

# APPLICATION FOR AN EXTENSION OF DEADLINE FOR PLUGGING AN INACTIVE WELL

READ INSTRUCTIONS ON BACK

1. OPERATOR NAME exactly as shown on Form P-5, Organization Report	2. OPERATOR ADDRESS including city, state and zip code
3. OPERATOR P-5 NO.	

**- If you are applying for a blanket plugging extension for all inactive land wells operated by this entity:**

Blanket Extension Options (See Instructions)	
<input type="checkbox"/> A	The filing operator has plugged or restored to active status 10% of the number of inactive land wells operated at the time of the last annual renewal of the operator's organization report;
<input type="checkbox"/> B	The filing operator is a publicly traded entity and has filed with the Commission documentation naming the operator as "debtor" and the Railroad Commission of Texas as the "secured creditor" and specifies the funds covered by the documents in the amount of the cost calculation for plugging all inactive wells.
<input type="checkbox"/> C	The filing operator has submitted additional financial security covering the amount of the cost calculation for plugging all inactive wells or \$2 million, whichever is less.

**OR**

**- If you are applying for a plugging extension for a single well:**

4. LEASE NAME as shown on Proration Schedule			5. FIELD NAME as shown on Proration Schedule	
6. API NUMBER <b>42-</b>	7. RRC DISTRICT NO.	8. OIL LEASE / GAS ID NO.	9. WELL NO.	10. COUNTY

Individual Well Extension Options (See Instructions)	
<input type="checkbox"/> D	The well identified above is covered by an abeyance of plugging report and the operator has paid the required filing fee and surcharge of <b>\$250.00</b> under Rule 78 and Tex. Nat. Res. Code §81.070 (Please attach the abeyance of plugging report.)
<input type="checkbox"/> E	The well identified above is part of a Commission-approved EOR Project.
<input type="checkbox"/> F	The well identified above is not otherwise required by Commission rule or order to conduct a fluid level or hydraulic pressure test of the well, and the operator has conducted a successful fluid level or hydraulic pressure test of the well and has paid the required filing fee and surcharge of <b>\$125.00</b> under Rule 78 and Tex. Nat. Res. Code §81.070 (The test results must be filed with the Railroad Commission on Form H-15.)
<input type="checkbox"/> G	The operator has filed additional financial security in the amount of the cost calculation for plugging the well identified above.
<input type="checkbox"/> H	The operator has filed an escrow fund deposit in an amount at least equal to 10% of the cost calculation for plugging the well identified above. (In the form of a certified cashier check or currency)

**CERTIFICATION:** I certify under penalties prescribed by the Texas Natural Resources Code 91.143 and the Texas Penal Code that, to the best of my knowledge, the information given in this application is true, complete, and correct.

Signature	Name (print or type)
Title	Date
Phone No.	
Contact Person and Phone Number if different from above: _____	

## Instructions:

File Form W-3X as required by Oil & Gas Statewide Rule 15 (16 Tex. Admin. Code §3.15) to apply for an extension to the deadline to plug an inactive well. All items on this form should be typed or clearly printed in blue or black ink.

### **Blanket Application for Extensions:**

If you are filing Form W-3X to request blanket plugging extensions for all wells that you operate:

- 1) Complete items 1 through 3;
- 2) Indicate the applicable blanket extension option;
- 3) Attach any necessary supporting documentation (see below); and
- 4) Sign and date the Form W-3X.

Under Statewide Rule 15(f)(2)(B), blanket plugging extensions require that you file with the Commission one of the following:

- 1) for all inactive land wells that an operator has operated for more than 12 months, documentation that the operator has plugged or restored to active operation, as defined by Commission rule, 10% of the number of inactive land wells operated at the time of the last annual renewal of the operator's Organization Report (Form P-5);
- 2) if the operator is a publicly traded entity, for all inactive land wells, the operator has filed with the Commission a copy of the operator's federal documents filed to comply with Financial Accounting Standards Board Statement No. 143, Accounting for Asset Retirement Obligations, and an original executed Uniform Commercial Code Form 1 Financing Statement, filed with the Secretary of State, that names the operator as the "debtor" and the Railroad Commission of Texas as the "secured creditor" and specifies the funds covered by the documents in the amount of the cost calculation for plugging all inactive wells; or
- 3) the filing of a blanket bond on Commission Form P-5PB(2), Blanket Performance Bond, a letter of credit on Commission Form P-5LC, Irrevocable Documentary Blanket Letter of Credit, or a cash deposit, in the amount of either the lesser of the cost calculation for plugging all inactive wells or \$2 million.

### **Individual Well Application for Extension:**

If you are filing Form W-3X to request a plugging extension for a single well that you operate:

- 1) Complete items 1 through 10;
- 2) Indicate the applicable individual well extension option;
- 3) Attach any necessary supporting documentation (see below); and
- 4) Sign and date the Form W-3X

Under Statewide Rule 15(f)(2)(B), individual well plugging extensions require that you document one of the following:

- 1) For each inactive land well identified in the application, the operator has paid the required filing fee and surcharge, and the Commission or its delegate has approved an abeyance of plugging report which includes the following certification under the seal of the certifying professional engineer or professional geoscientist: "I hereby certify, that I am a currently licensed professional engineer or professional geoscientist and based on my personal knowledge of the inactive well identified in this report, the well has a future utility based on both 1) a reasonable expectation of economic value in excess of the cost of plugging the well during the period covered by this report; and 2) a reasonable expectation that the well will ultimately be restored to a beneficial use that will prevent waste of oil or gas resources that otherwise would not be produced if the well is plugged. I further certify that I have reviewed the documentation demonstrating the basis for the affirmation of the well's future utility attached to this application. An abeyance of plugging report filed under Tex. Nat. Res. Code §89.023(a)(3)(B) is valid for a period of not more than five years."
- 2) for each inactive land well identified in the application, the operator has filed a statement that the well is part of a Commission-approved EOR project;
- 3) for each inactive land well identified in the application that is not otherwise required by Commission rule or order to conduct a fluid level or hydraulic pressure test of the well, the operator has conducted a successful fluid level test or hydraulic pressure test of the well and the operator has paid the required filing fee and surcharge;
- 4) for each inactive land well identified in the application, the Commission or its delegate has approved a supplemental bond, letter of credit, or cash deposit in an amount at least equal to the cost calculation for plugging an inactive land well for each well specified in the application; or
- 5) for each time an operator files an application for a plugging extension and for each inactive land well identified in the application, the Commission or its delegate has approved an escrow fund deposit in an amount at least equal to 10% of the total cost calculation for plugging an inactive land well.

### **Cost Calculation for Plugging an Inactive Well:**

The cost calculation pursuant to Statewide Rule 15 is the cost, calculated by the Commission or its delegate, for each foot of well depth plugged based on average actual plugging costs for wells plugged by the Commission for the preceding state fiscal year for the Commission Oil and Gas Division district in which the inactive well is located.