Plug or Keep? The 3.4-Million-Well Question

Article 3 of the Schaper Energy Inactive Well series

The Society of Petroleum Engineers' flagship magazine, the *Journal of Petroleum Technology*, recently took up a question the whole industry is circling in an article titled "What To Do With Old Wells": what do we actually do with the country's old, unused wells? The scale is staggering. The EPA estimates roughly **3.4 million** abandoned or unused wells across the United States, and only about **117,672** of them are even documented in the USGS orphaned-well dataset. The article's conclusion is blunt, and we don't disagree with it: for the large majority of these wells, repurposing is a pipe dream, and plugging is the right answer.

That may sound like an odd thing for our firm to endorse. It isn't. It's the whole point.

Most wells should be plugged — and that's exactly why the few that shouldn't are worth finding

The mistake is to treat "plug everything" and "keep everything" as the only two positions. Neither is right. The honest answer is that most inactive wells have reached the end of their useful life and should be plugged properly and promptly. But a meaningful minority have real remaining value — behind-pipe reserves, a recompletion or workover opportunity, or a credible alternative use — and plugging those is destroying an asset to satisfy a deadline.

The work that matters is separating the two. That is an engineering determination, not a guess and not a form.

Texas has put a clock on the question

Nationally the problem drifts along. In Texas it now has a deadline. The Railroad Commission's current Inactive Well Aging Report carries roughly **120,000** inactive wells statewide. Of those, about **21,700** are already past the line drawn by Senate Bill 1150 — inactive more than 15 years and completed more than 25 years ago — and more than **31,000** carry a denied extension status. Beginning in September 2027, wells over that 15-year line can no longer be carried on routine, repeatable extensions. They will have to be plugged, or fit one of SB 1150's narrow exceptions.

For every operator with aging inventory, that turns an open-ended question into a dated one: for each well, plug it or make the case to keep it — and make that case before the deadline forces the decision.

How you actually tell the difference

A well worth keeping is one where the expected value of the wellbore exceeds the cost of plugging it, and where there is a defensible path back to beneficial use. Establishing that is technical work: evaluating remaining reserves behind pipe, testing recompletion and workover potential in the

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existing wellbore, and weighing alternative uses such as conversion to saltwater disposal or injection. A well that fails those tests is a plugging candidate, and the responsible move is to plug it. A well that passes is an asset, and the responsible move is to document why — in a form that holds up.

In Texas that documentation is the abeyance-of-plugging report, filed under Statewide Rule 15 on Form W-3X, in which a licensed professional engineer or geoscientist certifies the well's future utility. A thin, boilerplate filing invites denial. One grounded in reserves and geoscience holds up — and the difference between the two is engineering.

Decide before the deadline decides for you

The JPT piece is a useful reminder that plugging is not a failure; for most wells it's the correct, overdue outcome. But "most" is not "all," and the cost of getting the sort wrong runs both directions — money wasted plugging wells with real value, and money wasted carrying wells that should have been retired. The way to get it right is to evaluate the inventory now, while the full menu of options is still open, rather than later, when a compliance date has already made the choice.

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. National well-count figures are from the U.S. EPA and USGS as reported by the Journal of Petroleum Technology (September 2026); Texas figures are from the TXRRC Inactive Well Aging Report (9/10/2026).