

Orphaned Well Cleanup and Jobs Act



Across the country, over 56,000 known "orphaned" oil and gas wells (abandoned wells with no responsible party for cleanup) are leaking methane, contaminating groundwater, and creating safety risks. Even before the economic consequences of the COVID-19 pandemic, federal agencies and states responsible for plugging and reclaiming these wells had limited funding for cleanup. Under the *Orphaned Well Cleanup and Jobs Act*, \$8 billion would be authorized to put people to work cleaning up these sites. This reclamation and restoration work will help stimulate rural economies, create jobs, and cut down on pollution.

FUNDING AMOUNTS

- > \$7.25 billion for orphaned well cleanup on state and private lands
- > \$700 million for orphaned well cleanup on public and tribal lands
- **\$50 million** for related research, development, and implementation

STATE GRANTS

Most documented orphaned wells are on state and private land, and the bulk of funds in the bill are dispersed to states through three types of grants administered by the Department of the Interior (DOI):

Initial Grants \$1.5 Billion

all funds dispersed to states within 7 months

- Up to a \$25 million grant if a state has a wellestablished cleanup program and can put a large sum of money to use quickly
- Up to a \$5 million grant if a state uses the funds to start a cleanup program or apply for a Formula Grant

Goal is to get funds to states quickly to help unemployed oil and gas workers

Formula Grants \$3.5 Billion

funds issued starting after 4.5 months and must be obligated by states within 5 years

- •Grant amounts largely determined by a formula that accounts for:
- Oil and gas job losses in the state
- Number of orphaned wells in the state
- 2019 oil and gas production in the state

Goal is to help states significantly reduce their orphaned well inventory

Discretionary Grants \$2.25 Billion

funds issued starting roughly 7

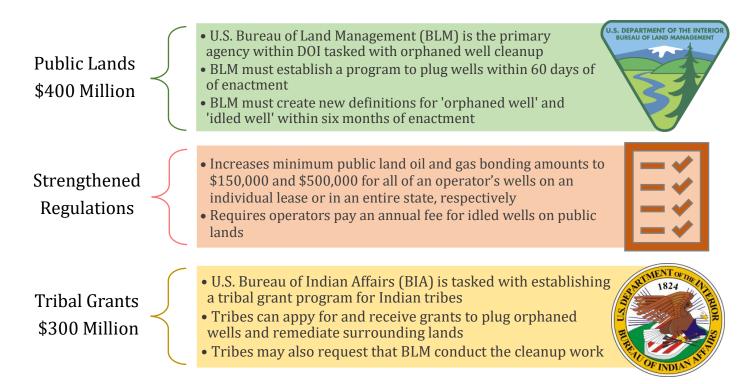
months after enactment

- Regulatory improvements trigger grant eligibility
- States may receive up to a \$20 million grant by reducing methane emissions; strengthening plugging regulations; or financial assurance reforms
- States may receive up to \$30 million in grants by Increasing state spending on well cleanup

Goal of grants is to incentivize states to take fiscally and environmentally positive actions

PUBLIC LANDS AND TRIBAL GRANTS

In addition to state grants, the bill strengthens regulations on public lands and directs funds to DOI to cleanup orphaned wells on public lands and creates a grant program within the Bureau of Indian Affairs to help Tribes cleanup orphaned wells:



CLEANUP ACTIVITIES

The bill allows states, tribes, and federal agencies to use a variety of steps to find, assess, and clean-up orphaned wells and reduce the impacts of those wells to nearby communities and the environment:

