

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: October 22, 2013

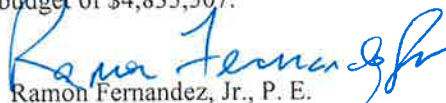
SUBJECT: Well Plugging and Site Remediation Fiscal Year 2013, 4th Quarter Report

Well Plugging: The 4th quarter well plugging performance includes 264 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 total is 778 wells plugged with OGRC funds. The number of wells physically plugged during FY 13, through the end of the 4th quarter, based on the daily field reports is 808 with a total expenditure of \$21,434,290. Additionally, during the 4th quarter 120 wells were approved for plugging with state funds for a year-to-date total of 842 wells. At the end of fiscal year 2013, 1,006 wells were approved and remain to be plugged. During FY 13 bids have been prepared on 1,151 wells, of which 808 have been plugged, contracts have been awarded for 318 wells, and bids remain to be opened on 25 wells. The well plugging goal for fiscal year 2013 is 815 wells. The actual wells plugged and expenditure by district for fiscal years 2011, 2012 and 2013 and the well plugging goals and budgets by district for fiscal year 2013 are shown on the attached graphs. The fiscal year 2013 total budget of \$23,433,872 includes an adjusted base budget of \$19,933,872 plus \$3,500,000 for the ten (10) well Corpus Christi Bay project paid for with FY 2012 funds. The files were closed and expenditures reported in FY 2013.

Site Remediation: During the 4th quarter Site Remediation completed and formally closed 137 cleanup activities, of which 134 were completed with the use of OGRC funds and 3 were completed with the use of grant funds. Additionally, during the 4th quarter 59 cleanup activities were authorized and at the end of the 4th quarter a total of 32 cleanup activities are authorized and remain to be completed. Site Remediation has completed and formally closed a total of 280 cleanup activities during the fiscal year, of which 276 were completed with the use of OGRC funds and 4 were completed with the use of grant funds. The actual remediation activities and expenditure by district for fiscal years 2011, 2012, and 2013 and the goals and budgets for the Site Remediation activities by district for fiscal year 2013 are shown on the attached graphs. Site Remediation's original FY13 budget approved by the Commission on November 6, 2012, was \$2,690,968. Subsequent budget increases, in January, February, and August 2013, of \$2,144,539 resulted in a total FY13 budget of \$4,835,507.

RFJ:kcw

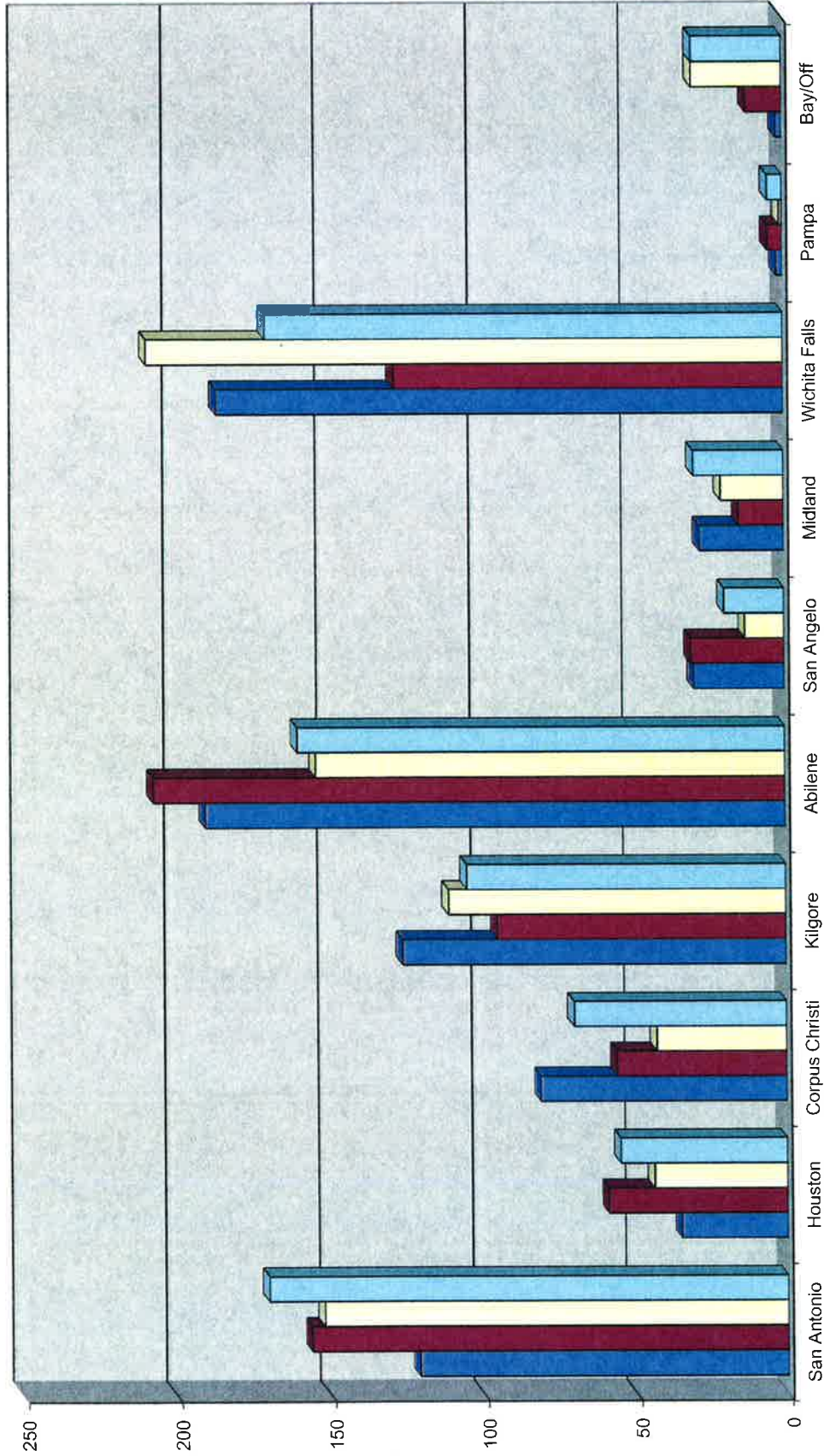
Attachments:


