

# 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:** July 8, 2014

**SUBJECT:** Well Plugging and Site Remediation Fiscal Year 2014, 3rd Quarter Report

**Well Plugging:** The 3<sup>rd</sup> quarter well plugging performance includes 108 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 332 wells plugged with OGRC funds. The number of wells physically plugged during FY 14, through the end of the 3<sup>rd</sup> quarter, based on the daily field reports is 428 with a total expenditure of \$13,116,057. Additionally, during the 3<sup>rd</sup> quarter 132 wells were approved for plugging with state funds for a year-to-date total of 546 wells. At the end of the 3<sup>rd</sup> quarter, 1,139 wells were approved and remain to be plugged. Bids have been prepared on 647 wells, of which 428 have been plugged, contracts have been awarded for 213 wells, and bids remain to be opened on 6 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 \$15,888,259, which includes eleven (11) offshore wells budgeted for \$5,995,000.

**Site Remediation:** During the 3rd quarter Site Remediation completed and formally closed 69 cleanup activities, of which 67 were completed with the use of OGRC funds and 2 were completed using Grant funds. Additionally, during the 3rd quarter 69 cleanup activities were authorized and at the end of the 3rd quarter a total of 102 cleanup activities are authorized and remain to be completed. Site Remediation has completed and formally closed a total of 117 cleanup activities during the fiscal year, of which all 115 were completed with the use of OGRC funds and 2 were completed using Grant 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 approved FY14 budget is \$3,125,725.53.



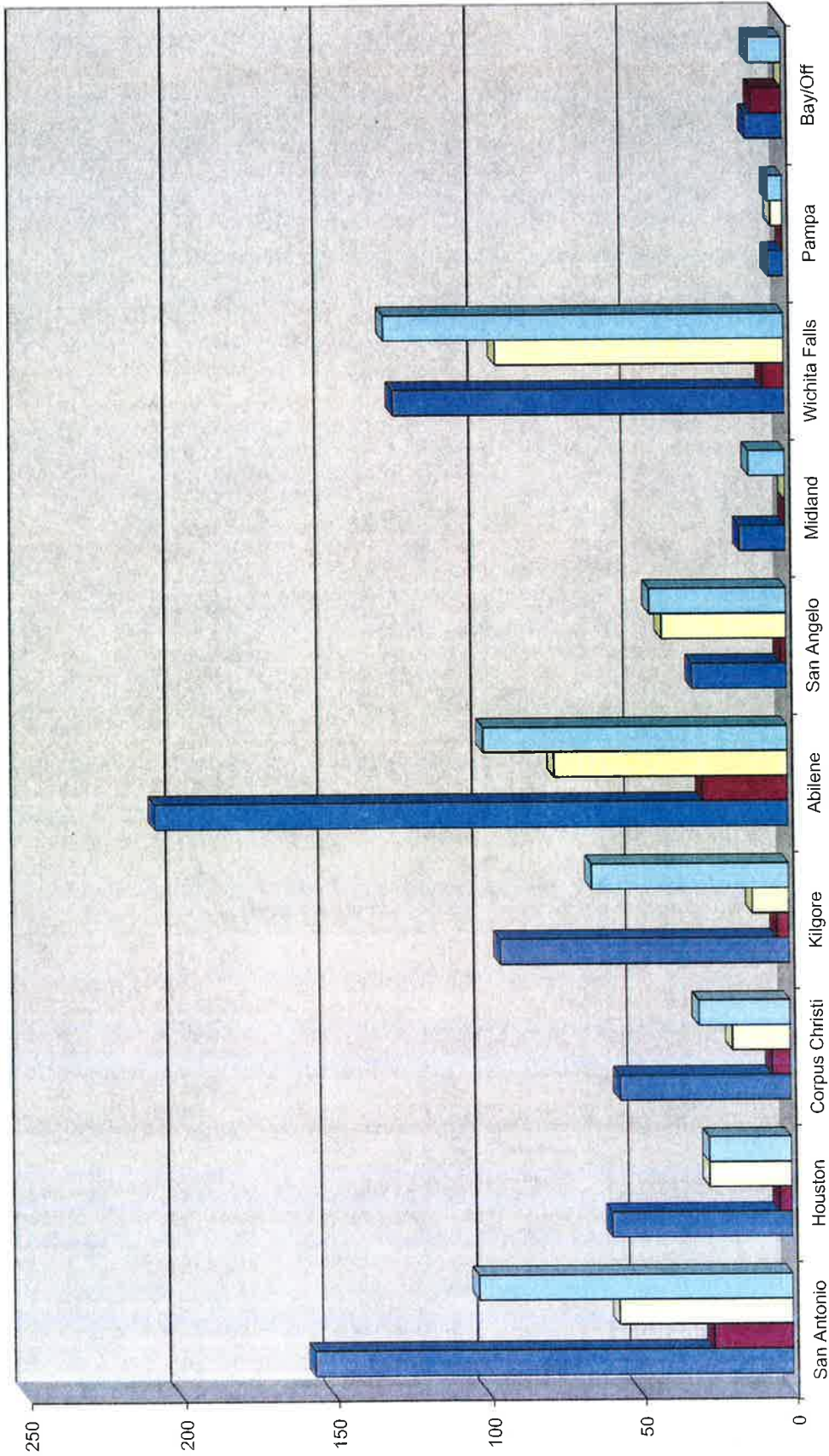
Ramon Fernandez, Jr., P. E.  
Deputy Director, Oil & Gas Division

