From:	Nicholas
To:	Rules Coordinator
Cc:	Christi Craddick; Wayne Christian; Jim Wright
Subject:	Follow-Up Written Comments: Nov. 20, 2026 Public Hearing on 16 TAC §§ 3.15 and 3.58 (SB 1150)
Date:	Friday, November 20, 2026 10:53:48 AM

CAUTION: This email originated from outside of the Railroad Commission of Texas. Do NOT click links or open attachments from unknown sources without first confirming the message is legitimate. If you believe this to be a malicious and/or phishing email, please contact the ITS Help Desk at 512-463-7229. Do not respond to or forward the email, click on any links or open any attachments without guidance from the Help Desk

To Chairman Christi Craddick, Commissioner Wayne Christian, Commissioner Jim Wright, and the Rules Coordinator, Railroad Commission of Texas:

Thank you for the opportunity to provide virtual public comments during today's November 20, 2026 hybrid public hearing regarding the proposed amendments to 16 TAC §§ 3.15 and 3.58 implementing Senate Bill 1150 (89th Legislative Session).

I am submitting this written follow-up to formally expand on the three points I raised today and to provide supporting statutory and regulatory context for the record.

1. Tightening Standards for Plugging Extensions (Texas Natural Resources Code § 89.023 & 16 TAC § 3.15)
Texas currently faces an inventory of over 120,000 inactive oil and gas wells and a 20-year record high of more than 11,000 orphaned wells. Under the framework established since HB 2259 (2009), wells have remained inactive indefinitely so long as operators maintained a good-faith claim and basic compliance—allowing aging liabilities to accumulate until operators become insolvent.

While SB 1150 appropriately targets "15/25 wells" (wells inactive for more than 15 years and completed more than 25 years ago), allowing plugging extensions based on self-reported financial hardship or broad histories of returning a fraction of wells to production creates pathways for continued delay. Financial hardship should not serve as a standalone justification to leave deteriorating wellbores unplugged.

If an operator lacks the capital to plug a well that has already sat idle for over fifteen years, granting additional time without strict, verifiable interim milestones, sworn financial disclosures covering affiliated entities, and enforceable compliance plans (ahead of the statutory deadline) only increases the likelihood that plugging costs will ultimately fall on the Oil and Gas Regulation and Cleanup (OGRC) Fund and Texas taxpayers. Furthermore, returning a small number of wells to production should not excuse an operator from plugging its remaining inventory of long-idle wells.

2. Requiring Full-Cost, Well-Specific Financial Assurance (16 TAC § 3.58)

Blanket bonding fails to cover the actual cost of plugging deep, aging, or complex wellbores—a vulnerability that becomes acute when late-life wells are transferred to under-resourced operators. While SB 1150 prohibits the transfer of prior-history and financial-hardship

extension rights when an inactive well is sold, operators seeking an extension under the individual performance bond option must be held to a true full-cost calculation.

As outlined in proposed § 3.15(a)(6), full-cost calculations must rigorously account for all third-party goods and services, wellbore construction complexity, site access and road clearing, H2S safety requirements, surface remediation, and Railroad Commission monitoring and administrative overhead—and should be periodically reviewed and adjusted for inflation (CPI). Ensuring that full-cost, well-specific bonding runs with the life of the well guarantees that private capital, rather than state funds, covers plugging and remediation if an operator defaults.

3. Building Transparency, Annual Reporting, and Automatic Enforcement into the Rule

To ensure consistent application of SB 1150 and fulfill the mandate of Texas Natural Resources Code § 89.050 and annual legislative reporting requirements, transparency and automatic enforcement triggers must be codified directly into the rules:

- Public Reporting: The Commission should publish an accessible public registry detailing every 15/25 plugging extension granted, the specific statutory basis for approval (prior restoration history, financial hardship, compliance plan, or full-cost individual bond), supporting documentation, well age, and binding compliance deadlines.

- Testing & Monitoring: Lowering the mechanical integrity and fluid-level testing threshold from 25 years to 15 years of inactivity (filed annually via Form H-15) is a critical safeguard, provided missed testing or compliance deadlines trigger immediate administrative penalties and automatic revocation of the extension without protracted grace periods.

Texas landowners, groundwater resources, and rural communities depend on the Railroad Commission to ensure that aging wells are properly plugged before they threaten aquifers or public funds. I respectfully urge the Commission to strengthen the final amendments to 16 TAC §§ 3.15 and 3.58 with strict extension limits, verifiable full-cost bonding, and transparent, automatic enforcement.

Thank you again for your time and consideration today.

Respectfully,

Nicholas Littlejohn
512-669-5401

Thank you,
Nicholas