



SB 1150: LIMIT WELL PLUGGING EXTENSIONS

Sen. Middleton / Rep. Geren

Why was this bill needed?

-  The current law allows oil, gas, and injection well operators to get unlimited plugging extensions, as long as they submit information for one of several options to qualify for an extension. Demonstrating that they have plugged 10% of their inactive wells is the most expensive option.
-  The number of inactive and orphaned wells has been growing for decades, and industry plugging isn't keeping pace. Although companies claim these wells still have economic value, statistically, few of these wells return to service. Inactive wells are more likely to be expensive liabilities that grow more costly to plug the longer they are left to deteriorate. They also pose an increased risk to our environment, creating pathways for groundwater contamination, or releasing gases like hydrogen sulfide (a neurotoxin) or methane (a greenhouse gas).

What does SB 1150 do?





-  This bill creates four options for wells that are 25 years old and have been inactive for 15 years or more to get a plugging extension. Operators must either:
 - have a history of reactivating wells;
 - demonstrate a financial hardship;
 - post a performance bond; or
 - prepare a compliance plan to plug or reactivate wells by 2042.
-  SB 1150 also requires:
 - Annual fluid-level or hydraulic pressure tests for inactive wells that are 15 years old;
 - Attestations that companies are transferring inactive wells in good faith;
 - An annual report to the legislature, prepared by the RRC, on inactive wells; and
 - A rulemaking by the Railroad Commission.
-  The legislature set a deadline of December 2026 for the RRC to complete the rulemaking. In the rulemaking, the agency will set more detailed standards that explain what operators must do to comply with the law. This rulemaking will be very important in defining what qualifies as an operator's history of reactivating wells, when financial hardship warrants granting an extension, and what qualifications are needed to gain approval for a submitted compliance plan.
-  The RRC is required to adopt rules that consider:
 - Risk to public safety and the environment;
 - Wellbore and wellhead integrity; and
 - Regional risk considerations, including penetration of corrosive or over-pressured formations and completion in zones containing hydrogen sulfide.



Image courtesy of Schuyler Wight

What can you do?

Join Commission Shift's working group as we prepare for the upcoming rulemaking. We want to work with stakeholders to determine what should be included in the rules and prepare feedback that ensures the options for gaining a plugging extension are not so widely used that they render the rule ineffective.

Attend RRC workshops and submit comments during the rulemaking. Sign up for our email list at commissionshift.org to learn about opportunities to engage with the RRC and stay informed about the timeline for submitting comments. Everyone, especially landowners and folks impacted by unplugged wells, should participate in the rulemaking to ensure the standards are strong.