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**

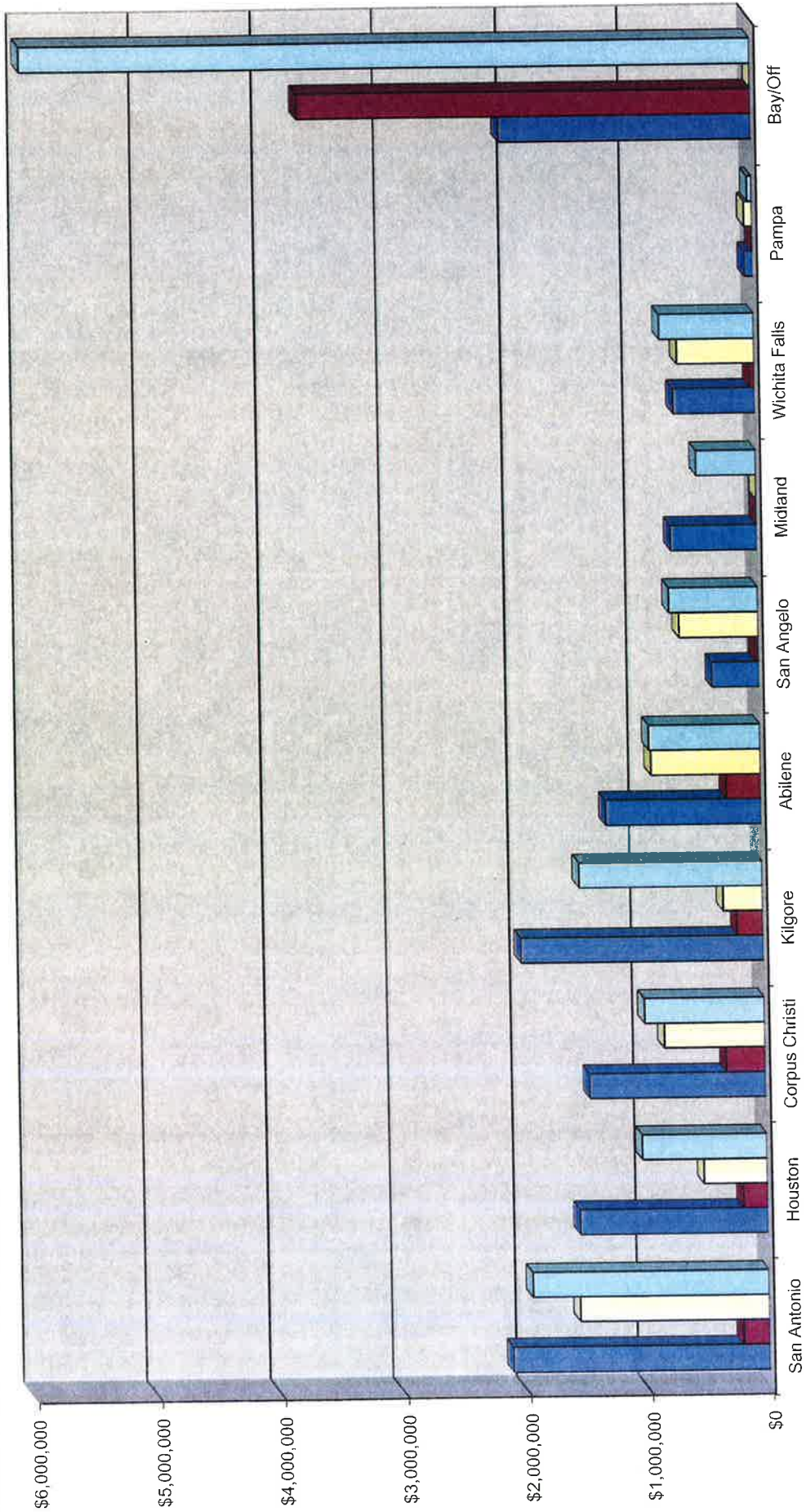


■ 2012 Wells Plugged   ■ 2013 Wells Plugged   ■ 2014 Wells Plugged   ■ 2014 Wells Budgeted

