

**Application for Federal Assistance SF-424**

* 1. Type of Submission: <input type="checkbox"/> Preapplication <input checked="" type="checkbox"/> Application <input type="checkbox"/> Changed/Corrected Application	* 2. Type of Application: <input checked="" type="checkbox"/> New <input type="checkbox"/> Continuation <input type="checkbox"/> Revision	* If Revision, select appropriate letter(s): <input type="text"/> * Other (Specify): <input type="text"/>
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* 3. Date Received: <input type="text"/>	4. Applicant Identifier: <input type="text"/>
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5a. Federal Entity Identifier: <input type="text"/>	5b. Federal Award Identifier: <input type="text"/>
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**State Use Only:**

6. Date Received by State: <input type="text"/>	7. State Application Identifier: <input type="text"/>
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**8. APPLICANT INFORMATION:**

* a. Legal Name: <input type="text" value="Texas Railroad Commission"/>		
* b. Employer/Taxpayer Identification Number (EIN/TIN): <input type="text" value="746000134"/>	* c. UEI: <input type="text" value="LU9UFH3W1HB1"/>	

**d. Address:**

* Street1:	<input type="text" value="1701 N CONGRESS"/>
Street2:	<input type="text"/>
* City:	<input type="text" value="AUSTIN"/>
County/Parish:	<input type="text"/>
* State:	<input type="text" value="TX: Texas"/>
Province:	<input type="text"/>
* Country:	<input type="text" value="USA: UNITED STATES"/>
* Zip / Postal Code:	<input type="text" value="78701-1402"/>

**e. Organizational Unit:**

Department Name: <input type="text" value="Oil and Gas Division"/>	Division Name: <input type="text" value="Field Operations"/>
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**f. Name and contact information of person to be contacted on matters involving this application:**

Prefix: <input type="text" value="Ms."/>	* First Name: <input type="text" value="Colleen"/>
Middle Name: <input type="text"/>	
* Last Name: <input type="text" value="Forrest"/>	
Suffix: <input type="text"/>	

Title:

Organizational Affiliation:

* Telephone Number: <input type="text" value="512-463-2645"/>	Fax Number: <input type="text"/>
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\* Email:

**Application for Federal Assistance SF-424**

**\* 9. Type of Applicant 1: Select Applicant Type:**

A: State Government

Type of Applicant 2: Select Applicant Type:

Type of Applicant 3: Select Applicant Type:

\* Other (specify):

**\* 10. Name of Federal Agency:**

Department of the Interior

**11. Catalog of Federal Domestic Assistance Number:**

15.018

CFDA Title:

Energy Community Revitalization Program

**\* 12. Funding Opportunity Number:**

D-AQD-FA-25-002

\* Title:

OWPO Performance Grants: Section 40601(c)(5) Matching Grants

**13. Competition Identification Number:**

D-AQD-FA-25-002-111198

Title:

OWPO Performance Grants: Section 40601(c)(5) Matching Grants

**14. Areas Affected by Project (Cities, Counties, States, etc.):**

Add Attachment

Delete Attachment

View Attachment

**\* 15. Descriptive Title of Applicant's Project:**

Railroad Commission of Texas Abandoned Oil and Gas Well Plugging Program Matching Grant

Attach supporting documents as specified in agency instructions.

Add Attachments

Delete Attachments

View Attachments

**Application for Federal Assistance SF-424**

**16. Congressional Districts Of:**

\* a. Applicant

\* b. Program/Project

Attach an additional list of Program/Project Congressional Districts if needed.

Add Attachment

Delete Attachment

View Attachment

**17. Proposed Project:**

\* a. Start Date:

\* b. End Date:

**18. Estimated Funding (\$):**

* a. Federal	<input type="text" value="30,000,000.00"/>
* b. Applicant	<input type="text"/>
* c. State	<input type="text"/>
* d. Local	<input type="text"/>
* e. Other	<input type="text"/>
* f. Program Income	<input type="text"/>
* g. TOTAL	<input type="text" value="30,000,000.00"/>

**\* 19. Is Application Subject to Review By State Under Executive Order 12372 Process?**

- a. This application was made available to the State under the Executive Order 12372 Process for review on
- b. Program is subject to E.O. 12372 but has not been selected by the State for review.
- c. Program is not covered by E.O. 12372.

**\* 20. Is the Applicant Delinquent On Any Federal Debt? (If "Yes," provide explanation in attachment.)**

Yes  No

If "Yes", provide explanation and attach

Add Attachment

Delete Attachment

View Attachment

**21. \*By signing this application, I certify (1) to the statements contained in the list of certifications\*\* and (2) that the statements herein are true, complete and accurate to the best of my knowledge. I also provide the required assurances\*\* and agree to comply with any resulting terms if I accept an award. I am aware that any false, fictitious, or fraudulent statements or claims may subject me to criminal, civil, or administrative penalties. (U.S. Code, Title 18, Section 1001)**

\*\* I AGREE

\*\* The list of certifications and assurances, or an internet site where you may obtain this list, is contained in the announcement or agency specific instructions.

**Authorized Representative:**

Prefix:  \* First Name:   
 Middle Name:   
 \* Last Name:   
 Suffix:

\* Title:

\* Telephone Number:  Fax Number:

\* Email:

\* Signature of Authorized Representative: DocuSigned by:  
*Danny Sorrells*

\* Date Signed:

**BUDGET INFORMATION - Non-Construction Programs**

OMB Number: 4040-0006  
Expiration Date: 02/28/2025

**SECTION A - BUDGET SUMMARY**

Grant Program Function or Activity (a)	Catalog of Federal Domestic Assistance Number (b)	Estimated Unobligated Funds		New or Revised Budget		
		Federal (c)	Non-Federal (d)	Federal (e)	Non-Federal (f)	Total (g)
1. DOI - 15.018	15.018	\$ <input type="text"/>	\$ <input type="text"/>	\$ 30,000,000.00	\$ <input type="text"/>	\$ 30,000,000.00
2.	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
3.	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
4.	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<b>5. Totals</b>		\$ <input type="text"/>	\$ <input type="text"/>	\$ 30,000,000.00	\$ <input type="text"/>	\$ 30,000,000.00

**SECTION B - BUDGET CATEGORIES**

6. Object Class Categories	GRANT PROGRAM, FUNCTION OR ACTIVITY				Total (5)
	(1)	(2)	(3)	(4)	
	DOI - 15.018				
a. Personnel	\$ 121,777.00	\$	\$	\$	\$ 121,777.00
b. Fringe Benefits	36,435.00				36,435.00
c. Travel	0.00				0.00
d. Equipment	0.00				0.00
e. Supplies	2,298.00				2,298.00
f. Contractual	29,839,490.00				29,839,490.00
g. Construction	0.00				0.00
h. Other	0.00				0.00
i. Total Direct Charges (sum of 6a-6h)	30,000,000.00				\$ 30,000,000.00
j. Indirect Charges	0.00				\$ 0.00
k. TOTALS (sum of 6i and 6j)	\$ 30,000,000.00	\$	\$	\$	\$ 30,000,000.00
7. Program Income	\$	\$	\$	\$	\$

Authorized for Local Reproduction

**SECTION C - NON-FEDERAL RESOURCES**

(a) Grant Program		(b) Applicant	(c) State	(d) Other Sources	(e)TOTALS
8.	DOI - 15.018	\$ <input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>
9.	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
10.	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
11.	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
12. TOTAL (sum of lines 8-11)		\$ <input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>

**SECTION D - FORECASTED CASH NEEDS**

	Total for 1st Year	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
13. Federal	\$ <input type="text" value="12,000,000.00"/>	\$ <input type="text" value="3,000,000.00"/>	\$ <input type="text" value="3,000,000.00"/>	\$ <input type="text" value="3,000,000.00"/>	\$ <input type="text" value="3,000,000.00"/>
14. Non-Federal	\$ <input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
15. TOTAL (sum of lines 13 and 14)	\$ <input type="text" value="12,000,000.00"/>	\$ <input type="text" value="3,000,000.00"/>	\$ <input type="text" value="3,000,000.00"/>	\$ <input type="text" value="3,000,000.00"/>	\$ <input type="text" value="3,000,000.00"/>

**SECTION E - BUDGET ESTIMATES OF FEDERAL FUNDS NEEDED FOR BALANCE OF THE PROJECT**

(a) Grant Program	FUTURE FUNDING PERIODS (YEARS)			
	(b)First	(c) Second	(d) Third	(e) Fourth
16. DOI - 15.018	\$ <input type="text" value="12,000,000.00"/>	\$ <input type="text" value="6,000,000.00"/>	\$ <input type="text"/>	\$ <input type="text"/>
17.	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
18.	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
19.	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
20. TOTAL (sum of lines 16 - 19)	\$ <input type="text" value="12,000,000.00"/>	\$ <input type="text" value="6,000,000.00"/>	\$ <input type="text"/>	\$ <input type="text"/>

**SECTION F - OTHER BUDGET INFORMATION**

21. Direct Charges: <input type="text" value="\$30,000,000"/>	22. Indirect Charges: <input type="text" value="\$0"/>
23. Remarks: <input type="text"/>	

**WORK PLAN/PROPOSAL FOR FORMULA GRANT FUNDS**  
(Suggested Format)

**The Railroad Commission of Texas is using this template for the Matching Grant application, rather than submitting a redlined version of its application submitted on October 31, 2024, with the knowledge that this template was developed for the Revised Formula Grant Guidance, not the Revised Matching Grant Guidance.**

**Instructions:** A Work Plan should thoroughly address the required elements, which are stated in the Revised State Formula Grant Guidance (Guidance). **This template is provided to assist States in preparing a Work Plan that addresses the required elements. States are not required to use this template. If a State does not use this template, however, it should ensure that the Work Plan addresses each required element. The Work Plan must justify the grant amount.** Please carefully complete each section below, and use additional sheets as needed. Please use at least an 11-point font.