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

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 11 Actual, FY 12 Actual, FY 13 Actual, FY 13 Budgeted

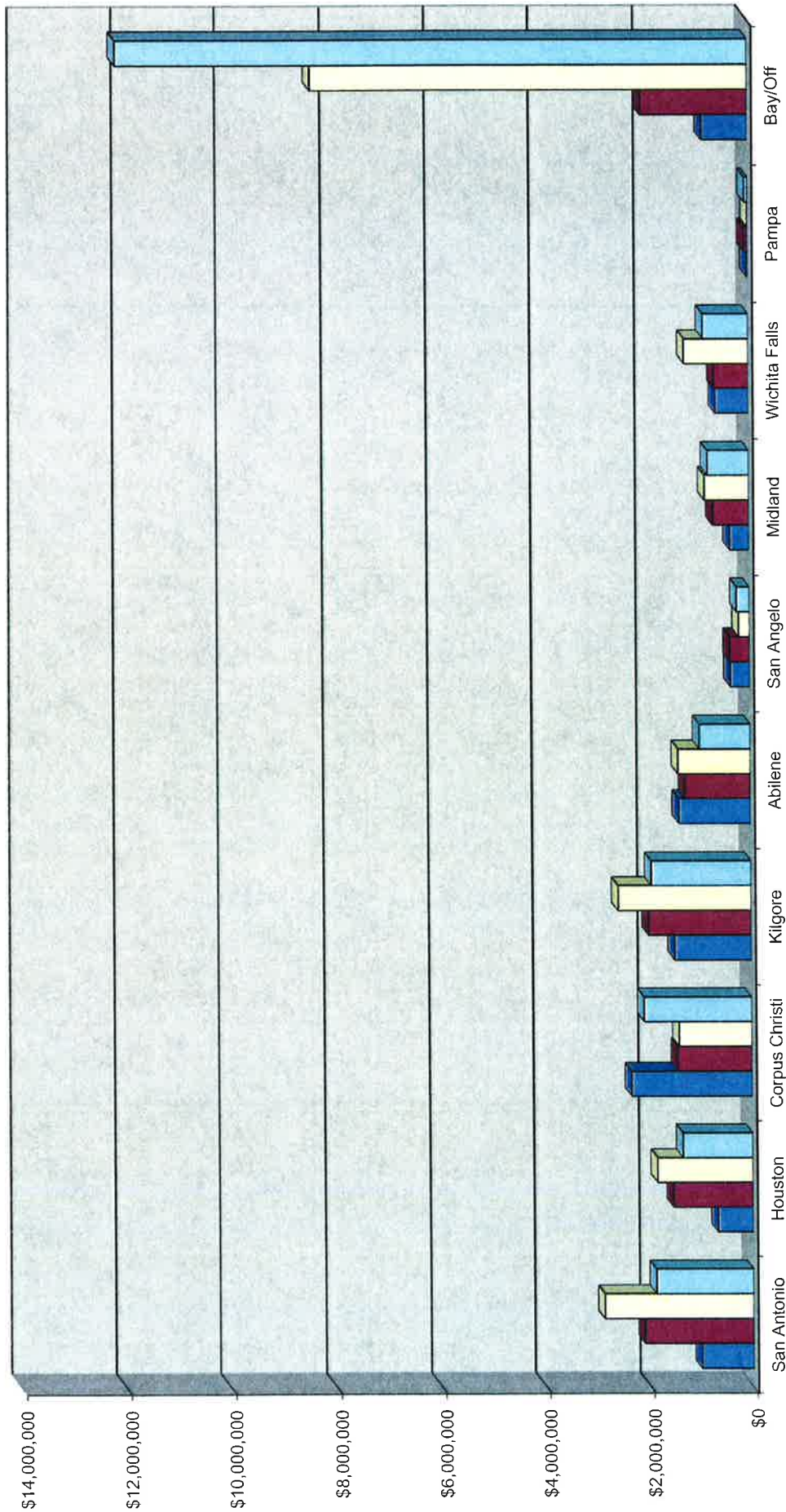


■ 2011 Wells Plugged
 ■ 2012 Wells Plugged
 ■ 2013 Wells Plugged
 ■ 2013 Wells Budgeted

	San Antonio	Houston	Corpus Christi	Kilgore	Abilene	San Angelo	Midland	Wichita Falls	Pampa	Bay/Off	Statewide
