | \$186,392   | \$512,208      | \$291,911   | \$615,755   | \$486,043  | \$0       | \$386,504     | \$65,689 | \$0         | \$3,438,730  |
| <b>2014 Budgeted</b> | \$1,946,700 | \$1,026,000 | \$990,000      | \$1,511,250 | \$919,472   | \$735,750  | \$496,200 | \$786,000     | \$37,500 | \$5,995,000 | \$14,443,872 |

**Site Remediation  
Oil Field Cleanup Program  
Activities Completed/Projected  
FY 12 Completed, FY 13 Completed, FY 14 Budgeted**

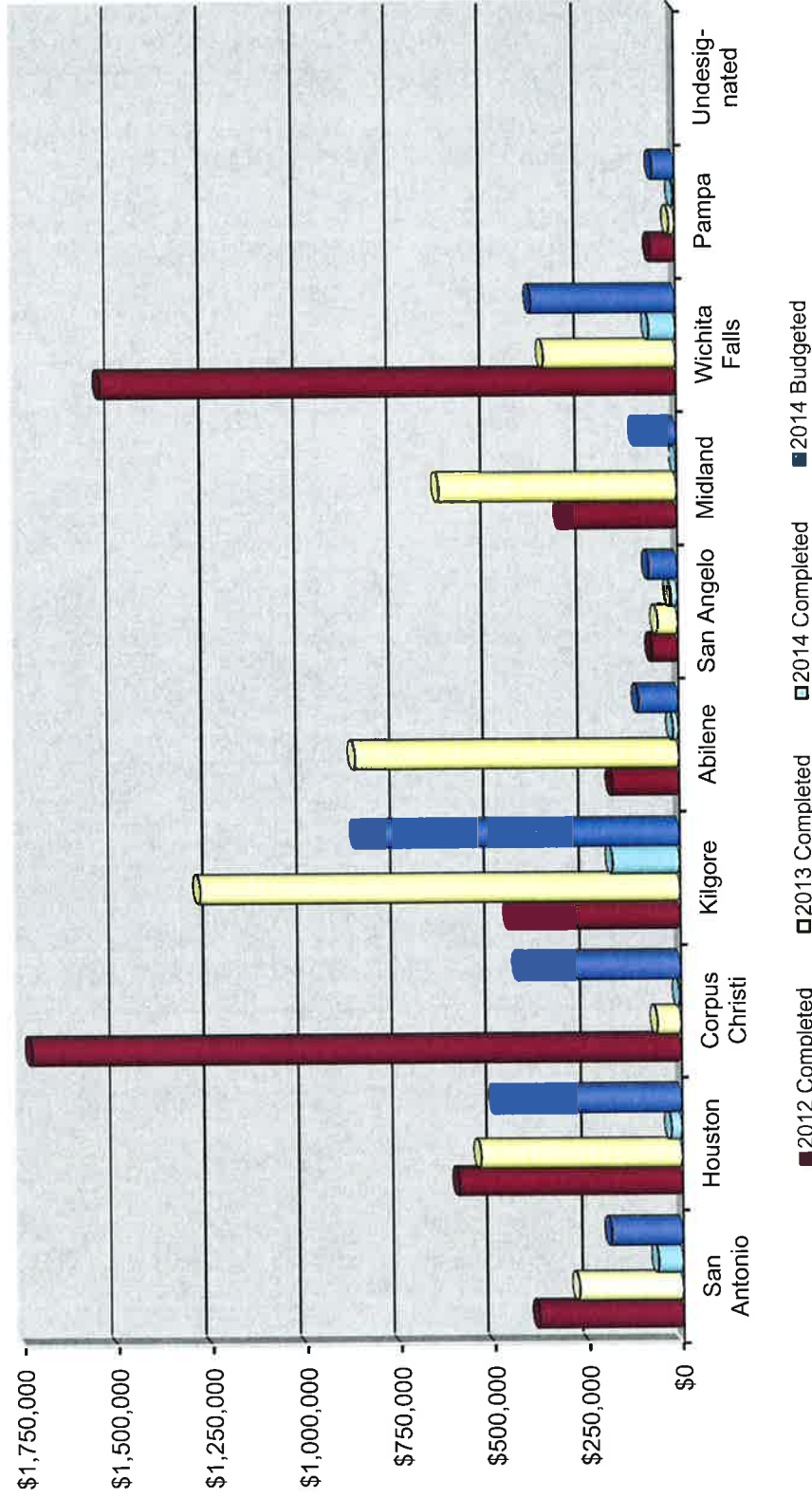


■ 2012 Activities Completed   
 ■ 2013 Activities Completed   
 ■ 2014 Activities Budgeted

|                                  | San Antonio | Houston | Corpus Christi | Kilgore | Abilene | San Angelo | Midland | Wichita Falls | Pampa | Undesignated | Statewide |
|----------------------------------|-------------|---------|----------------|---------|---------|------------|---------|---------------|-------|--------------|-----------|
| <b>2012 Activities Completed</b> | 48          | 29      | 24             | 35      | 45      | 9          | 23      | 31            | 9     |              | 253       |
| <b>2013 Activities Completed</b> | 56          | 34      | 24             | 50      | 41      | 13         | 28      | 29            | 5     |              | 280       |
| <b>2014 Activities Completed</b> | 8           | 5       | 2              | 10      | 9       | 5          | 0       | 7             | 2     |              | 48        |
| <b>2014 Activities Budgeted</b>  | 47          | 39      | 22             | 30      | 39      | 11         | 25      | 24            | 10    |              | 247       |

# Site Remediation Oil Field Cleanup Program Expenditures

## FY 12 Completed, FY 13 Completed, FY 14 Completed, FY 14 Budgeted



|                       | San Antonio | Houston   | Corpus Christi | Kilgore     | Abilene   | San Angelo | Midland   | Wichita Falls | Pampa    | Undesignated | Statewide   |
|-----------------------|-------------|-----------|----------------|-------------|-----------|------------|-----------|---------------|----------|--------------|-------------|
| <b>2012 Completed</b> | \$380,429   | \$590,833 | \$1,724,741    | \$449,676   | \$176,337 | \$67,490   | \$306,512 | \$1,531,216   | \$64,161 | \$5,291,395  | \$5,291,395 |
| <b>2013 Completed</b> | \$275,383   | \$533,297 | \$62,907       | \$1,274,980 | \$859,229 | \$53,923   | \$630,285 | \$350,989     | \$15,103 | \$4,056,095  | \$4,056,095 |
| <b>2014 Completed</b> | \$64,534    | \$27,719  | \$3,413        | \$178,152   | \$14,303  | \$18,890   | \$0       | \$70,741      | \$3,951  | \$381,704    | \$381,704   |
| <b>2014 Budgeted</b>  | \$188,230   | \$491,784 | \$427,040      | \$854,805   | \$105,057 | \$75,200   | \$108,625 | \$382,527     | \$57,700 | \$2,690,968  | \$2,690,968 |