The template outline of suggested sections in the Work Plan is shown in standard font. The *italicized font portion* provides descriptions of the information that should be included within each section. References to the specific portion of the Guidance is included for each element.

Person Submitting Proposal: Colleen Forrest Date: 7/22/25

Organization Name: Railroad Commission of Texas

Announcement ID: D-AQD-FA-25-002-111198 / D-AQD-FA-25-002

Applicant Program Title: Railroad Commission of Texas Abandoned Oil and Gas Well  
Plugging Program Matching Grant

Estimated Period of Performance: September 1, 2025 to August 31, 2030

Proposed Locations: Austin, TX (Administratively); Statewide (Programmatically)

## Orphaned Well Program Description

- *Provide a description of the State's orphaned well program, including the following:*
  - *Legal authorities, including the State's plugging standards and witnessing requirement. Section IV.B.5.a.aa.I.;*
    - *If the State has no plugging standards, describe how the work performed will reflect, at a minimum the Bureau of Land Management's Onshore Oil and Gas Order No. 2 (for onshore wells) or the relevant provisions of 30 CFR Part 250 (for offshore wells). Section V.B.1-2.*
    - *Describe State standards for well abandonment, including actions necessary to complete surface reclamation and revegetation. If the state does not have well abandonment standards, describe how the state will meet the BLM Reclamation and Abandonment Standards for well sites where appropriate. Section V.B.3-4.*
  - *Processes used to identify and prioritize wells, based on the factors in 42 U.S.C. § 15907(c)(2)(A)(iii), including land use priorities that increase domestic oil and gas production and development activities, support the Administration's efforts to unleash American energy, and address our National Energy Emergency. Section IV.B.5.a.aa.II.;*
  - *Procurement mechanisms. Section IV.B.5.a.aa.III.;* and
  - *Other program elements demonstrating the readiness of the State to carry out proposed activities using the grant. Section IV.B.5.a.aa.IV.*
- *The definitions and processes used by the State to formally identify a well as—an orphaned well; or if the State uses different terminology, otherwise eligible for plugging, remediation, and reclamation by the State. Section IV.B.5.d.*
- *A description of the process the State follows to identify and pursue all potentially responsible parties that may be legally liable for plugging, remediating, or restoring orphaned wells in the State. Section IV.B.5.c.*
- *The means by which the information regarding the activities of the State under a grant will be made available on a public website. Section IV.B.5.a.cc.*

The Railroad Commission of Texas (RRC) is seeking Matching Grant funding under Sec. 40601 of the Infrastructure Investment and Jobs Act to plug, remediate, and reclaim orphaned wells located on State-owned or privately owned land across Texas. The Commission is the state agency with primary regulatory jurisdiction over the oil and natural gas industry with environmental and safety responsibilities related to oil and gas production. Protecting the environment and preserving natural resources by regulating fossil fuel energy production, storage, and delivery is one of the agency's primary goals. Statute and rules cited in this document were provided as an attachment to the original Matching Grant submission in 2024.

The Commission began its statewide well plugging program in 1984 seeking to alleviate water quality problems associated with oil and gas production. Texas Natural Resources Code §89.043 delineates the processes and conditions for the Railroad Commission to plug an orphaned or abandoned well. The Commission's plugging standards are found within 16 Texas Administrative Code §3.14. Upon completion of a plugging job, a Plugging Record (Railroad Commission Form W-3) is submitted; this form documents the plugging procedure as implemented. It is signed by the cementer, and by a representative of the Railroad Commission. In nearly every instance when an orphaned well is plugged under contract with the Railroad Commission, Commission staff are on site throughout the plugging process to witness the job.

Texas Natural Resources Code §89.085 authorizes the Commission to dispose of well-site equipment and any amount of hydrocarbons from an orphaned or abandoned well in a commercially reasonable manner. When salvage equipment is present, the Commission provides public notice of the equipment available for bid, including a description of the equipment and any materials. When such activity occurs at well sited plugged using federal funds, proceeds are segregated within the State's General Revenue Dedicated Oil and Gas Regulation and Cleanup fund, per the direction of the State's Comptroller of Public Accounts. Salvage income becomes additive to the grant and is incorporated periodically into the grant budget using the SF-424A.

Texas Natural Resources Code §89.044 authorizes Commission staff to enter private property for the purpose of plugging or replugging a well that has not been properly plugged. The Railroad Commission has no authority to grant access to private property to a federal agency. The Commission will coordinate access to federal land for those wells that will be plugged under cooperative agreements with federal land management agencies.

With an existing inventory of more than 8,000 documented orphaned wells in Texas, resources are most effectively directed towards the known orphaned well population. The Commission has extensive knowledge of both the state's current well population of over 440,000 wells and its historical well populations. Since the Railroad Commission's orphaned well plugging program began nearly 47,000 orphaned wells have been plugged by the Commission, with more than 230,000 additional wells plugged by operators in Texas since 1991. With this experience the Commission has a well-established prioritization process that assigns numerical values to factors in four categories: well completion, wellbore conditions, well location with respect to sensitive areas, and unique environmental, social, or economic concern. The sum of those values assigns a priority level to each well. A copy of the prioritization system was provided as an attachment to the original Matching Grant submission in 2024. With the Matching Grant, the Commission will focus solely on hydrogen sulfide orphan wells. These wells are Priority 2H (Higher risk, not leaking) wells according to the Commission's prioritization system.

By focusing well plugging efforts in the Kilgore District, and specifically on hydrogen sulfide orphan wells plugging packages will reflect this subset of the orphan well population. With this application, the Commission is placing a high priority on plugging 25 H<sub>2</sub>S wells, with the top 17 emitting wells having an average H<sub>2</sub>S concentration of 106,243 parts per million. Specific wells to be plugged with this funding will be determined during the project implementation phase, but will be geographically within the Kilgore District area.

The Commission follows the fiscal policies and procedures established by the Texas Comptroller of Public Accounts, which implement the statutory and regulatory intent of the Texas Legislature inclusive of statutory requirements found within Texas Government Code and the General Appropriations Act, as well as rules promulgated by the Comptroller in Texas Administrative Code. Specific procurement mechanisms are detailed in the *State of Texas Procurement and Contract Management Guide* [please see [link to guide](#)] and the *Railroad Commission of Texas Procurement and Contract Management Guide* [please see [link to guide](#)].

Texas Natural Resources Code Sec. 89.047(3) defines an Orphaned well as a well for which the commission has issued a permit, when production of oil or gas or another activity under the jurisdiction of the commission has not been reported to the commission for the preceding 12 months, and whose operator's commission-approved organization report has lapsed. This statutory language is implemented at the Commission to formally identify a well as orphaned when an inactive, non-compliant well that has been inactive for a minimum of 12 months and the responsible operator's Organizational Report (Railroad Commission Form P-5) has been delinquent for greater than 12 months.

Chapter 91 of the Texas Natural Resources Code requires operators to file a bond, letter of credit, or cash deposit providing financial assurance to operate in the state. This financial assurance is forfeited if the operator becomes delinquent in their reporting requirements. Texas Natural Resources Code Sec. 91.108 requires these funds to be used only for actual well plugging and surface remediation. Financial security forfeitures are included in the Commission's annual state-funded well plugging and site remediation budgets. Financial security forfeitures are used to plug orphaned wells as part of the on-going state-funded effort to address orphaned wells but will not directly offset any Matching Grant well plugging projected costs. Financial security forfeitures are collected when an operator is no longer compliant with Commission rules. Forfeiture funds are used in the year they are received to plug wells according to the Commission's prioritization system. A well for which an operator forfeited their financial security may not be plugged for several years or could be taken over by another operator.

The Commission works with the Texas Office of the Attorney General (OAG) to seek reimbursement for plugging costs from the operator of record when the Commission must plug a well. The success rate of these reimbursement collections is low as most of these operators are no longer in business. Some reimbursements are collected by OAG in installments over a period of several years to avoid being a financial hardship for an operator. The sporadic nature of collections prevents the Commission from estimating a reimbursement recovery rate for well pluggings from the Matching Grant. It is likely that any collections would not be received until after the project period is complete. Any reimbursements received for wells plugged with Infrastructure Act funds will be treated as program income. The Commission will request to use these funds as additive to its Matching Grant allocation in a manner like amendments to the Initial Grant and anticipated Phase I Formula Grant additive program income from salvage equipment revenue.

The Commission developed a public website during the implementation of the Initial Grant. The website is available at [this link](#), and includes the quarterly data reporting template identifying those wells plugged with these funds, the well prioritization system, rules related to inactive and orphaned wells, as well as other information related to this effort. The Commission will continue

to update this website and use its social media channels to promote new information as it is available.