2011 Wells Plugged	121	35	81	126	190	30	28	186	2	2	801
2012 Wells Plugged	156	59	56	95	207	31	15	128	5	12	764
2013 Wells Plugged	152	44	43	111	154	13	21	209	1	30	778
2013 Wells Budgeted	170	55	70	105	160	20	30	170	5	30	815

Field Operations/Well Plugging Oil Field Cleanup Program Expenditures

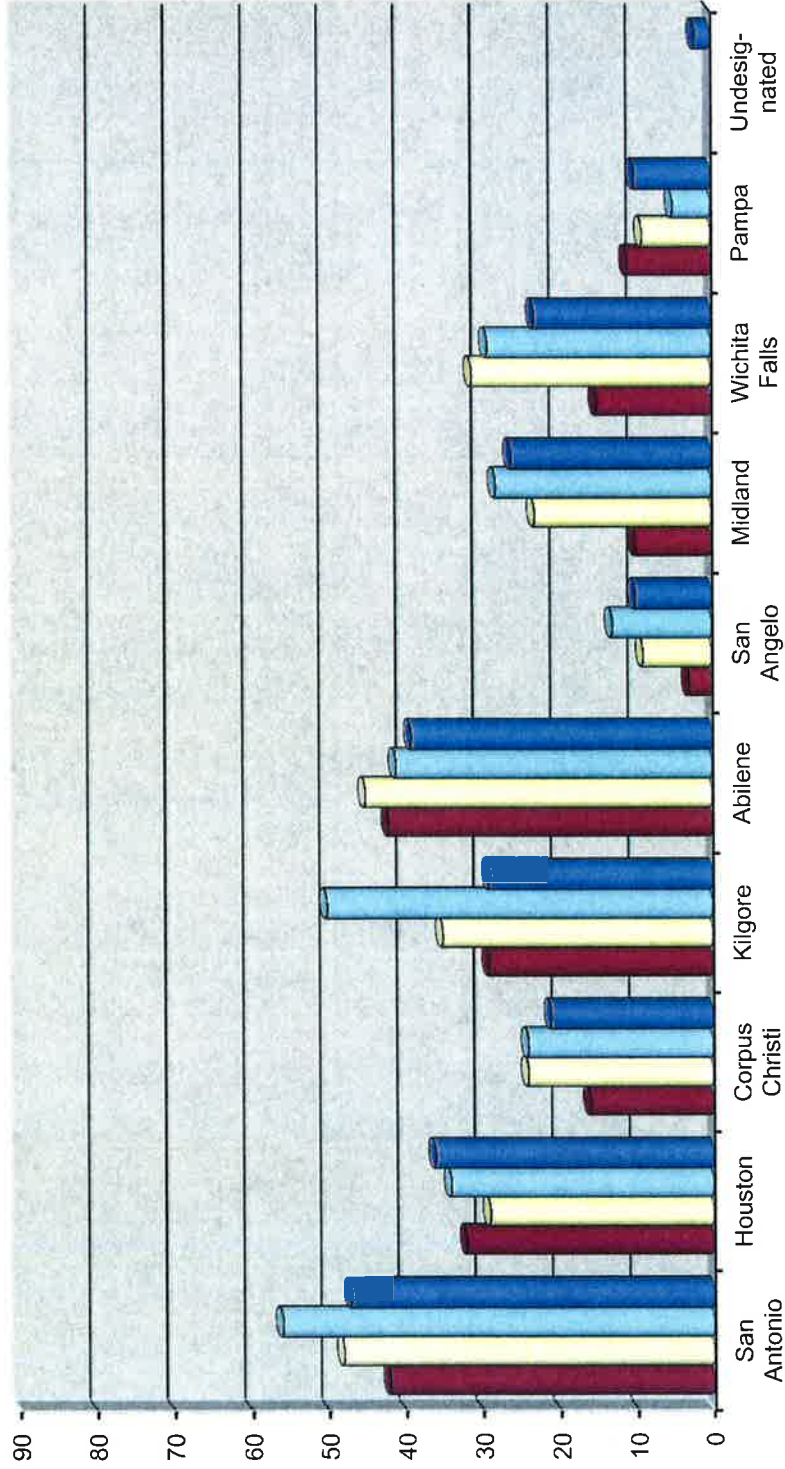
FY 11 Actual, FY 12 Actual, FY 13 Actual, FY 13 Budgeted