	San Antonio	Houston	Corpus Christi	Kilgore	Abilene	San Angelo	Midland	Wichita Falls	Pampa	Bay/Off	Statewide
2012 Wells Plugged	156	59	56	95	207	31	15	128	5	12	764
2013 Wells Plugged	26	4	6	4	28	2	0	7	0	10	87
2014 Wells Plugged	57	27	19	12	77	41	0	95	4	0	332
2014 Wells Budgeted	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**



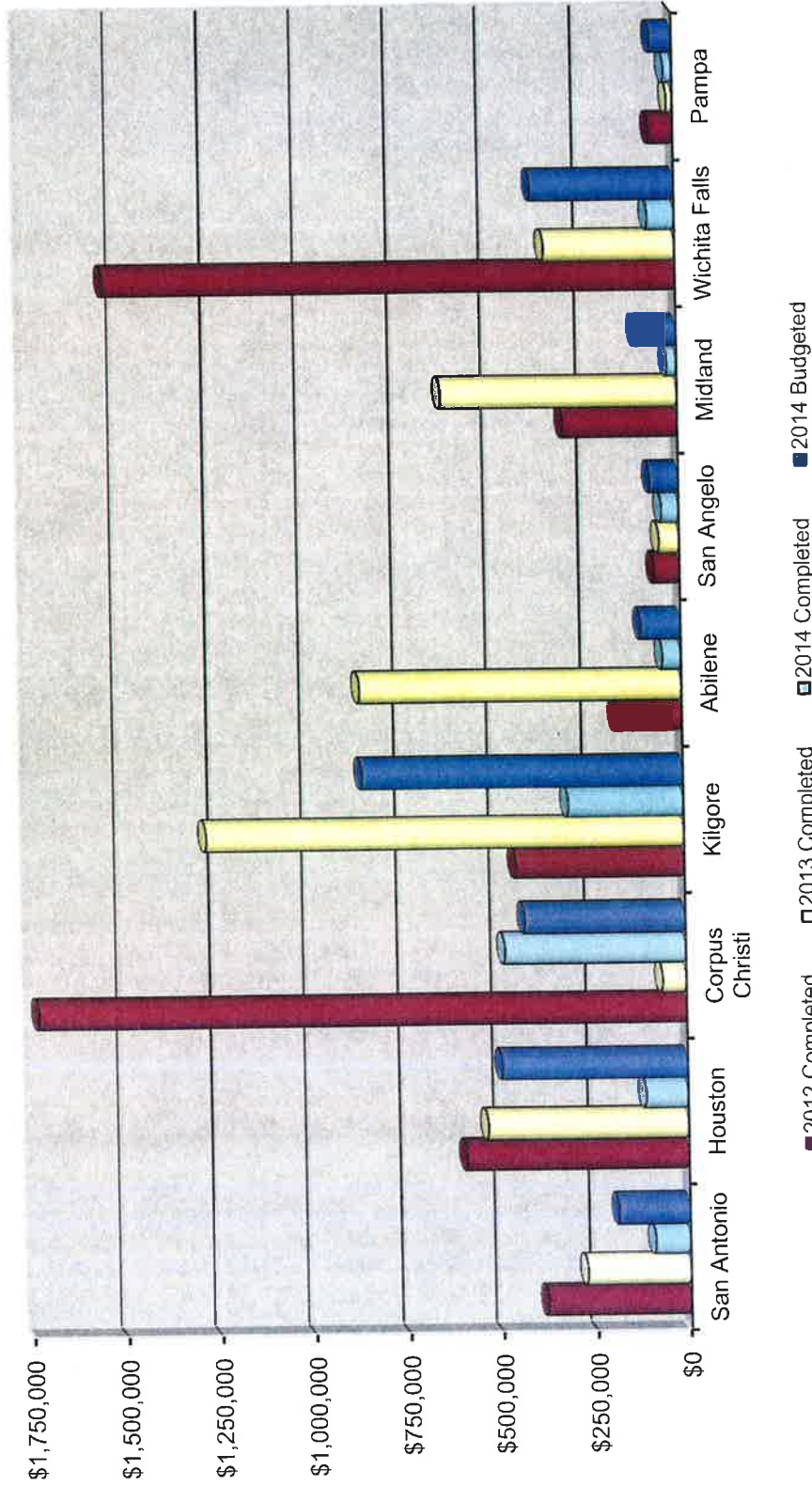
■ 2012 Actual   ■ 2013 Actual   ■ 2014 Budgeted

	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>	\$1,558,901	\$524,714	\$832,311	\$326,797	\$905,324	\$656,378	\$0	\$643,327	\$65,689	\$0	\$5,513,440
<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	\$15,888,259



**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	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
<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
<b>2014 Completed</b>	\$92,130	\$112,628	\$482,063	\$307,995	\$49,082	\$45,831	\$25,140	\$72,269	\$22,479	\$1,209,617
<b>2014 Budgeted</b>	\$188,230	\$491,784	\$427,040	\$854,805	\$105,057	\$75,200	\$108,625	\$382,527	\$57,700	\$3,125,726