**Proposed Grant Activities, Milestones, Outcomes and Schedule**

- *Provide a description of the details of each activity to be carried out with the grant, including a preliminary work schedule covering the period of performance of the grant. Each activity must include a schedule, and resources needed for getting the work completed, which must cover the entire relevant period of performance. Section IV.B.5.e.aa.*
- *Provide proposed performance goals including a schedule of milestones for completing the activities funded by the grant and to achieve the objectives of the workplan (a suggested example is shown below), or through other graphical aids, work schedule, Gantt chart, etc. Section IV.B.5.e.bb.*
- *Describe the estimated health, safety, habitat, and environmental benefits of plugging, remediation, or reclaiming orphaned wells. States are encouraged to carry out activities that increase domestic oil and gas production and development activities, support the Administration’s efforts to unleash American energy, and address our National Energy Emergency. Section IV.B.5.a.bb.*
- *Provide, if practical, the latitude/longitude, type of well, the well ID (API or US well number), surface ownership, and mineral ownership for those wells that are likely to be plugged, remediated, or reclaimed with grant funds. Section IV.B.5.e.cc.*
- *Provide an estimate of the number of orphaned wells in the State that will be plugged, remediated, or reclaimed using grant funds. Section IV.B.5.b.aa.*
- *Provide an estimate of the number of jobs that will be created or saved through the activities to be funded under this grant and the assumptions and methodology to develop the estimate. Section IV.B,5.b.dd.*

<b>Activity</b>	<b>Preliminary Schedule</b>	<b>Resources</b>
Amend Existing Well Plugging and Site Remediation Contracts as needed	July -August 2025	Pre-Award activity with no associated cost to the grant, RRC Contracts Management and Program Staff
Matching Grant Awarded	Anticipate no later than August 2025	DOI Program and Grants Management Staff
Deploy well plugging contractors under amended contracts to plug wells, with RRC staff in an oversight role	September 2025-August 2030	Grant funded RRC Well Plugging staff, and existing contractors
Submit Quarterly Reports	October, January, April, and July for each year of the project period.	RRC Project Management, Financial and Grants Management Staff

Activity	Preliminary Schedule	Resources
Submit Closeout Reports	December 2030	RRC Project Management, Financial and Grants Management Staff

The Railroad Commission’s implementation of the Matching Grant authorized by Section 40601 of the Infrastructure Investment and Jobs Act (2021) will benefit health, safety, habitat, and environment by eliminating the potential threat of an uncontrolled liquid hydrocarbon release from orphaned wells across the eastern region of the state. With Matching Grant funding, the Commission anticipates it will oversee plugging of 25 hydrogen sulfide emitting orphan wells during the project period. The actual number of wells plugged will be determined based on costs at the time of plugging. Funds will be allocated to the Commission’s Kilgore District, an area of the state with a high concentration of hydrogen sulfide (H<sub>2</sub>S) wells. The Kilgore District includes Texas cities such as Dallas, Fort Worth, Waco, Tyler, Longview, and Texarkana.

Mitigation efforts will implement proper well plugging techniques to protect subsurface and surface waters, wetlands, protected species, and sensitive natural resources, as well as the removal of above and below ground oil and gas well equipment. Contracted well plugging service companies will complete generally accepted and state regulator approved well plugging procedures, with Commission staff onsite to oversee operations and document the plugging of each well, ensuring that plugging operations comply with all regulatory requirements.

The Commission will determine the specific wells that will be plugged with Matching Grant funds as funding is implemented through its standard work order process, while anticipating that 25 hydrogen sulfide emitting orphan wells will be plugged during the project period. The Commission maintains a list of hydrogen sulfide emitting orphaned wells with a P-5 delinquent for more than twelve months. The list includes the lease name, operator name, and API number, as well as the number of months each well has been inactive. Based on the API number, wells on the list may be searched using the Commission’s GIS Public Viewer to identify latitude and longitude coordinates. The Commission does not maintain surface ownership or mineral ownership data.

The Commission intends to partially fund two positions with Matching Grant funds during the project period, as detailed in the budget narrative. A well plugging inspector will prepare, witness, and document well plugging activities in the field. Each well will require approximately three weeks of work. A project manager position will ensure fiscal compliance with federal regulations and grant reporting requirements.

As of October 18, 2024, with Initial Grant and limited expenditures of Formula Grant funds Commissions contractors (and their subcontractors) reported 196,609 hours for 529 unique employees in Certified Payrolls for Davis-Bacon Act compliance. Davis-Bacon covered employees do not represent the total number of contractor positions funded with the Initial Grant. Further, employees are typically paid for travel time to the worksites, which is not recorded as Davis-Bacon covered time as the employee is not on the job site. Generally, supervisors do not report hours unless they work a significant portion of their time on heavy equipment which varies from contractor to contractor. The Matching Grant will fund a more limited number of

well pluggings, however; this work will involve more people resulting from the complexities of plugging hydrogen sulfide orphan wells. The Commission is unable to provide an estimate with a replicable and reliable methodology as this is better determined by subject matter experts with additional data sources

### **Estimates of Costs**

- *Provide the projected cost, including the basis of estimates, for:*
  - *Plugging, remediating, or reclaiming orphaned wells. Section IV.B.5.b.bb.I.;*
  - *Remediating or reclaiming adjacent land. Section IV.B.5.b.bb.II.; and*
  - *Decommissioning or removing associated pipelines, facilities, and infrastructure. Section IV.B.5.b.bb.III.*
- *Provide an estimate of the amount of that projected cost that will be offset by the forfeiture of financial assurance instruments, the estimated salvage of well site equipment, or other proceeds from the orphaned wells and adjacent land. Section IV.B,5.b.cc.*
- *Provide an estimate of the amount funds to be spent on administrative costs. Section IV.B,5.b.ee.*

The Commission anticipates \$29,823,155 will be allocated to contractors to plug orphaned wells, with costs based on previous plugging contractual expenses. The Commission anticipates in addition to plugging contractors, a third-party contractor experienced with plugging hydrogen sulfide wells will also be on-site to ensure safe operations. The third-party contractor will be focused on worker safety by ensuring that all the Personal Protective Equipment is properly functioning, inspected, and tested at regular intervals. The contractor will also monitor environmental conditions for optimal working conditions. An example of this would be monitoring wind speed and direction to assist in determining whether work should stop because of low wind or if the wind is blowing hydrogen sulfide gas towards employees. The third-party contractor will also provide first aid should an emergency occur.

The Commission does not anticipate that it will decommission or remove pipelines, facilities, or other infrastructure and cannot estimate associated costs at this time.

The Commission is unable to estimate the projected costs that may be offset by the forfeiture of financial assurance instruments, the estimated salvage of well site equipment, or other proceeds from the orphaned wells and adjacent land as each orphaned well site offers a unique circumstance that may not be predicted in advance of plugging operations. During the Initial Grant, the Commission collected more than \$1.2 million in salvage revenue from \$23.6 million of contracted well pluggings; however, this number is an example rather than an indicator of future collections.

The Commission anticipates administrative will be limited to 0.59% of the total award or \$176,845 of the anticipated \$30 million award.

**Timeline or Milestones to Complete Expected Results [Suggested Table Format]**

*Describe significant outputs and expected results or outcomes of the activities with a clear set of milestones and how they will be measured within a specified timeframe. All proposals must have measurable results that correlate to a timeline.*

<b>Milestone / Task / Activity</b>	<b>Start Date</b>	<b>Completion Date</b>
<i>Insert specific, measurable results/outcomes such as milestones, tasks, and/or activities. For example: initiate and complete well prioritization, procurement of contractors, field work, etc.; number of acres surveyed in x area; number of wells plugged, remediated, or restored; number of acres reclaimed or remediated; draft or final report publicly disseminated;</i>	<i>Estimates start date</i>	<i>Estimated completion date</i>
Year 1: Well plugging activities of approximately 10 H2S emitting orphan wells.	9/1/2025	8/31/2026
Year 2: Well plugging activities of approximately 10 H2S emitting orphan wells.	9/1/2026	8/31/2027
Year 3: Well plugging activities of approximately 5 H2S emitting orphan wells.	9/1/2027	8/31/2028
Years 4 and 5: Complete well plugging activities of H2S emitting orphan wells that we not completed in years 1 to 3.	9/1/2028	8/31/2030
Update public website with data on wells plugged and any other relevant Matching Grant programmatic information.	9/1/2025	8/31/2030
Submit Quarterly Reports. In compliance with grant agreement documents, the Commission will submit all required documents by the agreed upon dates. Dates listed in this document assume a federal quarterly schedule.	End of October, January, April, and July for each year of the project period.	
Submit Closeout Reports. In compliance with grant agreement documents, the Commission will submit all required closeout documents by the agreed upon date. Date listed in this document assumes 120 days after the conclusion of the project period.	9/1/2030	12/31/2030

The milestone table assumes a three-year schedule, but the Commission requests a five-year project period to accommodate for any unforeseen delays in implementing the project. As such, the Commission’s budget proposal does not include costs for years four and five, but does allow for the completion of well plugging activities that remain uncompleted.

**Performance Monitoring and Evaluation Plan**

*Describe how you will measure performance and assessment tools to be used and how you will evaluate the performance of sub awards, subrecipients, contractors etc.*

The Commission relies on several performance metrics to assess the success of its programs and will use those same metrics to assess performance related specifically to Matching Grant funded

well plugging and site remediation efforts.

