

RAILROAD COMMISSION OF TEXAS

CHRISTI CRADDICK, *CHAIRMAN*
WAYNE CHRISTIAN, *COMMISSIONER*
JIM WRIGHT, *COMMISSIONER*

INTERNAL
OIL AND GAS DIVISION
DAVID LINDLEY
ASSISTANT DIRECTOR, FIELD OPERATIONS

MEMORANDUM

TO: Chairman Christi Craddick
Commissioner Wayne Christian
Commissioner Jim Wright

THROUGH: Wei Wang, Executive Director
Danny Sorrells, Deputy Executive Director
Director, Oil and Gas Division

FROM: David Lindley, Assistant Director
Field Operations

DATE: April 29, 2025

SUBJECT: Oil Field Cleanup Program Quarterly Status Report, Fiscal Year 2025, 2nd Quarter

Well Plugging:

The 2nd quarter performance for State-Managed Plugging includes 175 wells plugged with a total expenditure of \$5,112,682 using Oil and Gas Regulation and Cleanup (OGRC) funds. An additional 43 wells were plugged with a total expenditure of \$13,336,843 using grant funds from the several federal agencies. The largest grant is the from the U.S. Department of the Interior from the Infrastructure Investment and Jobs Act (IIJA). This includes wells that have been physically plugged, invoiced by the plugging contractor, and approved for payment by Field Operations. Additionally, during the 2nd quarter Field Operations approved 378 wells for plugging. A total of 855 wells were physically plugged through the end of the 2nd quarter, of which, 653 have been invoiced and paid. The actual wells plugged and expenditure by district for fiscal years 2024 and 2025 and the well plugging goals by district for fiscal year 2024 are shown on the attached graphs. The fiscal year 2025 budget is \$22,750,000 in OGRC funds.

Site Remediation: The 2nd quarter performance for Site Remediation includes 69 cleanup activities completed with a total expenditure of \$2,801,772 using OGRC funds and IIJA/Brownfield Grant Funds. Additionally, during the 2nd quarter 90 cleanup activities were authorized for cleanup with State-managed funds. Through the end of the 2nd quarter, Site Remediation has completed and formally closed a total of 112 cleanup activities using OGRC funds and IIJA/Brownfield grant funds. The actual remediation activities and expenditure by district for fiscal years 2024, and 2025 and the goals for the Site Remediation activities by district for fiscal year 2025 are shown on the attached graphs. The approved fiscal year 2025 budget includes \$12,000,000.00 of OGRC funds, and \$1,500,000.00 of OGRC funds for assessments. The budget for Brownfield activities includes \$74,204 of 128a grant funds and \$206,032 in IIJA grant funds.

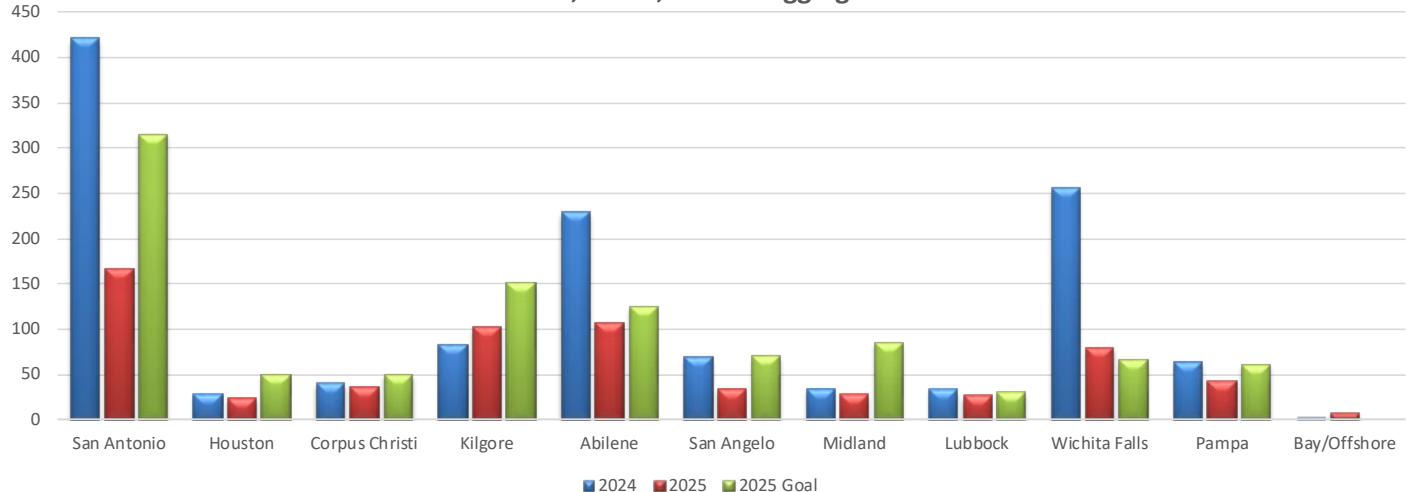
Per Texas Natural Resources Code Sec. 81.069 (b) financial information regarding the Oil and Gas Regulation and Cleanup Fund is attached.

