

Drill one. Plug one.

A landmark program for the Texas oil and gas industry.

nativestateenvironmental.org

Our vision is a state without orphan oil wells. **Our mission** is to lessen the burdens of government, combat community deterioration and promote the preservation of the environment by helping to fund the plugging of orphan wells in the State of Texas.

The People of the State of Texas require **\$125,000,000 to safely plug more than 6,000 orphan wells**^{*} within their communities and open spaces to improve health and safety.



WHAT HAPPENS WHEN AN OIL OR GAS WELL REACHES THE END OF ITS ECONOMIC LIFE?

Clearly, the well should be plugged by the operator, but it doesn't always happen.

An operator may declare bankruptcy or simply abandon the well for financial reasons, so that it becomes an unattended or "orphan" well. While an operator is required by law to provide financial assurance, the costs to plug all the wells abandoned by an operator may greatly exceed the financial assurance, leaving the state as the "payer" as a last resort.

The impact is a backlog of orphan wells that the state is unable to manage either logistically or financially. To solve the growing concern that orphan wells pose to people, communities and the environment, we created Native State Environmental, Inc., a 501(c)(3) nonprofit corporation.

> Despite the Railroad Commission of Texas plugging nearly 1,440 orphan wells during the 2018 fiscal year, the number of orphan wells **increased by almost 600 at the end of the year**.¹

¹OIL FIELD CLEANUP PROGRAM ANNUAL REPORT, FISCAL YEAR 2018 Native State Environmental, Inc., is the only nonprofit organization specifically created to meet this lingering threat to Texas citizens and its oil industry partners.

Our goal is simple: mitigate risk and promote environmental restoration by plugging every unattended well through a publicprivate partnership. Our landmark program, **Drill One. Plug One.**, provides a clear path for the oil and gas industry to meet its environmental, social and corporate responsibilities, while maintaining balance between regulation and opportunity.

Through **Drill One. Plug One.**, for every oil well drilled in a county, an orphan well will be plugged in that same county.



Texas has been good to us. Let's return the favor.

Brett Bennett Founder

Benefits

Investor **Recognition**



ESG **Competitive** Advantage

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Community Support





Reduced Government Regulations



Environmental **Stewardship**



Employee **Pride**





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