On a state fiscal year annual basis, the Commission will identify:

1. Percentage of identified abandoned pollution sites investigated, assessed, or cleaned up with Matching Grant funds
2. Percentage of known orphaned wells plugged with Matching Grant funds
3. Number of identified abandoned pollution sites that are candidates for Matching Grant funds cleanup
4. Number of known orphaned wells

On a state fiscal year quarterly basis, the Commission will identify:

1. Number of abandoned pollution sites investigated, assessed, or cleaned up with Matching Grant funds
2. Number of orphaned wells plugged with Matching Grant funds
3. Total aggregate plugging depth of orphaned wells plugged with Matching Grant funds
4. Average number of days to complete abandoned Matching Grant funded site clean-up
5. Average number of days to plug an orphaned well with Matching Grant funds

The Commission evaluates its contractors based on their adherence to legislative and regulatory standards, as well as any site-specific contract-based standards. These standards are detailed for contractors in solicitation documents, generally in *Attachment 1: Statement of Services*. All work conducted for the Commission must be performed in accordance with applicable federal, state, and local statutes, laws, ordinances, regulations, and rules, including Railroad Commission Statewide Rules, codified in Texas Administrative Code, Title 3, Chapter 16, the specifications within the associated Statement of Services and any Work Order issued under the Contract, as well as all terms and conditions of the contract. Each contract includes clauses that allow for termination for cause or termination for convenience.

## Qualifications

- *List key personnel and responsibilities (e.g., Principal Investigator/Program Director and Administrative Official/Authorized Representative) and describe their experience and qualifications that are appropriate to the success of the State's program.*
- *List contractors, sub-awards, and consultants, if known, and their qualifications.*

*David Lindley*, Mr. Lindley is the Assistant Director of Field Operations, Oil and Gas Division. Mr. Lindley began his career as a petroleum engineer with Conoco in 1991, developing his production engineering skills to include artificial lift selection and optimization, workovers, facility design, and waterflooding, while working from their Midland Division Office. He started with Southwestern Energy (SWN) in 2005 and became a production and completions engineer and eventually, team-lead. Since leaving SWN in 2011, Mr. Lindley has been active in operations management to include all aspects of the life of a well from concept to abandonment. David joined the Railroad Commission in May 2024 as Deputy Assistant Director of the North Region, and then assumed the role of Assistant Director upon Clay Woodul's retirement in June. In his role as Assistant Director, Mr. Lindley is responsible for the management of regulatory compliance and enforcement, along with management and operations of the State Managed

Plugging program.

*Peter Pope*, Mr. Pope has 24 years of experience with the Railroad Commission working exclusively in the Site Remediation Section. Mr. Pope is a licensed professional geoscientist with extensive experience performing or providing oversight of environmental site investigations and cleanup activities. As the current Manager of the Site Remediation Section, Mr. Pope is responsible for management of four cleanup programs, including the State Managed Cleanup program.

*Keith May*, Mr. May has eleven years of experience with the Railroad Commission. During that time, he has served multiple roles in Technical Permitting and Field Operations. Since 2018, he has been directly involved in the State Managed Plugging program. As the Project Manager for State Managed Plugging, he oversees the day-to-day operations, creates reports, and implements initiatives to ensure performance measures are achieved.

*Corey Crawford*, Mr. Crawford is the project manager responsible for the financial aspects of the Commission's federally funded well plugging program. His responsibilities include monitoring compliance with state, federal and grant requirements. Mr. Crawford is a Certified Public Accountant with 16 years of governmental accounting experience with the State of Texas. He has extensive experience with budgeting and financial reporting across Texas state government.

*Colleen Forrest*, Ms. Forrest has 17 years of experience with the Railroad Commission. During that time, she has managed the Commission's grants, including projects funded from the American Recovery and Reinvestment Act, the RESTORE Act, and most recently the Infrastructure Investment and Jobs Act. As the Director of Strategic Initiatives, she also oversees the Commission's strategic planning processes and performance measurement.

*Hannah Hawthorne*, Ms. Hawthorne is a new Railroad Commission employee. She joined the Commission after graduating from Iowa State University with a Bachelor of Environmental Science degree in 2023. Ms. Hawthorne coordinates the Commission's well plugging project selection analysis.

### **Leveraging of Resources (optional, if applicable)**

*If the State has any plans to leverage funds or resources with other federal and/or non-federal sources of funds or resources to carry out the proposed activities, please describe those plans.*

While the Railroad Commission has a state appropriation for well plugging and site remediation concurrent with the Matching Grant project period, the two funding sources have separate requirements and will not be comingled or leveraged in a manner that would impose federal requirements on state funds or the implementation of ongoing state-funded programs.

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For information concerning the Paperwork Reduction Act, please see OMB Control Number: 1093-0012.

**Announcement Number:** D-AQD-FA-25-002

**Date of Submission:** 7/21/2025

**Applicant State:** TX

**Form submitted by:** Corey Crawford

**Certified Amount Time Period:** 9/1/25-8/31/26

Optional Template for use by applicants. Please review the Matching Grant Guidance and Directed Announcement included with the application for more information. You may use this in Microsoft Excel or Adobe PDF format. Please read the OWPO State Matching Grant Guidance included with this Directed Announcement.

In its Average 2010-2019 Amount, a State must include all applicable direct orphaned well-related expenditures that the State spent. This includes money spent on plugging, reclamation, and restoration, from the first day of State fiscal year 2010 up to and through the last day of State fiscal year 2019. A State may also include its indirect expenditures if it chooses to do so.

The Certified Amount is the total amount of the State's non-federally originated money that the State certifies it will expend in a particular State fiscal year to: 1) plug, remediate, and reclaim orphaned wells; 2) remediate or reclaim land adjacent to an orphaned well; and 3) decommission or remove pipelines, facilities, and infrastructure associated with an orphaned well. A State's Certified Amount in its Matching Grant application must be calculated using the same accounting basis that the State used to calculate its Average 2010-2019 Amount. A State may only include indirect costs in its Certified Amount if it included the costs in its Average 2010-2019 Amount.

Please indicate the basis for your State Average 2010-2019 and Certified Amounts in the respective tabs of this worksheet, as well as any additional comments, in the Basis and Additional Explanation sections in each tab.

A State must maintain all records to support the Average 2010-2019 and Certified Amounts stated in its grant application. The Average 2010-2019 and Certified Amounts in a State's application are subject to DOI review, verification, and/or audit, and a State may be required to submit all records to support the two amounts.

**Basis and Additional Explanation (as needed)**

Texas uses an "Appropriation Year" basis of accounting established in Texas Government Code §2113 and Texas Administrative Code rule - 34 TAC §5.56. The Appropriation Year basis of accounting charges the expenditure to the year that the legal authorization for the charge was granted by the state legislature. This basis of accounting is similar to accrual accounting as expenditures can be paid in subsequent year if a valid legal obligation for that expenditure was incurred during the year.

Expenditure data for 2010 to 2019 is from the Texas Comptroller of Public Accounts - Uniform Statewide Accounting System (USAS).

<b>State Certified Amount</b>	\$ 61,562,426
<b>State Average 2010-2019 Amount</b>	\$ 26,484,392
<b>Maximum Matching Grant Amount Eligible For</b>	\$ 35,078,034
<b>Actual Matching Grant Amount Applied For</b>	\$ 30,000,000
<b>Remaining Matching Grant Amount For Future Applications</b>	\$ -

	Direct Costs	Indirect Costs (if State chooses to include them)	Details, Rationale, and Support Relied Upon
State Fiscal Year 2010	\$18,890,301.99	\$0.00	Direct Well Plugging and Site Remediation Expenditures - RRC staff, operating expenditures, contractual costs. Does not include Administrative support divisions (HR, Finance, General Counsel, IT, Procurement, etc.). Excludes federal funds received for various grants. Source of data is the State of Texas Unified Statewide Accounting System managed by the Texas Comptroller of Public Accounts. Applies to FY 2010-2019.
State Fiscal Year 2011	\$18,310,367.52	\$0.00	Direct Well Plugging and Site Remediation Expenditures - RRC staff, operating expenditures, contractual costs. Does not include Administrative support divisions (HR, Finance, General Counsel, IT, Procurement, etc.). Excludes federal funds received for various grants. Source of data is the State of Texas Unified Statewide Accounting System managed by the Texas Comptroller of Public Accounts. Applies to FY 2010-2019.
State Fiscal Year 2012	\$24,545,394.11	\$0.00	Direct Well Plugging and Site Remediation Expenditures - RRC staff, operating expenditures, contractual costs. Does not include Administrative support divisions (HR, Finance, General Counsel, IT, Procurement, etc.). Excludes federal funds received for various grants. Source of data is the State of Texas Unified Statewide Accounting System managed by the Texas Comptroller of Public Accounts. Applies to FY 2010-2019.
State Fiscal Year 2013	\$27,111,203.73	\$0.00	Direct Well Plugging and Site Remediation Expenditures - RRC staff, operating expenditures, contractual costs. Does not include Administrative support divisions (HR, Finance, General Counsel, IT, Procurement, etc.). Excludes federal funds received for various grants. Source of data is the State of Texas Unified Statewide Accounting System managed by the Texas Comptroller of Public Accounts. Applies to FY 2010-2019.
State Fiscal Year 2014	\$20,557,101.56	\$0.00	Direct Well Plugging and Site Remediation Expenditures - RRC staff, operating expenditures, contractual costs. Does not include Administrative support divisions (HR, Finance, General Counsel, IT, Procurement, etc.). Excludes federal funds received for various grants. Source of data is the State of Texas Unified Statewide Accounting System managed by the Texas Comptroller of Public Accounts. Applies to FY 2010-2019.
State Fiscal Year 2015	\$21,369,853.61	\$0.00	Direct Well Plugging and Site Remediation Expenditures - RRC staff, operating expenditures, contractual costs. Does not include Administrative support divisions (HR, Finance, General Counsel, IT, Procurement, etc.). Excludes federal funds received for various grants. Source of data is the State of Texas Unified Statewide Accounting System managed by the Texas Comptroller of Public Accounts. Applies to FY 2010-2019.
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State Fiscal Year 2017	\$19,350,756.76	\$0.00	Direct Well Plugging and Site Remediation Expenditures - RRC staff, operating expenditures, contractual costs. Does not include Administrative support divisions (HR, Finance, General Counsel, IT, Procurement, etc.). Excludes federal funds received for various grants. Source of data is the State of Texas Unified Statewide Accounting System managed by the Texas Comptroller of Public Accounts. Applies to FY 2010-2019.
State Fiscal Year 2018	\$33,131,318.39	\$0.00	Funding appropriated from the State's Economic Stabilization Fund for well plugging in the 2018-19 biennium increased the direct costs for SFY 2018. Direct Well Plugging and Site Remediation Expenditures - RRC staff, operating expenditures, contractual costs. Does not include Administrative support divisions (HR, Finance, General Counsel, IT, Procurement, etc.). Excludes federal funds received for various grants. Source of data is the State of Texas Unified Statewide Accounting System managed by the Texas Comptroller of Public Accounts. Applies to FY 2010-2019.
State Fiscal Year 2019	\$68,896,916.41	\$0.00	Funding appropriated from the State's Economic Stabilization Fund for well plugging in the 2018-19 biennium increased the direct costs for SFY 2019. Direct Well Plugging and Site Remediation Expenditures - RRC staff, operating expenditures, contractual costs. Does not include Administrative support divisions (HR, Finance, General Counsel, IT, Procurement, etc.). Excludes federal funds received for various grants. Source of data is the State of Texas Unified Statewide Accounting System managed by the Texas Comptroller of Public Accounts. Applies to FY 2010-2019.