WKM

Attachments:

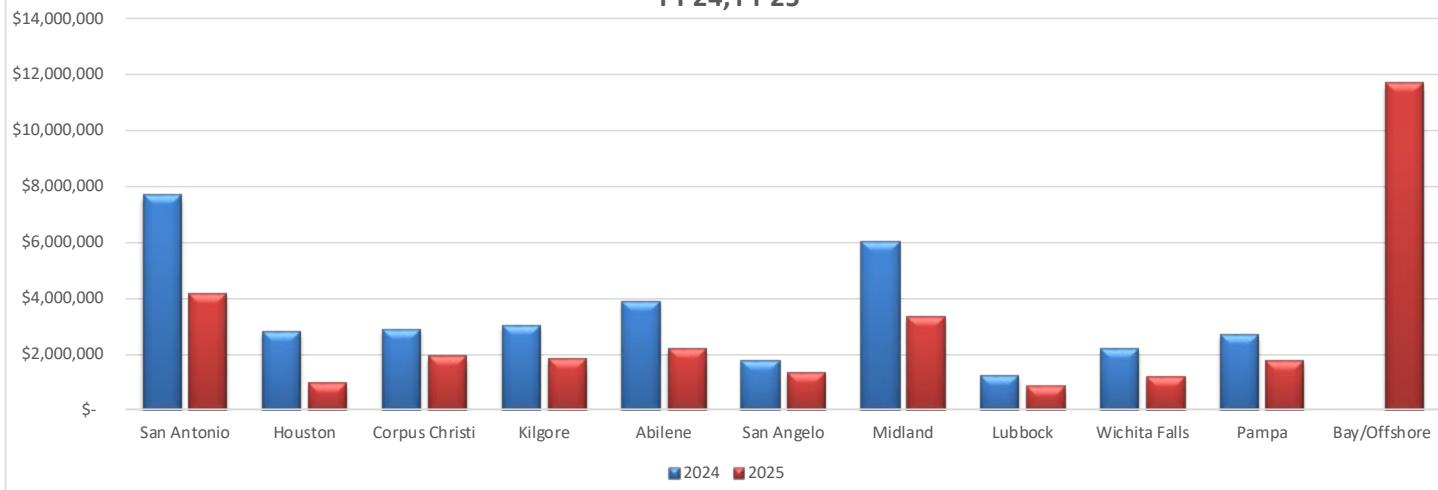
cc Wei Wang, Executive Director
Danny Sorrells, Director, Oil & Gas Division
Peter G. Pope, P.G., Manager, Site Remediation

Oil Field Cleanup Program
State Managed Plugging
2nd Quarter FY 2025
Wells Plugged
FY 24 , FY 25 , FY 25 Plugging Goal



