



Texas Just Put a Clock on Inactive Wells — What SB 1150 Means for Operators

Introducing the Schaper Energy Texas Inactive Well Monitor

For years, an inactive well in Texas could sit more or less indefinitely, its plugging deadline extended one filing at a time. That era is ending. With the passage of **Senate Bill 1150** in 2025, the Legislature put a hard clock on long-inactive wells — and for operators carrying aged inventory, the countdown has already started.

To help operators see where they stand, we've launched the **Texas Inactive Well Monitor**: a monthly read on statewide inactive-well liability and SB 1150 exposure, built directly from the Railroad Commission's own data. This is our inaugural issue. Here's why we built it, and why we think every Texas operator with inactive wells should be paying attention.

What SB 1150 actually changed

Texas has regulated inactive wells since House Bill 2259 (2009), which required operators to plug inactive wells or keep a plugging extension current — most valuably through an **abeyance-of-plugging report**, a filing that keeps a well in good standing by certifying, under a licensed professional engineer or geoscientist, that the wellbore still has future utility.

SB 1150 tightens that framework in one decisive way: it caps how long a well can remain inactive. For wells that have been **inactive more than 15 years and were completed more than 25 years ago**, the routine, repeatable extension goes away. The Railroad Commission is directed to **begin enforcing the new requirements in September 2027**, and after that, an aged well qualifies for continued extension in only four narrow circumstances:

- the operator has a demonstrated track record of returning inactive wells to production;
- the operator can prove financial hardship;
- the operator posts a full-cost individual performance bond covering the well; or
- the well is enrolled in a **Commission-approved compliance plan** to plug or restore it (with a long-term runway that extends toward 2040).

The bill also gives the Commission administrative-penalty authority for non-compliance. In short: the state has replaced "extend and repeat" with "plug, reactivate, or make a defensible engineering case — on a deadline."

Why operators should be concerned

This is not a small or distant problem. Pulling the Commission's latest [Inactive Well Aging Report \(IWAR\)](#), the scale is striking:



- **More than 120,000 inactive wells** are on the state's rolls, across roughly **3,600 operators**, carrying an estimated **\$16.7 billion** in eventual plugging liability.
- About **21,600 of those wells are already past the new 15-year line** — squarely in scope for the plug-or-reactivate decision that arrives in 2027.
- Roughly **29,000 wells already carry a denied plugging extension**, a leading indicator of rising enforcement pressure.
- Nearly **6,700 wells are already past a compliance deadline** today.

Three features make this urgent rather than routine. **First, the deadline is real and dated** — September 2027 is close in the context of engineering evaluations, bonding decisions, and capital planning. **Second, it compounds monthly**: the IWAR refreshes on the 10th of every month, and each cycle pushes more wells across the 15-year threshold. **Third, most operators have never quantified their own exposure** — the data exists, but it isn't organized into "how many of *my* wells are at risk, and when." That gap is exactly what our Monitor is designed to close.

The stakes for getting it wrong extend beyond a single well. Inactive-well compliance is tied to an operator's organizational report and bonding, and it directly affects the value of a portfolio in any divestiture — buyers price unresolved liability, and unresolved liability is about to get more expensive to carry.

Operators have three paths — and one of them preserves value

Faced with an aged inactive well, an operator can plug it, reactivate it, or **prove its future utility** and keep it in compliant abeyance or a compliance plan. That third path is the one that defers cost and can even *add* value — and it is fundamentally an engineering and geoscience exercise: demonstrating, to the Commission's standard, that a wellbore retains economic value through behind-pipe reserves, recompletion potential, or conversion to disposal.

Schaper Energy Consulting is a licensed Texas professional engineering firm. We are not a P&A company. Instead, we help operators evaluate whether inactive wellbores have credible future utility by developing the reserves-grade, PE/PG-certified technical case supporting their potential future use, including opportunities that may add reserves or asset value. We also assist with abeyance filings and the ongoing management of SB 1150 compliance requirements and deadlines.

Why we're publishing the Monitor

We built the Texas Inactive Well Monitor because the underlying data is public but hard to act on, and because SB 1150 turns an accounting footnote into a scheduled decision for thousands of operators. Each month we'll track the movement that matters — wells crossing the 15-year line, new extension denials, and the operators and districts with the fastest-growing exposure — and share what we're seeing.



If you operate inactive wells in Texas, the most useful first step is simply knowing your number. We're happy to prepare a complimentary, one-page exposure snapshot for your company — your inactive count, how your portfolio ages out, and how many of your wells are already past the new 15-year line — at no cost and no obligation. Reach out at inactivewells@schaperintl.com and we'll put it together.

The clock is running. It's better to know where you stand now, while every option is still on the table, than to meet the 2027 deadline unprepared.

This summary is provided for general information and is not legal advice; operators should review [SB 1150](#) and consult the Railroad Commission's [plugging-extension requirements](#) for specifics. Figures are drawn from the TXRRC Inactive Well Aging Report dated 6/10/2026 and exclude already-plugged wells; plugging-liability estimates are the Commission's standardized per-well figures.