

COMMISSION SHIFT >>>>>>ACTION

**Written Comments on CSSB 1150 relating to the plugging of certain inactive wells subject to the jurisdiction of the Railroad Commission of Texas
Provided by Virginia Palacios
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the Senate Natural Resources Committee
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Commission Shift Action is the advocacy partner of Commission Shift, which mobilizes the public to hold the Railroad Commission of Texas accountable to its mission through legislative involvement. Commission Shift Action is commenting against CSSB 1150.

Commission Shift Action wants to see a real, effective solution for ensuring that inactive oil, gas, and injection wells are plugged in a timely manner. The current pace of operator well plugging will result in all the inactive wells being plugged in the next 20 years. The current bill language allows old wells new options for getting plugging extensions, some of which are even more broad than the many existing options in Texas Natural Resources Code Section 89.023. We are not confident that the bill language will support more timely plugging of inactive wells.

Allowing the Commission to consider an operator's demonstrated financial hardship or bonding as alternatives to plugging a well will lead to fewer wells being plugged. Adding a "reasonable prudent operator" standard gives us more cause for concern because most operators seem to do everything they can to avoid plugging their wells. Our understanding is that additional updates to the Committee Substitute will give the operators and Railroad Commission two extra years to prepare to implement the provisions, indicating that most operators will probably be taking advantage of the reactivation history, financial hardship, and bonding

loopholes, rather than filing a compliance plan with the commission - which already has a very long timeline for compliance.

We have spoken with many affected landowners across the state. They want a serious solution that will prevent pollution and ensure wells are plugged faster. Protecting Texas' fresh groundwater is urgent, especially as Texans battle with recurring extended droughts. Please don't advance bills that give operators more options for putting our groundwater at risk.

Glossary of Terms

Orphaned Well: Texas statute defines orphaned wells as wells for which the Railroad Commission has issued a permit, where activity has not been reported in the preceding 12 months, and whose operator's commission-approved organization report has lapsed.¹

Inactive well: Inactive wells still have an active operator on file and are not necessarily “orphaned.” Texas statute defines an inactive well as an “unplugged well that has had no reported production, disposal, injection, or other permitted activity for a period of greater than 12 months.”² Railroad Commission rules in 16 TAC §3.15(a)(6) add that an inactive well is “an unplugged well that has been spudded or has been equipped with cemented casing.”

Shut-in: A well that has been inactive for less than 12 months.

Active operation: Active operation is defined in Tex. Nat. Res. Code 89.047 (i), and further clarified in Railroad Commission rule 16 TAC §3.15(a)(1) as “regular and continuing activities related to the production of oil and gas for which the operator has all necessary permits. In the case of a well that has been inactive for 12 consecutive months or longer and that is not permitted as a disposal or injection well, the well remains inactive for purposes of this section, regardless of any minimal activity, until the well has reported production of at least five barrels of oil for oil wells or 50 Mcf of gas for gas wells each month for at least three consecutive months, or until the well has reported production of at least one barrel of oil for oil wells or at least one Mcf of gas for gas wells each month for 12 consecutive months,”

Abandoned Well: “Abandoned” is an ambiguous term often used interchangeably with the terms “orphaned” and “inactive,” which can be confusing. Abandoned wells may have ceased production and been properly plugged by the operator, or they may be inactive and unplugged or orphaned without a responsible operator on file.

¹ Tex. Nat. Res. Code 89.047 (a)(3). Also see Railroad Commission. Orphan Wells With Delinquent P-5 Greater Than 12 Months.

<https://rrc.texas.gov/oil-and-gas/research-and-statistics/well-information/orphan-wells-12-months/>

² Tex. Nat. Res. Code 89.022 (12).