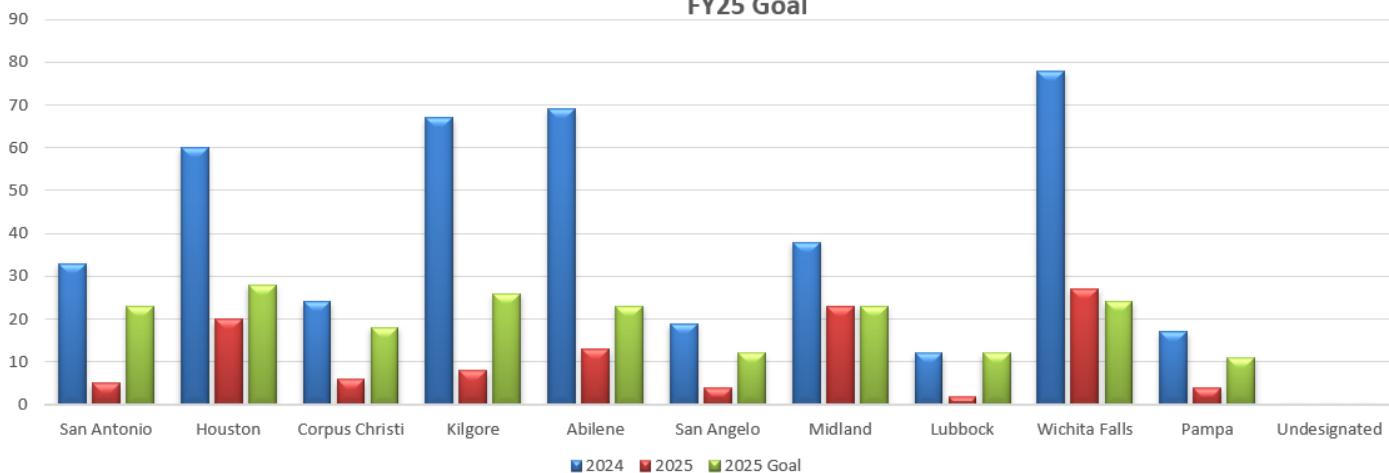
| | San Antonio | Houston | Corpus Christi | Kilgore | Abilene | San Angelo | Midland | Lubbock | Wichita Falls | Pampa | Bay/Offshore | Total |
|-----------|-------------|---------|----------------|---------|---------|------------|---------|---------|---------------|-------|--------------|-------|
| 2024 | 421 | 28 | 40 | 83 | 229 | 68 | 34 | 33 | 255 | 63 | 2 | 1,256 |
| 2025 | 166 | 24 | 36 | 102 | 107 | 34 | 28 | 26 | 80 | 42 | 8 | 653 |
| 2025 Goal | 315 | 50 | 50 | 150 | 125 | 70 | 85 | 30 | 65 | 60 | 0 | 1,000 |

Oil Field Cleanup Program
State Managed Plugging
2nd Quarter FY 2025
Plugging Expenditures
FY 24, FY 25



