The Abeyance Report, Explained

Article 2 of the Schaper Energy Inactive Well series

Our first article laid out the new reality: under Senate Bill 1150, Texas has put a hard clock on long-inactive wells, and beginning in September 2027 operators will have to plug them or make a defensible case to keep them. The most valuable of those cases is the **abeyance-of-plugging report**. It's also the least understood. Here's how it actually works.

What an abeyance report is

An inactive well in Texas isn't automatically out of compliance — but the operator has to keep its plugging obligation current. One way to do that is the **abeyance of plugging report**, filed under Statewide Rule 15 (16 TAC §3.15) on **Form W-3X**. In plain terms, it's a filing in which a **licensed professional engineer or professional geoscientist certifies that the well has future utility** — a reasonable expectation that the wellbore's economic value exceeds the cost of plugging it, and that it will ultimately be returned to a beneficial use that prevents waste of oil or gas resources.

If the Commission accepts that certification, the well's plugging deadline is extended. The report is valid for a defined period — historically up to five years — after which the case must be re-made. It is, in effect, a professional's signed opinion that a well is worth more alive than plugged.

What the certification actually requires

This is where the abeyance report is often underestimated. It is not a checkbox or a fee — it's a **certified engineering opinion**, and it has to be supportable. A credible filing rests on a real technical basis: remaining behind-pipe reserves, recompletion or workover potential in the existing wellbore, or a demonstrable alternative use such as conversion to saltwater disposal. The certifying engineer or geoscientist is putting their license behind the conclusion that the value is there.

That standard is a feature, not a burden. A thin, boilerplate abeyance report invites denial; a well-built one, grounded in reserves and geoscience, holds up — and it's the difference between keeping a well in good standing for years and being told to plug.

How SB 1150 changes the picture

For most inactive wells, the abeyance path remains available and valuable. What SB 1150 changes is the ceiling: for wells that have been **inactive more than 15 years and were completed more than 25 years ago**, the routine, repeatable extension is going away. Those wells will need to fit one of the law's narrow exceptions — a track record of returning wells to production, demonstrated financial hardship, a full-cost performance bond, or an approved long-term compliance plan.

The practical takeaway is about timing. Wells still under the 15-year line can often be managed cleanly through abeyance reporting today. Wells approaching it should be evaluated *now*, while the

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full menu of options is still open — because the case for future utility is easier to make, and worth more, before a deadline forces the decision.

Why this is engineering work, not paperwork

It's tempting to treat inactive-well compliance as an administrative task. It isn't. The value in an abeyance report comes from the quality of the technical case underneath the signature — and building that case is reserves, petrophysics, and geoscience work. That's the distinction we'd draw for any operator weighing how to handle an aging inactive inventory: the filing is the easy part; the defensible determination of future utility is the part that actually protects the asset.

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. To discuss your portfolio — or to get a complimentary one-page exposure snapshot for your company — contact **inactivewells@schaperintl.com**.

This article is general information, not legal advice. Operators should review the applicable Railroad Commission rules and SB 1150 for specific requirements.