<b>Total Non-federally originated State Funds Spent from 2010-2019</b>	\$264,843,922.86
<b>State Average 2010-2019 Amount</b>	\$26,484,392.00

	Direct Costs	Indirect Costs (may only be included if indirect costs are included in State Average 2010-2019 Amount)	Details, Rationale, and Support Relied Upon
<b>State Fiscal Year 2025</b>	\$61,562,426.00	\$0.00	The Texas State Fiscal Year 2025 runs September 1, 2024 to August 31, 2025. As of June 30, 2025, RRC had expended \$56,362.426. A conservative estimate of \$1.2 million for payroll for July and August 2025 and \$4 million for well pluggings totals \$61,562.426 of direct costs for well plugging and site remediation with state funds.

**Announcement Number:** D-AQD-FA-25-002

**Date of Submission:** 7/21/2025

**Applicant State:** TX

**Form submitted by:** Corey Crawford

**Certified Amount Time Period:** 9/1/25-8/31/26

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**Announcement Number:** D-AQD-FA-25-002  
**Recipient:** TX RRC

**Date of Submission:** \_\_\_\_\_  
**Form submitted by:** Corey Crawford

(May be award recipient or sub-recipient)

SUMMARY OF BUDGET CATEGORY COSTS PROPOSED								
Section A - Budget Summary								
		<b>Federal</b>	<b>Administrative</b>			<b>Total Costs</b>	<b>Administrative %</b>	<b>Proposed Budget Period Dates</b>
<b>Budget Period 1</b>	\$	12,000,000	\$ 69,680			\$ 12,000,000	0.58%	9/1/2025 - 8/31/2026
<b>Budget Period 2</b>	\$	12,000,000	\$ 69,680			\$ 12,000,000	0.58%	9/1/2026 - 8/31/2027
<b>Budget Period 3</b>	\$	6,000,000	\$ 37,485			\$ 6,000,000	0.62%	9/1/2027 - 8/31/2028
<b>Budget Period 4</b>	\$	-	\$ -			\$ -	0.00%	9/1/2028 - 8/31/2029
<b>Budget Period 5</b>	\$	-	\$ -			\$ -	0.00%	9/1/2029 - 8/31/2030
<b>Total</b>	\$	30,000,000	\$ 176,845			\$ 30,000,000	0.59%	
Section B - Budget Categories								
<b>CATEGORY</b>	<b>Budget Period 1</b>	<b>Budget Period 2</b>	<b>Budget Period 3</b>	<b>Budget Period 4</b>	<b>Budget Period 5</b>	<b>Total Costs</b>	<b>% of Project</b>	<b>Comments (as needed)</b>
<b>a. Personnel</b>	\$ 48,711	\$ 48,711	\$ 24,355	\$ -	\$ -	\$ 121,777	0.00%	
<b>b. Fringe Benefits</b>	\$ 14,574	\$ 14,574	\$ 7,287	\$ -	\$ -	\$ 36,435	0.12%	
<b>c. Travel</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	
<b>d. Equipment</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	
<b>e. Supplies</b>	\$ 906	\$ 906	\$ 486	\$ -	\$ -	\$ 2,298	0.01%	
<b>f. Contractual</b>								
<b>Sub-recipient</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	
<b>Vendor</b>	\$ 11,935,809	\$ 11,935,809	\$ 5,967,872	\$ -	\$ -	\$ 29,839,490	99.46%	
<b>Total Contractual</b>	\$ 11,935,809	\$ 11,935,809	\$ 5,967,872	\$ -	\$ -	\$ 29,839,490	99.46%	
<b>g. Construction</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	
<b>h. Other Direct Costs</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	
<b>Total Direct Costs</b>	\$ 12,000,000	\$ 12,000,000	\$ 6,000,000	\$ -	\$ -	\$ 30,000,000	100.00%	
<b>i. Indirect Charges</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	
<b>Total Costs</b>	\$ 12,000,000	\$ 12,000,000	\$ 6,000,000	\$ -	\$ -	\$ 30,000,000	100.00%	

Detailed Budget Justification

### a. Instructions for Personnel

**INSTRUCTIONS - Personnel.** Provide the name of the person in each position (if known) and provide both the annual (for multiyear awards) and total: salary/amount each position is paid; the percent of time the position contributes to this award; and the number of months the employee is paid. State if any positions are vacant at the time, and if so, the anticipated hire date. Also, provide a justification and description of each position (including vacant positions). Relate each position specifically to program objectives. Personnel cannot exceed 100% of their time on all active projects. The recipient should ensure the cost-of-living increase, if applicable, is built into the budget and justified.

1. List project costs solely for employees of the entity completing this form. All personnel costs for subrecipients and vendors must be included under f. Contractual.
2. All personnel should be identified by position title and not employee name. Enter the amount of time (e.g., hours or % of time) and the base pay rate and the total direct personnel compensation will automatically calculate. Rate basis (e.g., actual salary, labor distribution report, state civil service rates, etc.) must also be identified.
3. If loaded labor rates are utilized, a description of the costs the loaded rate is comprised of must be included in the Additional Explanation section below. DOI must review all components of the loaded labor rate for reasonableness and unallowable costs (e.g. fee or profit).
4. If a position and hours are attributed to multiple employees (e.g. Technician working 2000 hours a year) the number of employees for that position title must be identified. Estimating tool: 2080 hours per calendar year.
5. Each budget period is rounded to the nearest dollar.

**Provide a short description for each position listed and what duties they will perform on the project/program in the space below.**

**General Texas State Salary Guidance:** The Texas State Auditor's Office regulates the job classifications and descriptions. See the SAO's website for job descriptions - <https://hr.sao.texas.gov/CompensationSystem/JobDescriptions>. The State Salary Schedule is set by the Texas Legislature in Article IX (Pages IX-1 to IX-21) of the Texas General Appropriations Act (GAA) for state fiscal years 2024 and 2025 - [https://www.lbb.texas.gov/Documents/Appropriations\\_Bills/88/Conference\\_Bills/Conf\\_CCR\\_GAB\\_88R.pdf](https://www.lbb.texas.gov/Documents/Appropriations_Bills/88/Conference_Bills/Conf_CCR_GAB_88R.pdf). The GAA includes 5% statewide salary increases for fiscal years 2024 and 2025 for all state employees effective September 1 of each fiscal year. These salary increases are included in the salary amounts in the table above. The annual salary amounts in the job descriptions below are the expected salaries for fiscal year 2024.

**Field Staff:**

Engineering Specialist II (1 positions- Well Plugging Inspector) An Inspector will spend roughly three weeks (120 hours) per well inspecting, preparing, witnessing, and documenting well plugging activities in the field. This breaks down to roughly 6 months in years one and two, and 3 months in year three. This might be one or more inspectors for the well pluggings depending on the timing of the projects and availability of RRC staff. The annual salary for these positions is \$58,802.

**Headquarters Staff:**

Project Manager V (1 position) will spend will spend 10 percent of their time in years one and two and 5 percent percent of their time in year three ensuring that grant funded well plugging activities comply with IIJA grant reporting requirements, as well as all relevant federal statutes and regulations such as Davis Bacon Act and 2 CFR 200. This position will manage the grant budget, submit formal budget amendments, and quarterly reports. This position's annual salary is \$147,868.