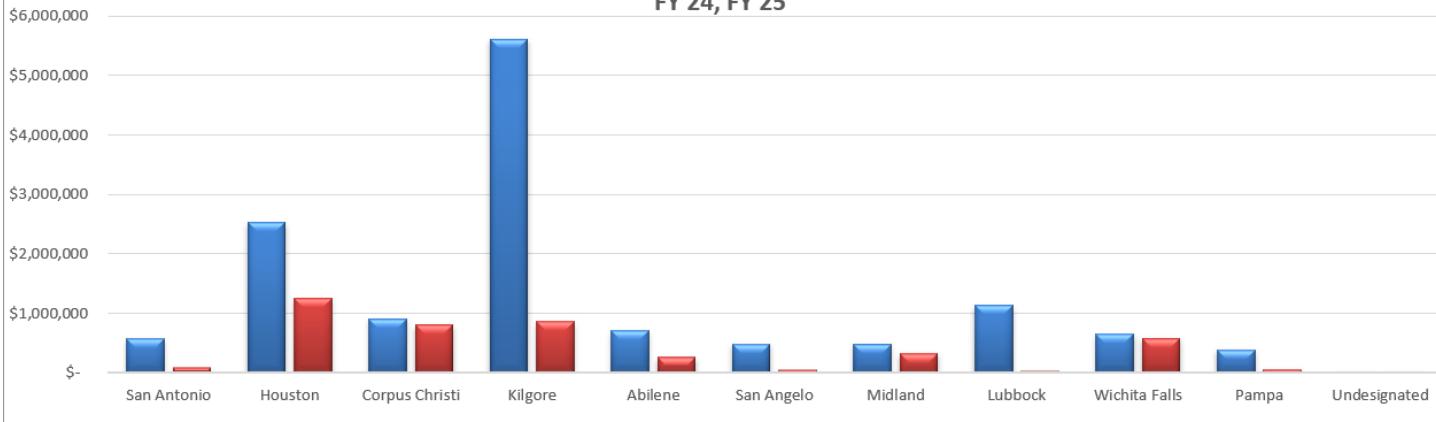
| | San Antonio | Houston | Corpus Christi | Kilgore | Abilene | San Angelo | Midland | Lubbock | Wichita Falls | Pampa | Bay/Offshore | Total |
|------|--------------|--------------|----------------|--------------|--------------|--------------|--------------|--------------|---------------|--------------|---------------|------------|
| 2024 | \$ 7,647,083 | \$ 2,768,737 | \$ 2,860,577 | \$ 3,005,709 | \$ 3,884,771 | \$ 1,753,651 | \$ 6,012,309 | \$ 1,232,435 | \$ 2,164,109 | \$ 2,671,552 | \$ - | 34,000,934 |
| 2025 | \$ 4,122,920 | \$ 944,541 | \$ 1,898,402 | \$ 1,803,214 | \$ 2,182,507 | \$ 1,332,803 | \$ 3,310,763 | \$ 815,789 | \$ 1,184,973 | \$ 1,730,786 | \$ 11,686,912 | 31,013,610 |

Oil Field Cleanup Program
Site Remediation
2nd Quarter FY 2025
Activities Completed FY 24 & FY 25
FY25 Goal



| | San Antonio | Houston | Corpus Christi | Kilgore | Abilene | San Angelo | Midland | Lubbock | Wichita Falls | Pampa | Undesignated | Total |
|-----------|-------------|---------|----------------|---------|---------|------------|---------|---------|---------------|-------|--------------|-------|
| 2024 | 33 | 60 | 24 | 67 | 69 | 19 | 38 | 12 | 78 | 17 | 0 | 417 |
| 2025 | 5 | 20 | 6 | 8 | 13 | 4 | 23 | 2 | 27 | 4 | 0 | 112 |
| 2025 Goal | 23 | 28 | 18 | 26 | 23 | 12 | 23 | 12 | 24 | 11 | 0 | 200 |

Oil Field Cleanup Program
Site Remediation
2nd Quarter FY 2025
Cleanup Expenditures
FY 24, FY 25



| | San Antonio | Houston | Corpus Christi | Kilgore | Abilene | San Angelo | Midland | Lubbock | Wichita Falls | Pampa | Undesignated | Total |
|------|-------------|--------------|----------------|--------------|------------|------------|------------|--------------|---------------|------------|--------------|---------------|
| 2024 | \$ 568,788 | \$ 2,527,233 | \$ 906,097 | \$ 5,610,017 | \$ 707,835 | \$ 483,578 | \$ 486,912 | \$ 1,136,277 | \$ 649,167 | \$ 390,621 | \$ - | \$ 13,466,525 |
| 2025 | \$ 87,385 | \$ 1,252,959 | \$ 805,764 | \$ 858,606 | \$ 259,655 | \$ 48,657 | \$ 331,127 | \$ 29,846 | \$ 582,787 | \$ 59,832 | \$ - | \$ 4,316,619 |

