

IDLE AND ORPHAN OIL AND GAS WELLS 2021 UPDATE



Hal Fitch

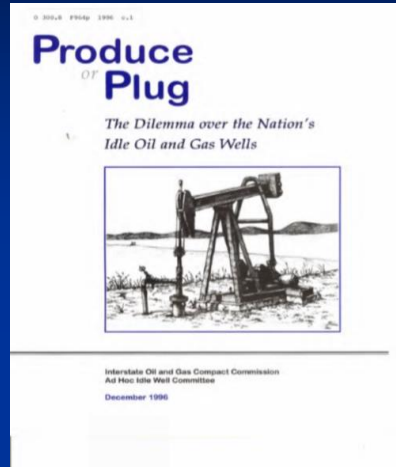
IDLE & ORPHAN WELL CHALLENGES

- **Preventing wells from becoming orphans**
- **Plugging & restoration funding**

PREVIOUS WORK

A Study of
Idle Oil
and Gas Wells
in the United
States

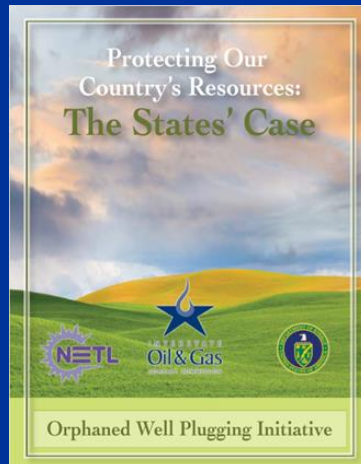
1992



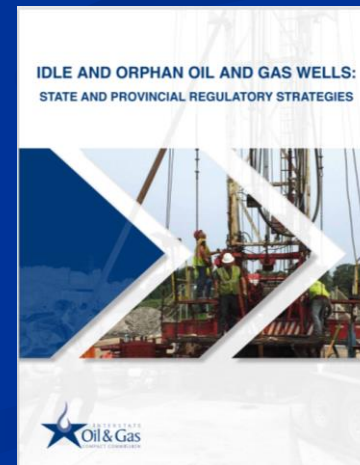
1996



2000



2008

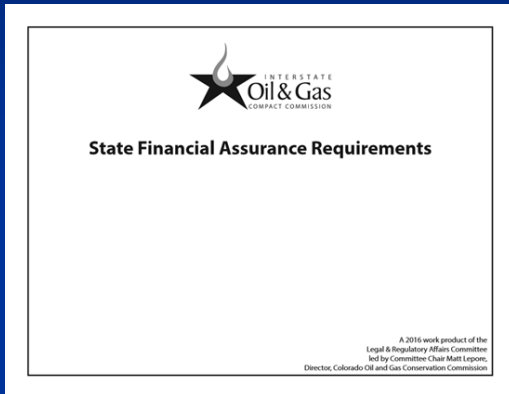


2019

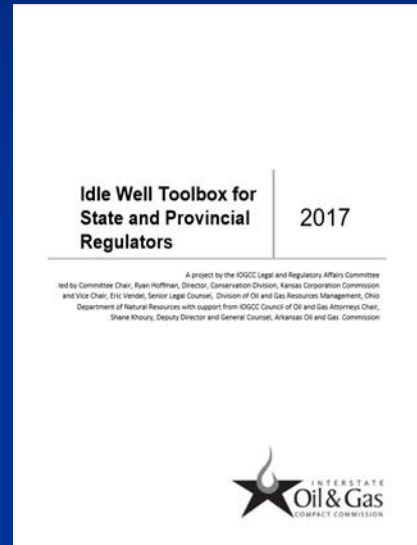
2019 REPORT

- **Revised in March 2020 to include additional data**
- **Supplemental Information report in May 2020 - land ownership of orphan wells**

LEGAL & REGULATORY AFFAIRS COMMITTEE



2016



2017



2018

2021 REPORT UPDATE

- **Initiated by CRO**
- **Survey sent to states and provinces in July**
- **32 states & 5 provinces responded**
- **IOGCC has compiled information received to date**
- **Asking States and provinces to review and confirm information by November 16**

2021 UPDATE

Topics:

- Documented wells – total and active
- Idle well numbers & requirements
- Tools to prevent wells from being orphaned
- Documented orphan wells – numbers, operator status, land ownership
- Undocumented orphan wells
- Actions to prevent wells from becoming orphans
- Financial assurance
- Orphan wells plugged & restored
- Plugging funds & revenue sources
- Incentives and innovations

2021 UPDATE

Preliminary results:

- Final numbers not yet available pending verification by states & provinces
- Between 2018 and 2020:
 - Number of orphan wells *plugged* per year about doubled
 - *Net* number of orphan wells increased
- Causes of increased numbers:
 - States verifying and documenting well status
 - Some operators going out of business

REGROW ACT (S.1076)

Revive Economic Growth and Reclaim Orphaned Wells Act of 2021

- **Pending action in Congress**
- **Provisions:**
 - **Funding to states for orphan well plugging and restoration**
 - **Designates DOI to administer provisions**
 - **IOGCC - partner with DOI for technical assistance**
 - ***IOGCC 2021 Update Report will be a primary source of information***

REGROW ACT

- **States have 45 days after Act is effective to submit intent to apply for formula grant**
- **IOGCC report will be key source of information**
- **IOGCC will ask states for updates on *current* number of orphan wells and add table to Report**
- ***REMINDER*: Please review current data & assure it is correct by Nov. 16**

QUESTIONS?

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