

RRC Adopts Changes To Inactive Well Rule

The Railroad Commission (RRC) adopted an emergency order put forth by the oil and gas associations on February 8 that will allow inactive wells to have either a mechanical integrity test OR a fluid level test, and allow the RRC to delay implementation of the P-5 death penalty rule.

The initial rule was adopted September 13, 2010 following the passage of HR 2259 in 2009. The change to Rule 15 requires operator to demonstrate that wells that are more than 25 years old and that have been inactive for more than 10 years do not threaten fresh water by performing MIT once every five years. The change allows operators to select a fluid level test once every 12 months or MIT once every five years.

The RRC maintains that the enforcement provision of HR 2259 prohibits the RRC from approving or renewing the P-5 Organizational Report of an operator that does not obtain a plugging extension for each of its inactive wells and certify that it has met the inactive well cleanup requirements. However, a large number of operators have not been able to meet the requirements and faced loss of their right to operate and produce oil and natural gas in Texas.

If the RRC determines that a filing does not meet the requirements for approval, the RRC will notify the operator that he has 90 days to correct the problem(s). If the RRC still cannot approve the P-5, the operator can ask for a hearing.