Detailed Budget Justification

**a. Personnel**

Work Plan Activity or Task #	Position Title	Budget Period 1			Budget Period 2			Budget Period 3			Project Total Hours	Project Total Dollars	Rate Basis
		Time (Hrs)	Pay Rate (\$/Hr)	Total Budget Period 1	Time (Hrs)	Pay Rate (\$/Hr)	Total Budget Period 2	Time (Hrs)	Pay Rate (\$/Hr)	Total Budget Period 3			
Well Plugging (Admin)	Engineering Specialist II (1)	1,200	\$28.27	\$33,924	1,200	\$28.27	\$33,924	600	\$28.27	\$16,962	3,000	\$84,810	Actual Salary
Compliance (Admin)	Project Manager V (1)	208	\$71.09	\$14,787	208	\$71.09	\$14,787	104	\$71.09	\$7,393	520	\$36,967	Actual Salary
				\$0			\$0			\$0	-	\$0	
				\$0			\$0			\$0	-	\$0	
				\$0			\$0			\$0	-	\$0	
				\$0			\$0			\$0	-	\$0	
	<b>Total Personnel Costs</b>	<b>1,408</b>		<b>\$48,711</b>	<b>1,408</b>		<b>\$48,711</b>	<b>704</b>		<b>\$24,355</b>	<b>3,520</b>	<b>\$121,777</b>	

Detailed Budget Justification

**b. Fringe Benefits**

**INSTRUCTIONS - Fringe Benefits.** Fringe benefits can be expressed as an hourly rate or percentage of personnel costs. If your fringe rate is established within a Negotiated Indirect Cost Rate Agreement (NICRA), provide a copy of the agreement with the application. Fringe benefits typically include, but are not limited to, the costs of leave (vacation, family related, sick or military), employee insurance, pensions, and unemployment benefit plans. Fringe costs may also include other benefits such as training, health and wellness, or other reasonable benefits that aren't required by law but are required by an established policy of the Non-Federal entity or an agreement between the entity and its employees and not otherwise unallowable.

1. Fill out the table below by position title. If all employees receive the same fringe benefits, you can show "Total Personnel" in the Labor Type column instead of listing out all position titles.
2. The fringe costs and how they are applied should not be averaged to get one fringe cost percentage. Complex calculations should be described/provided in the Additional Explanation section below.
3. The fringe benefit costs or rates should be applied to all eligible positions, regardless of whether those funds will be supported by Federal or count toward Administrative costs.
4. Fringe benefits are usually applicable to direct salaries and wages. Provide the fringe benefit rate used and/or a clear description of how the computation of fringe benefit was done. The budget justification should be reflected in the budget description. Elements that comprise fringe benefits should be indicated. The fringe rate should be proportional among the federal and non-federal share categories. If fringe benefits are not computed by using a percent of salaries, provide a breakdown of how the computation is done. The applicant should not combine the fringe benefit costs with direct salaries and wages in the personnel category.
5. Each budget period is rounded to the nearest dollar.

**A federally approved fringe benefit rate agreement, or a proposed rate supported and agreed upon by the cognizant agency for estimating purposes is required at the time of award negotiation if reimbursement for fringe benefits is requested. Please check (X) one of the options below and provide the requested information if not previously submitted**

A fringe benefit rate has been negotiated with, or approved by, a federal government agency. A copy of the latest rate agreement is/was included with the project application.\*

There is not a current federally approved rate agreement negotiated and available.\*\*

\*Unless the organization has submitted an indirect rate proposal which encompasses the fringe pool of costs, please provide the organization's benefit package and/or a list of the components/elements that comprise the fringe pool and the cost or percentage of each component/element allocated to the labor costs.

The fringe rate of 29.92% is composed of five components.

- Federal Payroll Taxes (FICA) - Employer portion is 7.65 percent comprised 6.2 percent for Social Security and 1.45 percent for Medicare.
- State Retirement - State contribution to the State of Texas Employees Retirement System (ERS) is 9.50 percent established by Texas Government Code Section 815.403.
- Health Insurance - State paid health insurance premium estimated rate is set by the Texas Legislative Budget Board at 11.27 percent for 2026-27. The actual health insurance premium cost is a fixed amount that depends on the type of health insurance coverage the employee elects.
- Payroll Health Insurance Contribution - Texas Senate Bill 1, Regular Session, 89th Legislature, Article IX, Section 17.03 requires each state agency to contribute an amount equal to 1 percent of the total base wages and salaries for each benefits-eligible employee to the Employees Retirement System's Group Benefits Program.
- Payroll Retirement Contribution - Texas Government Code Section 815.4035 requires each state agency to contribute an amount equal to 0.5 percent of the total base wages and salaries for each eligible employee to the Employees Retirement System's Retirement Program.

**Note:** The 29.92% fringe benefits rate is the estimate for budgeting purposes, RRC will charge the actual fringe benefits expenditures to the grant.

Detailed Budget Justification

**b. Fringe Benefits**

Labor Type	Budget Period 1			Budget Period 2			Budget Period 3			Total Project
	Personnel Costs	Rate/Amount	Total	Personnel Costs	Rate/Amount	Total	Personnel Costs	Rate/Amount	Total	
Engineering Specialist II (1)	\$33,924.00	29.92%	\$10,150	\$33,924.00	29.92%	\$10,150	\$16,962.00	29.92%	\$ 5,075	\$ 25,375
Project Manager V (1)	\$14,787.00	29.92%	\$ 4,424	\$14,787.00	29.92%	\$ 4,424	\$ 7,393.00	29.92%	\$ 2,212	\$ 11,060
			\$ -			\$ -			\$ -	\$ -
			\$ -			\$ -			\$ -	\$ -
			\$ -			\$ -			\$ -	\$ -
<b>Total:</b>	<b>\$48,711</b>		<b>\$ 14,574</b>	<b>\$48,711</b>		<b>\$ 14,574</b>	<b>\$24,355</b>		<b>\$ 7,287</b>	<b>\$ 36,435</b>

Detailed Budget Justification

**c. Travel**

**INSTRUCTIONS - Travel**

1. Domestic Travel: Examples of Purpose of Travel are subrecipient site visits, meetings, site inspections, and project meetings, etc. Examples of Basis for Estimating Costs are past trips, travel quotes, GSA rates, etc.
2. All listed travel must be necessary for the performance of the stated activities and projected outcomes of the work plan and proposal.
3. Federal travel regulations are contained within the applicable cost principles for all entity types. Travel costs should remain consistent with travel costs incurred by an organization during normal business operations as a result of the organization's written travel policy. In the absence of a written travel policy, organizations must follow the regulations prescribed by the General Services Administration. See weblink below in Cell B4\* to view General Services Administration's Travel and Per Diem website.
4. Provide a narrative justification describing the travel staff will perform. List origin and destination, number of trips planned, who will be making the trip, number of miles if driving a personal vehicle, the purpose of travel and how it relates to the scope of work and approximate dates. If mileage is to be paid, provide the number of miles and the cost per mile. If travel is by air, show the cost of airfare and the proposed airline (if known). If per diem/lodging is to be paid, indicate number of days and the amount for each day's per diem and the number of nights and the amount for each night's lodging. Include any ground transportation when applicable.
5. Each budget period is rounded to the nearest dollar.

[\\*GSA Website Travel and Per Diem](#)

**For each trip listed, please provide details as to the purpose of trip and how it related to project or program., etc. (EXAMPLE)trips are for the purposes of**  
No travel is anticipated for this grant. RRC district staff will monitor plugging activities but should not need to travel outside of their normal designated headquarters.

Detailed Budget Justification

**c. Travel**

Dates	Purpose of Travel	Depart From	Destination	No of Miles if Driving	No. of Days	No. of Travelers	Mileage if POV	Lodging per Traveler	Flight per Traveler	Vehicle per Traveler	Per Diem Per Traveler	Cost per Trip	Basis for Estimating Costs
	<b>Domestic Travel</b>	<b>Budget Period 1</b>											
												\$0	
												\$0	
												\$0	
												\$0	
	<b>Budget Period 1 Total</b>											<b>\$0</b>	
	<b>Domestic Travel</b>	<b>Budget Period 2</b>											
												\$0	
												\$0	
												\$0	
												\$0	
	<b>Budget Period 2 Total</b>											<b>\$0</b>	
	<b>Domestic Travel</b>	<b>Budget Period 3</b>											
												\$0	
												\$0	
												\$0	
												\$0	
	<b>Budget Period 3 Total</b>											<b>\$0</b>	
	<b>PROJECT TOTAL</b>											<b>\$0</b>	

Detailed Budget Justification

## d. Equipment

### INSTRUCTIONS - Equipment

1. Equipment is generally defined as an item with an acquisition cost greater than \$5,000 and a useful life expectancy of more than one year. Equipment is defined as tangible personal property (including information technology systems) having a useful life of more than one year and a per-unit acquisition cost that equals or exceeds the lesser of the capitalization level established by the non-Federal entity for financial statement purposes, or \$5,000. [https://www.ecfr.gov/current/title-2/part-200/section-200.1#p-200.1\(Equipment\)](https://www.ecfr.gov/current/title-2/part-200/section-200.1#p-200.1(Equipment)).
2. List all equipment below, providing a basis of cost (e.g. vendor quotes, catalog prices, prior invoices, etc.). Briefly justify items as they apply to the Workplan activities and Proposed Outcomes. If it is existing equipment, provide logical support for the estimated value shown.
3. During award negotiations, provide a vendor quote for all equipment items over \$50,000 in price. If the vendor quote is not an exact price match, provide an explanation in the additional explanation section below. If a vendor quote is not practical, such as for a piece of equipment that is purpose-built, first of its kind, or otherwise not available the shelf, provide a detailed engineering estimate for how the cost estimate was derived.
4. Provide justification for the use of each item and relate them to specific program objectives.
5. Provide a lease versus purchase analysis. This must accompany every equipment request over \$5,000 even if a lease vs purchase analysis cannot be completed, a statement is required to that effect.
6. Each budget period is rounded to the nearest dollar.