■ 2011 Actual
 ■ 2012 Actual
 ■ 2013 Actual
 ■ 2013 Budgeted

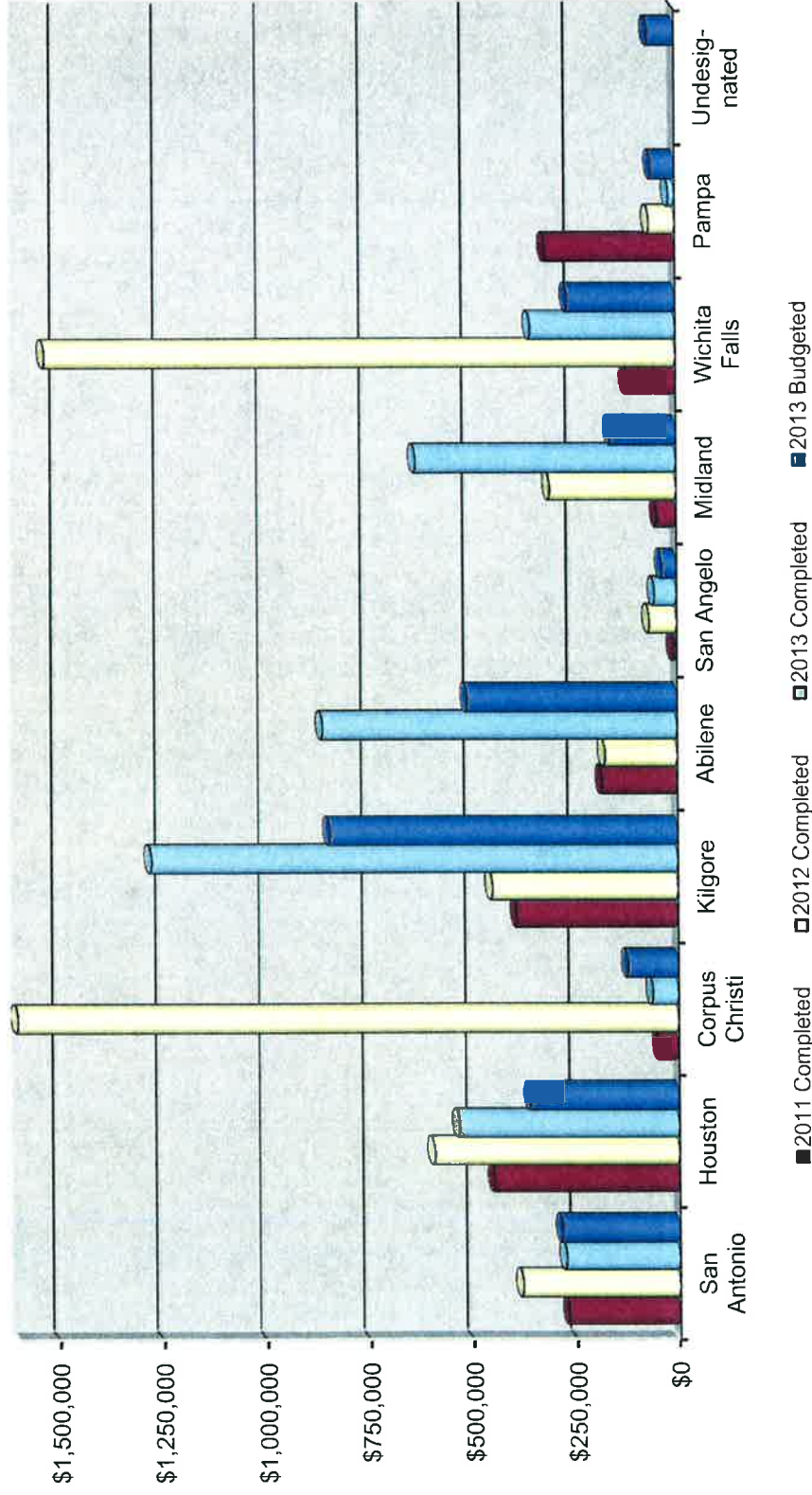
	San Antonio	Houston	Corpus Christi	Kilgore	Abilene	San Angelo	Midland	Wichita Falls	Pampa	Bay/Off	Statewide
2011 Actual	\$1,004,941	\$683,182	\$2,338,455	\$1,494,651	\$1,397,643	\$375,658	\$375,390	\$646,793	\$14,300	\$891,382	\$9,222,395
2012 Actual	\$2,109,235	\$1,546,182	\$1,450,311	\$1,995,664	\$1,281,709	\$388,909	\$710,908	\$675,763	\$68,876	\$2,081,920	\$12,309,477
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
2013 Budgeted	\$1,887,000	\$1,363,450	\$2,089,370	\$1,942,500	\$992,000	\$252,046	\$810,000	\$884,000	\$65,000	\$12,148,506	\$22,433,872

**Site Remediation
Oil Field Cleanup Program
Activities Completed/Projected
FY 11 Completed, FY 12 Completed, FY 13 Budgeted
(as of 8/31/2013)**



	2011 Activities Completed		2012 Activities Completed		2013 Activities Completed		2013 Activities Budgeted				
	San Antonio	Houston	Corpus Christi	Kilgore	Abilene	San Angelo	Midland	Wichita Falls	Pampa	Undesignated	Statewide