Railroad Commission of Texas
Oil and Gas Regulation and Cleanup Dedicated Account
FY 2025 2nd Quarter Report

| Revenues: | | Comptroller | | Current Qtr Collections | Year-To-Date Collections | BRE Collected |
|---------------------------------|--|----------------------|----------------------|----------------------------|-----------------------------|------------------|
| | | BRE (Jan. 2025) | | | | |
| 3310 | Oil and Gas Regulation and Clenaup Fee Surcharge | \$ 22,930,000 | \$ 5,314,478 | \$ 10,251,679 | 44.7% | |
| 3313 | Oil and Gas Well Drilling Permit | 6,500,000 | 1,380,600 | 2,704,860 | 41.6% | |
| 3314 | Oil and Gas Violations | 14,000,000 | 5,943,112 | 11,978,738 | 85.6% | |
| 3338 | Organization Report Fees | 3,470,000 | 925,982 | 1,702,426 | 49.1% | |
| 3339 | Railroad Commission Voluntary Cleanup Application Fees | 17,000 | 4,531 | 8,411 | 49.5% | |
| 3369 | Reimbursement fo Well Plugging Costs | 1,400,000 | 576,400 | 1,595,069 | 113.9% | |
| 3373 | Injection Well Regulation | 50,000 | 10,600 | 16,800 | 33.6% | |
| 3381 | Oil Field Cleanup Regulatory Fee on Oil | 10,952,000 | 2,797,142 | 5,530,343 | 50.5% | |
| 3382 | Railroad Commission Rule Exceptions | 1,400,000 | 320,775 | 630,605 | 45.0% | |
| 3383 | Oil Field Cleanup Regulatory Fee on Gas | 8,562,000 | 1,926,918 | 4,028,927 | 47.1% | |
| 3384 | Oil and Gas Compliance Certification Reissue Fee | 1,200,000 | 390,718 | 747,826 | 62.3% | |
| 3393 | Abandoned Well Site Equipment Disposal | 1,600,000 | 277,234 | 838,712 | 52.4% | |
| 3553 | Pipeline Safety Inspection Fees | 11,000,000 | 892,636 | 924,494 | 8.4% | |
| 3592 | Waste Disposal Facilities, Generators, Transporters | 185,000 | 56,560 | 88,410 | 47.8% | |
| 3727 | Fees for Administrative Services | 1,323,000 | 321,075 | 643,750 | 48.7% | |
| Subtotal - OGRC | | \$ 84,589,000 | \$ 21,138,762 | \$ 41,691,051 | 49.3% | |
| 3700 | Federal Receipts-Matched, Other Programs | - | 5,315 | 5,315 | | |
| 3701 | Federal Receipts Not Matched – Other Programs | - | 13,301 | 138,196 | | |
| Subtotal - Federal Funds | | \$ - | \$ 18,615 | \$ 143,510 | | |
| 3765 | Sales of Supplies / Equipment / Services | - | - | 10,000,000 | | |
| 3802 | Reimbursements - Third Party | - | 150,186 | 150,186 | | |
| Subtotal - Other Revenue | | \$ - | \$ 150,186 | \$ 10,150,186 | | |
| Total Revenues | | \$ 84,589,000 | \$ 21,307,564 | \$ 51,984,747 | 61.5% | |

| Expenditures: | Budget | | | | | Total | Available Budget Remaining |
|---------------------------|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------------------|
| | Original | Adjustment | Expenditures | Encumbrances | Exp & Enc | | |
| 13022 | Pipeline Safety | \$ 1,197,538 | \$ 1,358,327 | \$ 556,470 | \$ 93,916 | \$ 650,387 | 52.1% |
| 13024 | Energy Resource Development | 6,949,247 | 2,672,901 | 1,918,586 | 233,907 | 2,152,493 | 19.5% |
| 13025 | Oil & Gas Monitoring and Inspections | 2,098,209 | 2,309,307 | 843,144 | 470,593 | 1,313,737 | 43.1% |
| 13027 | Oil & Gas Well Plugging and Remediation | 48,385,894 | 66,459,014 | 32,697,174 | 16,903,276 | 49,600,450 | 25.4% |
| 13031 | Public Information | 1,251,421 | 370,637 | 348,945 | 0 | 348,945 | 5.9% |
| 13036 | Pipeline Damage Prevention | 40,862 | 233,105 | 42,703 | 9,529 | 52,232 | 77.6% |
| Total Expenditures | | \$ 59,923,171 | \$ 73,403,291 | \$ 36,407,023 | \$ 17,711,220 | \$ 54,118,243 | 26.3% |

Unobligated Oil and Gas Regulation and Cleanup Fund Balance - February 28, 2025

\$ 54,157,656