### Additional Explanation (as needed):

No additional equipment is anticipated for this grant.

Detailed Budget Justification

**d. Equipment**

Workplan Activity	Equipment Item	Qty	Unit Cost	Total Cost	Basis of Cost	Justification of need
<b>Budget Period 1</b>						
				\$0		
				\$0		
				\$0		
				\$0		
				\$0		
				\$0		
	<b>Budget Period 1 Total</b>			\$0		
<b>Budget Period 2</b>						
				\$0		
				\$0		
				\$0		
				\$0		
				\$0		
				\$0		
	<b>Budget Period 2 Total</b>			\$0		
<b>Budget Period 3</b>						
				\$0		
				\$0		
				\$0		
				\$0		
				\$0		
				\$0		
	<b>Budget Period 3 Total</b>			\$0		
	<b>PROJECT TOTAL</b>			<b>\$0</b>		

Detailed Budget Justification

### e. Supplies

**INSTRUCTIONS - Supplies**

1. Supplies are generally defined as an item with an acquisition cost of \$5,000 or less and a useful life expectancy of less than one year. Supplies are generally consumed during the project performance. Supplies means all tangible personal property other than those described in the definition of equipment in this section. A computing device is a supply if the acquisition cost is less than the lesser of the capitalization level established by the non-Federal entity for financial statement purposes or \$5,000, regardless of the length of its useful life. See also the definitions of computing devices and equipment in this section ( 2 CFR 200.1).
2. List all proposed supplies below, providing a basis of costs (e.g. vendor quotes, catalog prices, prior invoices, etc.). Briefly justify the need for the Supplies as they apply to the stated activities, workplan and outcomes in your application. Note that Supply items must be direct costs to the project at this budget category, and not duplicative of supply costs included in the indirect pool that is the basis of the indirect rate applied for this project.
3. Multiple supply items valued at \$5,000 or less used to assemble an equipment item with a value greater than \$5,000 with a useful life of more than one year should be included on the equipment tab. If supply items and costs are ambiguous in nature, contact your Financial Assistance Officer for proper categorization.
4. Add rows as needed. If rows are added, formulas/calculations may need to be adjusted by the preparer.
5. Each budget period is rounded to the nearest dollar.

**Vehicle Gas and Maintenance-** Inspector will travel to well site to inspect site for planning purposes and to monitor daily plugging activities by plugging contractors. Cost is estimated for one inspector traveling 500 miles a month (six months first year and three months in subsequent years) to various well site locations from the RRC Kilgore District Office. For budgeting purposes RRC uses the historical agency fleet cost has averaged \$0.28/mile for the fuel and maintenance costs. The trucks are equipped with a unique fuel cards so RRC will charge the grant the actual cost of gas and any necessary maintenance for the grant activities. The actual cost will depend on distance of well sites from the district office and price of gas and if maintenance needed. The typical maintenance charges are normal routine maintenance such as oil changes, brake pads, and/or tires.

**Software Licenses -** Adobe Acrobat. Software is used for producing reports for ESA/NHPA approval and other DOI grant reports. Also used for Davis-Bacon Act compliance with requests to U.S. Dept of Labor for wage conformances.

Detailed Budget Justification

**e. Supplies**

Workplan Activity	General Category of Supplies	Qty	Unit Cost	Total Cost	Basis of Cost	Justification of need
<b>Budget Period 1</b>						
All Activities	Adobe Acrobat Software License	1	\$ 66.00	\$ 66.00	State Contract	Software for collection and review of Davis-Bacon Certified Payrolls (Software as a Service vendor eComply Solutions)
Project Cost - Well Plugging	Vehicles Gas and maintenance	3,000	\$ 0.28	\$ 840.00	Historical	Gas and vehicle maintenance for RRC Well Plugging Inspector to travel to well plugging site to oversee plugging operations - estimated 500 miles a month for 6 months.
				\$ -		
				\$ -		
<b>Budget Period 1 Total</b>				<b>\$ 906.00</b>		
<b>Budget Period 2</b>						
All Activities	Adobe Acrobat Software License	1	\$ 66.00	\$ 66.00	State Contract	Software for collection and review of Davis-Bacon Certified Payrolls (Software as a Service vendor eComply Solutions)
Project Cost - Well Plugging	Vehicles Gas and maintenance	3,000	\$ 0.28	\$ 840.00	Historical	Gas and vehicle maintenance for RRC Well Plugging Inspector to travel to well plugging site to oversee plugging operations - estimated 500 miles a month for 6 months.
				\$ -		
				\$ -		
<b>Budget Period 2 Total</b>				<b>\$ 906.00</b>		
<b>Budget Period 3</b>						
All Activities	Adobe Acrobat Software License	1	\$ 66.00	\$ 66.00	State Contract	Software for collection and review of Davis-Bacon Certified Payrolls (Software as a Service vendor eComply Solutions)
Project Cost - Well Plugging	Vehicles Gas and maintenance	1,500	\$ 0.28	\$ 420.00	Historical	Gas and vehicle maintenance for RRC Well Plugging Inspector to travel to well plugging site to oversee plugging operations - estimated 500 miles a month for 3 months.
				\$ -		
				\$ -		
<b>Budget Period 3 Total</b>				<b>\$ 486.00</b>		
<b>PROJECT TOTAL</b>				<b>\$ 2,298.00</b>		

Detailed Budget Justification

**f. Contractual**

**INSTRUCTIONS - Contractual/Subrecipient**

1. The entity completing this form must provide all costs related to sub-recipients, and vendors in the applicable boxes below. Please refer to the different regulations/requirements between contracts and subawards: <https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200/subpart-D/subject-group-ECFR031321e29ac5bbd/section-200.331>

2. A subrecipient is a legal entity to which a subaward is made, who has performance measured against whether the objectives of the Federal program are met, is responsible for programmatic decision-making, must adhere to applicable Federal program compliance requirements, and uses the Federal funds to carry out a program of the organization. All characteristics may not be present and judgment must be used to determine subrecipient vs. vendor status.

3. **Vendors (including contractors):** List all vendors and contractors supplying commercial supplies or services used to support the project. For each Vendor cost with total project costs of \$250,000 or more, a Vendor quote must be provided. A vendor is a legal entity contracted to provide goods and services within normal business operations, provides similar goods or services to many different purchasers, operates in a competitive environment, provides goods or services that are ancillary to the operation of the Federal program, and is not subject to compliance requirements of the Federal program. All characteristics may not be present and judgment must be used to determine subrecipient vs. vendor status.

4. Provide separate budgets for each contract, regardless of the dollar value, and indicate the basis for the cost estimates in the narrative. Describe products or services to be obtained and indicate the applicability or necessity of each to the project.

5. Provide separate budgets for each sub-award, regardless of the dollar value, and indicate the basis for the cost estimates in the narrative. Indicate the applicability or necessity of each sub-award to the project. A sub-award is an award provided by a pass-through entity to a subrecipient for the subrecipient to carry out part of a Federal award, including a portion of the scope of work or objectives. Provide the name of the subrecipient, method of selection, period of performance, scope of work, and criteria for measuring accountability for each sub-award. In addition, provide both the annual (for multiyear awards) and total for subawards and other items. **Do not incorporate indirect costs incurred by subawards under the indirect costs line item for the applicant/grantee on the SF-424A or budget narrative.**

a. Name of Contractor or Vendor: Include the name of the qualified contractor, affiliation, and contact.

b. Method of Selection.

c. Period of Performance: Include the dates/length for the performance period. If it involves a number of tasks, include the performance period for each task.

d. Scope of Work: List and describe the specific tasks to be performed.

e. Criteria for Measuring Accountability: Include an itemized line-item breakdown as well as total contract/award amount. If applicable, include any indirect costs paid under the contract/award and the indirect cost rate used.

f. Describe methods and procedures for evaluating contractors and monitoring subrecipients. Please use the block below to provide additional information to support this

**Additional Explanation (as needed) as to procurement policies and methods used, etc. Also, subrecipient determinations and selection process if applicable**  
 RRC will not use subrecipients for this grant.

RRC procures goods and services following the Texas Government Code and Texas Comptroller rules established in the Texas Administrative Code. A copy of the RRC Procurement and Contract Management Guide is available at <https://www.rrc.texas.gov/media/cs4lxu3w/rrc-contract-management-guide.pdf> . A copy of the Texas Comptroller Procurement and Contract Management Guide is available at <https://comptroller.texas.gov/purchasing/docs/96-1809-3.0.pdf>.

RRC Contracts for Well Plugging and Hydrogen Sulfide (H<sub>2</sub>S) Safety Monitoring.

Texas Statewide Contracts for software and cell phones.