2011 Activities Completed	42	32	16	29	42	3	10	15	11		200
2012 Activities Completed	48	29	24	35	45	9	23	31	9		253
2013 Activities Completed	56	34	24	50	41	13	28	29	5		280
2013 Activities Budgeted	47	36	21	29	39	10	26	23	10	2	243

**Site Remediation
Oil Field Cleanup Program
Expenditures
FY 11 Completed, FY 12 Completed, FY 13 Completed, FY 13 Budgeted
(as of 8/31/2013)**



	San Antonio	Houston	Corpus Christi	Kilgore	Abilene	San Angelo	Midland	Wichita Falls	Pampa	Undesignated	Statewide
2011 Completed	\$267,719	\$447,237	\$48,220	\$389,099	\$182,462	\$7,462	\$47,406	\$118,355	\$314,551	\$1,822,511	
2012 Completed	\$380,429	\$590,833	\$1,724,741	\$449,676	\$176,337	\$67,490	\$306,512	\$1,531,216	\$64,161	\$5,291,395	
2013 Completed	\$275,383	\$533,297	\$62,907	\$1,274,980	\$859,229	\$53,923	\$630,285	\$350,989	\$15,103	\$4,056,095	
2013 Budgeted	\$283,230	\$358,384	\$122,040	\$842,350	\$507,179	\$35,200	\$158,625	\$261,360	\$57,700	\$64,900	\$2,690,968