

# Plugging Liability: A Framework for Risk and Financial Security

Brandon Durrett, San Antonio  
44th Annual Ernest E. Smith  
Oil, Gas & Mineral Law Institute

California | Illinois | Michigan | Minnesota | Texas | Washington, D.C.  
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## About the Presentation

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- Summarizes risks and liabilities of non-compliance with Texas laws and regulations regarding plugging and abandonment of onshore oil and gas wells.
- Does not address:
  - Casualty or tort liability
  - Contractual liability
  - Contamination liability
  - Federal environmental laws



Image U.S. Geological Survey

Google earth

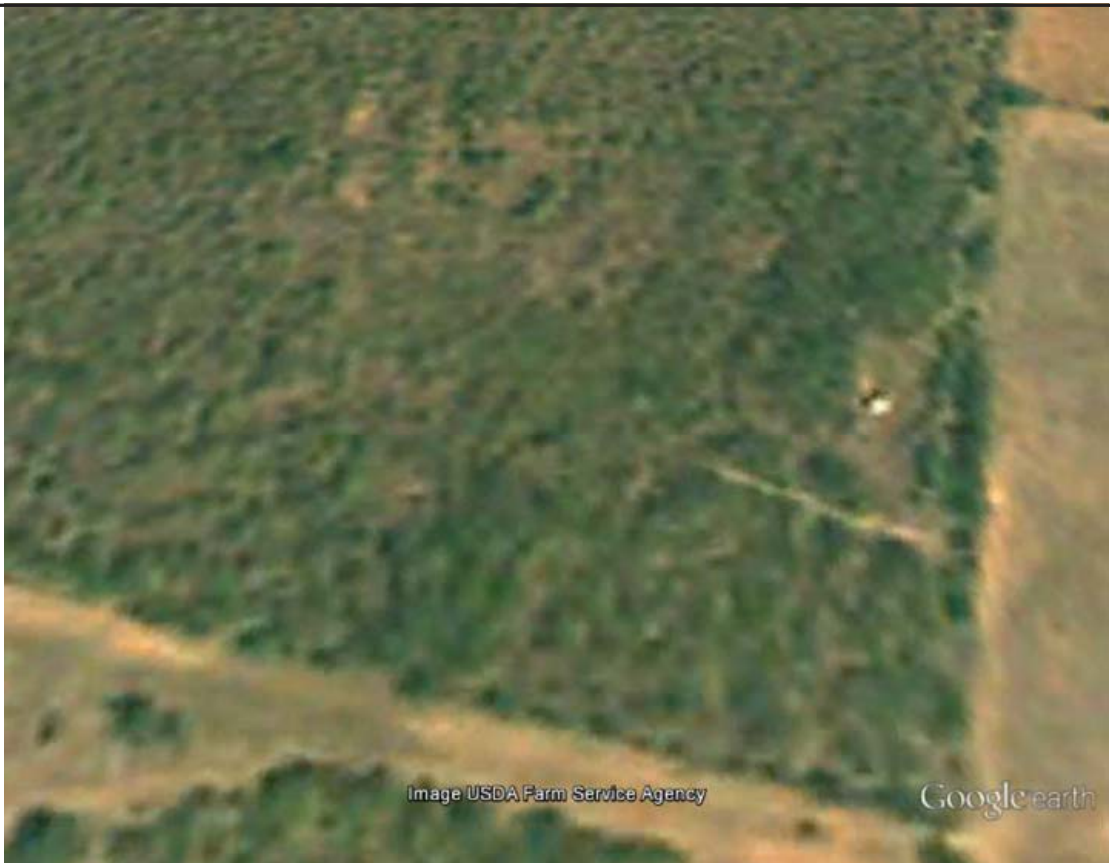


Image USDA Farm Service Agency

Google earth











## Inactive Wells

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- RRC's definition of "inactive well" under SWR 15:
  - Unplugged
  - Has been spudded or equipped with cemented casing
  - No reported production, disposal, injection, or other permitted activity for over 12 months

## Plugging Requirements

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- SWR 14 requires plugging operations on “inactive” wells to commence within 1 year of date of drilling or operations cease
- Continue plugging operations with “due diligence” until completed or get plugging extension

## Plugging Requirements

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- SWR 14 contains plugging specifications for variety of well types
- Railroad Commission publishes plugging cost estimates online

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## Title search: Plugging Liability: A Framework for Risk and Financial Security

Also available as part of the eCourse

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