Detailed Budget Justification

**f. Contractual**

Workplan Activity	Sub-Recipient Name/Organization	Purpose and Basis of Cost	Budget Period 1	Budget Period 2	Budget Period 3	Project Total
						\$0
						\$0
						\$0
		<b>Sub-total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Workplan Activity	Vendor / Contractor Name/Organization	Purpose and Basis of Cost	Budget Period 1	Budget Period 2	Budget Period 3	Project Total
Plugging Wells	Multiple Vendors - To Be Determined	Plug high hydrogen sulfide (H <sub>2</sub> S) emitting orphaned oil and gas wells, cost is based on projected cost for 10 wells in Budget Period 1, 10 wells in Budget Period 2, and 5 wells in Budget Period 3 with an anticipated cost of \$1.0 million per well	\$10,000,000	\$10,000,000	\$5,000,000	\$25,000,000
Plugging Wells	Multiple Vendors - To Be Determined	Third-party, independent contractor experienced with plugging hydrogen sulfide wells will be on-site to ensure safe operations. Cost is based on projected cost for 10 wells in Budget Period 1, 10 wells in Budget Period 2, and 5 wells in Budget Period 3 with an anticipated cost of \$200,000 per well.	\$1,930,320	\$1,930,320	\$962,515	\$4,823,155
All Activities	Davis-Bacon Act Compliance Software (State Contract - vendor eComply Solutions)	Software for collection and review of Davis-Bacon Certified Payrolls (Software as a Service ). Cost based on current statewide Texas Dept of Information Resources contract.	\$5,225	\$5,225	\$5,225	\$15,675
All Activities	Cell Phone Service (State Contract - AT&T or Verizon)	Cell Phones for field staff communication with district office, plugging contractors, and landowners. Cost based on current statewide Texas Dept of Information Resources contract - \$44/month	\$264	\$264	\$132	\$660
						\$0
		<b>Sub-total</b>	<b>\$11,935,809</b>	<b>\$11,935,809</b>	<b>\$5,967,872</b>	<b>\$29,839,490</b>

Workplan Activity	Name/Organization	Purpose and Basis of Cost	Budget Period 1	Budget Period 2	Budget Period 3	Project Total
						\$0
						\$0
		<b>Sub-total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

	<b>Total Contractual</b>		<b>\$11,935,809</b>	<b>\$11,935,809</b>	<b>\$5,967,872</b>	<b>\$29,839,490</b>
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Detailed Budget Justification

## g. Construction

**INSTRUCTIONS: Construction**

1. Construction, for the purpose of budgeting, is defined as all types of work done on a particular building, including erecting, altering, or remodeling. Construction conducted by the award recipient is entered on this page. **Any construction work that is performed by a vendor or subrecipient should be entered under f. Contractual.**
2. List all proposed construction below, providing a basis of cost such as engineering estimates, prior construction, etc., and briefly justify its need as it applies to the Statement of Project Objectives.
3. Each budget period is rounded to the nearest dollar.

**Additional Explanation (as needed):**

No construction costs are anticipated for this grant.

Detailed Budget Justification

**g. Construction**

Overall description of construction activities:				
Workplan Activity	General Description	Cost	Basis of Cost	Justification of need
<b>Budget Period 1</b>				
	<b>Budget Period 1 Total</b>	\$0		
<b>Budget Period 2</b>				
	<b>Budget Period 2 Total</b>	\$0		
<b>Budget Period 3</b>				
	<b>Budget Period 3 Total</b>	\$0		
	<b>PROJECT TOTAL</b>	<b>\$0</b>		

Detailed Budget Justification

### h. Other Direct Costs

**INSTRUCTIONS - Other Costs**

1. Other direct costs are direct cost items required for the project which do not fit clearly into other categories. These direct costs must not be included in the indirect costs (for which the indirect rate is being applied for this project). Examples are: tuition, printing costs, etc. which can be directly charged to the project and are not duplicated in indirect costs (overhead costs).
2. Basis of cost are items such as vendor quotes, prior purchases of similar or like items, published price list, etc.
3. All costs associated with training activities should be placed in the "other" category except costs for consultant and/or contractual. Costs may include tuition remission. List all expenses anticipated for the training activity in the format above. Include rental space for training (if required), training materials, speaker fees, and any other applicable expenses related to the training. Allowable conference costs paid by the non-Federal entity as a sponsor or host of the conference may include rental of facilities, speakers' fees, local transportation, and other items incidental to such conferences unless further restricted by the terms and conditions of the Federal award.
4. All figures rounded to the nearest dollar.

**Justify each cost listed above with detailed explanation:**  
**No other direct costs are anticipated for this grant.**



Detailed Budget Justification

### i. Indirect Costs

**INSTRUCTIONS - Indirect Costs. Please keep in mind that all indirect costs are administrative. Please count the indirect costs calculated toward the administrative costs limited to 10%.**

1. Fill out the table below to indicate how your indirect costs are calculated. Use the box below to provide an additional explanation regarding your indirect rate calculation.
2. The rates and how they are applied should not be averaged to get one indirect cost percentage. Complex calculations or rates that do not correspond to the below categories should be described/provided in the Additional Explanation section below. If questions exist, consult with IBC/AQD before filling out this section.
3. The indirect rate should be applied to both the Federal Share and Recipient Cost Share, if applicable, and Administrative Costs as applicable. Please review the NICRA, Base, Time Period, etc. to be sure that the NICRA is applied to the correct cost categories.
4. **De Minimis Rate cannot be used by governmental or tribal entities that receive more than \$35 million in federal funding per year. See 2 CFR 200.414(e) Appendix VII, States, Local Government, and Indian Tribe Indirect Cost Proposals.**
5. **All indirect costs charged should be included on Tab j for Administrative Costs.**

**A federally approved indirect rate agreement, or rate proposed (supported and agreed upon by AQD for estimating purposes) is required if reimbursement of indirect costs is requested. Please check (X) one of the options below and provide the requested information if it has not already been provided as requested, or has changed.**

- An indirect rate has been approved or negotiated with a federal government agency. A copy of the latest rate agreement is included with this application, and will be provided electronically to the Financial Assistance Officer for this project.
- There is not a current, federally approved rate agreement negotiated and available\*.

\*When this option is checked, the entity preparing this form shall submit a copy of its cost allocation plan or indirect cost rate proposal submitted to the cognizant agency being proposed for use in performance of the proposed project. Additionally, any non-Federal entity that has never received a negotiated indirect cost rate or has an expired rate, except for those non-Federal entities described in Appendix VII to Part 200—States and Local Government and Indian Tribe Indirect Cost Proposals, paragraph D.1.b, may elect to charge a de minimis rate of 10% of modified total direct costs (MTDC) which may be used indefinitely. As described in §200.403 Factors affecting allowability of costs, costs must be consistently charged as either indirect or direct costs, but may not be double charged or inconsistently charged as both. If chosen, this methodology once elected must be used consistently for all Federal awards until such time as a non-Federal entity chooses to negotiate for a rate, which the non-Federal entity may apply to do at any time.

**You must provide an explanation (below or in a separate attachment) and show how your indirect cost rate was applied to this budget in order to come up with the indirect costs shown.**

The Commission has an Indirect Cost Rate of 56.56% approved by DOI IBC in August 2024 for the RRC fiscal year 2025. As of July 2025, DOI has not approved an Indirect Cost Rate for fiscal year 2026. However, RRC will not charge indirect costs to this project. Please advise if you would like a copy of the NICRA.

Detailed Budget Justification

**i. Indirect Costs**

	Budget Period 1	Budget Period 2	Budget Period 3	Total	Explanation of BASE
<b>Provide ONLY Applicable Rates:</b>					
NICRA: Fixed Provisional, Carry-Forward)	56.56%	56.56%	56.56%	<b>0.0%</b>	
DeMinimis (10% MTDC)	0.00%	0.00%	0.00%	<b>0.0%</b>	
Cost Allocation Plan (CAP)	0.00%	0.00%	0.00%	<b>0.0%</b>	
OTHER Indirect Rate	0.00%	0.00%	0.00%	<b>\$0</b>	
<b>Indirect Costs (As Applicable):</b>					
NICRA: Fixed Provisional, Carry-Forward)				<b>\$0</b>	
De Minimis				<b>\$0</b>	
Cost Allocation Plan (CAP)				<b>\$0</b>	
OTHER Indirect Costs				<b>\$0</b>	
<b>Total indirect costs requested:</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	

Detailed Budget Justification

### j. Administrative Costs

**INSTRUCTIONS: Administrative Costs. This section is to list in detail the administrative costs charged for this award. Don't forget that any indirect cost recovery charged in the Indirect Tab counts toward the Administrative Cost.**

1. A detailed presentation of the administrative costs is provided in the table below. All items in the chart below must be identified within the applicable cost category tabs a. through i. in addition to the detailed presentation provided in the table below. Identify the source organization & amount of each cost item that is administrative. Federal Cost Categories are: Personnel, Fringe, Equipment, Supplies, Contractual, Construction, Indirect, and Other.
2. Definition of Administrative Costs: as identified in Sec. 40601(d)(2)(B)(i) are limited to not more than 10 percent of the funds received, are those costs that cannot be directly attributed to activities listed under Sec. 40601(d)(2)(A) i through v, but instead to general grants management or program administration. Administrative costs can be expended for personnel or non-personnel costs, and can be direct or indirect, but should represent the costs to the State for managing the overall grant-funded work rather than preparation for and execution of individual projects.
3. Administrative costs may be direct and indirect costs, general grant management or program administration that is not project/program specific, human resources, facilities, accounting, legal, and other administrative tasks related to operating the Orphan Well Abandonment Program, Personnel, and Non-Personnel costs.
4. Each budget period is rounded to the nearest dollar.

**Additional Explanation (as needed):**



