



ORPHAN WELLS TEXAS

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Challenge

- An estimated 2.2 million unplugged, non-producing, and abandoned wells (aka orphan wells) exist across the United States.
- Hundreds are missing from state databases.
- Pose substantial risks to the environment and public health: oil and toxic chemical leakage, substantial water and air pollution, and methane emissions.
- Due to the lack of a solvent owner, the state is responsible for its clean-up.
- Negative impact on local economies due to the depreciation of property values and reduced public funding for other essential public services.
- States need data collection, tracking, and researching these potentially hazardous sites, as well as fast and efficient clean-up.

Incentives

- Through various incentives (particularly carbon credits) and billions in federal funding, the Inflation Reduction Act (IRA) & the Infrastructure Investment and Jobs Act (IIJA) facilitate the plugging and cleanup of orphan wells across federal land, state, private, and tribal lands.

Texas in Particular

- With roughly 311,000 wells, Texas is the State with the most oil and gas production in the U.S.
- Federal funds from the IIJA have successfully plugged 27 abandoned oil and gas wells in Duval, Starr, Webb, and Zapata counties so far.
- According to the Texas Railroad Commission's latest update, there are more than 8,400 orphan oil and gas wells in Texas.
- The U.S. Department of the Interior announced nearly \$80 million in federal funding for orphan well plugging and site mediation in Texas.
- Under this grant, Texas will monitor methane emissions from plugged orphan wells, screen for effects on ground and surface water, and prioritize plugging wells in low-income areas.

- This award is part of the more than \$320 million Texas is expected to receive to plug and maintain orphaned wells over several years, enough to plug around 7,400 wells.
- Challenges: “backlog” and “ quota ceilings”:
 - There is a problematic dynamic between State and federal funds
 - The Texas Railroad Commission has been meeting its yearly quota, but the rate of new orphan wells keeps increasing.
 - Meanwhile, most clean-ups are being paid for with federal money, while the state has decreased the amount of funding. Content, so long as they meet the legislative quota.
 - If the state had kept its original budget level before federal funding started to flow in, there wouldn't be a backlog.
 - Locals are also reporting numerous failed plugs, particularly in West Texas.
- Public pressure, particularly on the Texas Railroad Commission, for speedy well-plugging is high.
- According to James Osborn, the Washington bureau reporter for the Houston Chronicle, the Texas Railroad Commission plans to plug around 1,800 to 2,000 orphan wells annually for 2024 and 2025.
- As of April 2024, Texas reports around 7,907 wells on its orphan list, compared to its March report of 8,580 wells and 8,200 wells in January.

Sources:

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