



**Public Input of Virginia E. Palacios
Executive Director of Commission Shift
Railroad Commission of Texas Open Meeting
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A new year is well under way, as is a new legislative session. Commission Shift has been educating legislative offices about funding and statutory changes that would help the Railroad Commission manage the orphaned well population in the state. We have shared data demonstrating that revenue collected by the Railroad Commission from oil and gas operators is expected to be more than sufficient to fulfill the additional \$100 million request the commission made for plugging emergency wells and expensive high priority orphaned wells;¹ as well as the request for \$2.7 million to create an underground injection well investigation team.

Still, it is vital that the legislature changes state laws to ensure that active operators pay to plug their own wells in a timely manner before the wells end up orphaned. As Commissioner Christian has pointed out before, operators plug about 85% of all wells that get plugged in Texas every year, and the commission routinely exceeds its legislative performance measures for orphaned well plugging.² But even at this rate, the orphaned wells list is growing and it would take about 20 years to plug all the inactive wells in the state. Limiting the number of inactive well plugging extensions an operator can get for a well would be a simple and reasonable way to

¹ See Biven & Palacios. January 2022. Eliminating Orphan Wells and Sites in Texas. Commission Shift. p. 27. Also see Texas Comptroller of Public Accounts Data Visualization Dashboard.

² Approximately 7,700 wells per year are plugged by operators, and an average of 1,300 per year have been plugged by the RRC.

ensure wells are plugged before they are orphaned and before they cause pollution to groundwater.

We are also making legislative offices aware of the large gap between bonding requirements that were set in statute in 1991 and the Railroad Commissions' modern costs to plug orphaned wells.³ Considering the current failures of the bonding mechanisms, one solution we have suggested is requiring operators to set aside money in a sinking trust fund, with a supplemental bond, that operators could use to plug their own wells. These trust funds would also be available to the commission if the operators go bankrupt.

Aside from the legislative session, this year we are looking forward to participating in the Commission's process to draft guidelines to further clarify its rules on waste management that were approved in December. This process would be another good opportunity to use your Office of Public Engagement "to engage with the public through direct outreach and education to facilitate greater understanding of Commission processes and solicit broader participation in matters before the Commission."⁴ We would like to see the office recruit affected community members to help develop guidance related the waste pit rulemaking, and to explain and encourage comment on the FY 2026 Monitoring and Enforcement Plan.

³ See 72nd R.S. Session Law Chapter 603, SB 1103. Retrieved from: https://lrl.texas.gov/scanned/sessionLaws/72-0/SB_1103_CH_603.pdf

⁴ Railroad Commission of Texas. June 13, 2023. Fiscal Year 2024 Monitoring and Enforcement Plan. Goal 1, Action Item 2, p. 14. Retrieved from: <https://www.rrc.texas.gov/oil-and-gas/compliance-enforcement/enforcement-activities/>