

# 2022 GOVERNOR'S CONFERENCE ON ENERGY & THE ENVIRONMENT

KY DIVISION OF OIL AND GAS

**BIL ORPHAN WELL PLUGGING INITIATIVE**



# Bipartisan Infrastructure Law (BIL)

## Initial Grant

- Kentucky was Awarded a **\$25M** Large Initial Grant by the U.S. Dept. of Interior (DOI), With an Effective Award Date of October 1, 2022.
- Must Obligate 90% of the Initial Grant Amount **Within 90 Days of October 1**. The Full 100% of the \$25M Grant Must be Obligated Within One Year.

## Formula Grant

- Kentucky Eligibility Estimated by DOI at **\$78.98M**.
- Still Awaiting DOI Rules for Submission.

## Performance Grant

- Regulatory Improvement Grant: Up to \$20M.
- No Application Guidance Yet Provided by DOI.

# WHY THIS IS IMPORTANT

- Orphan Wells are Abandoned, Unplugged, Oil or Gas Wells with No Responsible Party (RP) Left to Plug Them.
- Kentucky's Orphan Wells are Often Concealed by Woodlands, Vegetation, Roads, Erosion/Sedimentation, Bodies of Water, and Residential/Industrial Development.
- Some Orphan Wells are Only a Nuisance, While Others are an Active Risk to the Environment- AND Public Safety.
- These are Found in Communities, Croplands, Woodlands, Back Yards, Tourism Sites, State Forests, Creeks and Rivers.
- The Majority of Orphan Wells were Drilled and Abandoned "Pre-law".
- Pre-law Means Drilled Between the 1860's and 1960's, Before Most State Permitting and Bonding Requirements were Established.

# HOW THIS AFFECTS YOU

- Orphan Wells Impact the Majority of Kentucky Counties, Most Specifically Areas of Older Oil and Gas Field Developments.
- The Highest Densities of Orphan Wells are Found in East KY (Lee, Estill, Powell, Magoffin); South Central KY (Clinton, Cumberland, Green, Warren) and West KY (Ohio, Daviess, Henderson ).
- Orphan Wells Can Leak Crude Oil, Brines or Natural Gas; Negatively Affecting Water Resources, Land Development, Soil, and Air Quality.
- Left Unaddressed Over Time, Orphan Wells will Deteriorate; Adversely Impacting Communities, Property, and the Environment.

**SO WHERE DO YOU FIND  
ORPHAN WELLS?**



# IN THE CREEKS





# IN THE CROPS



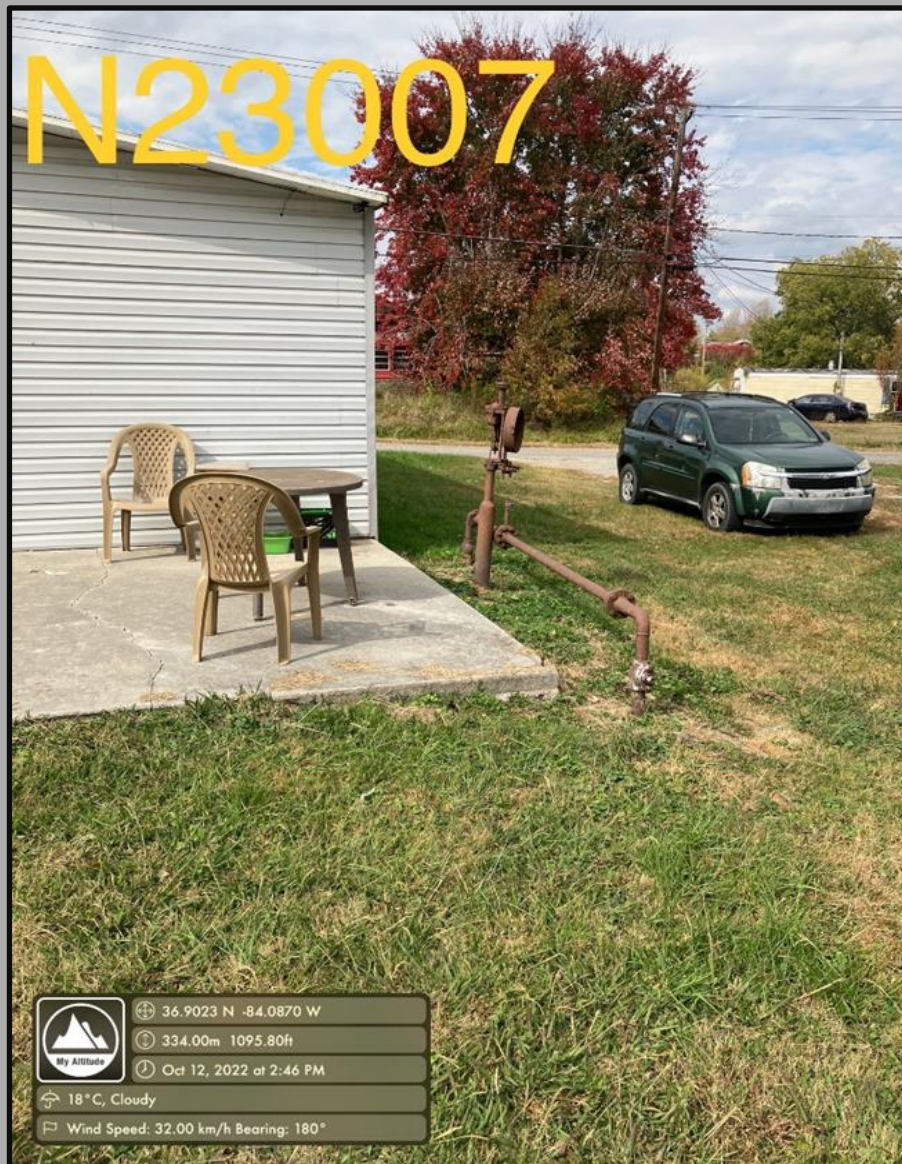


# AT THE BARN



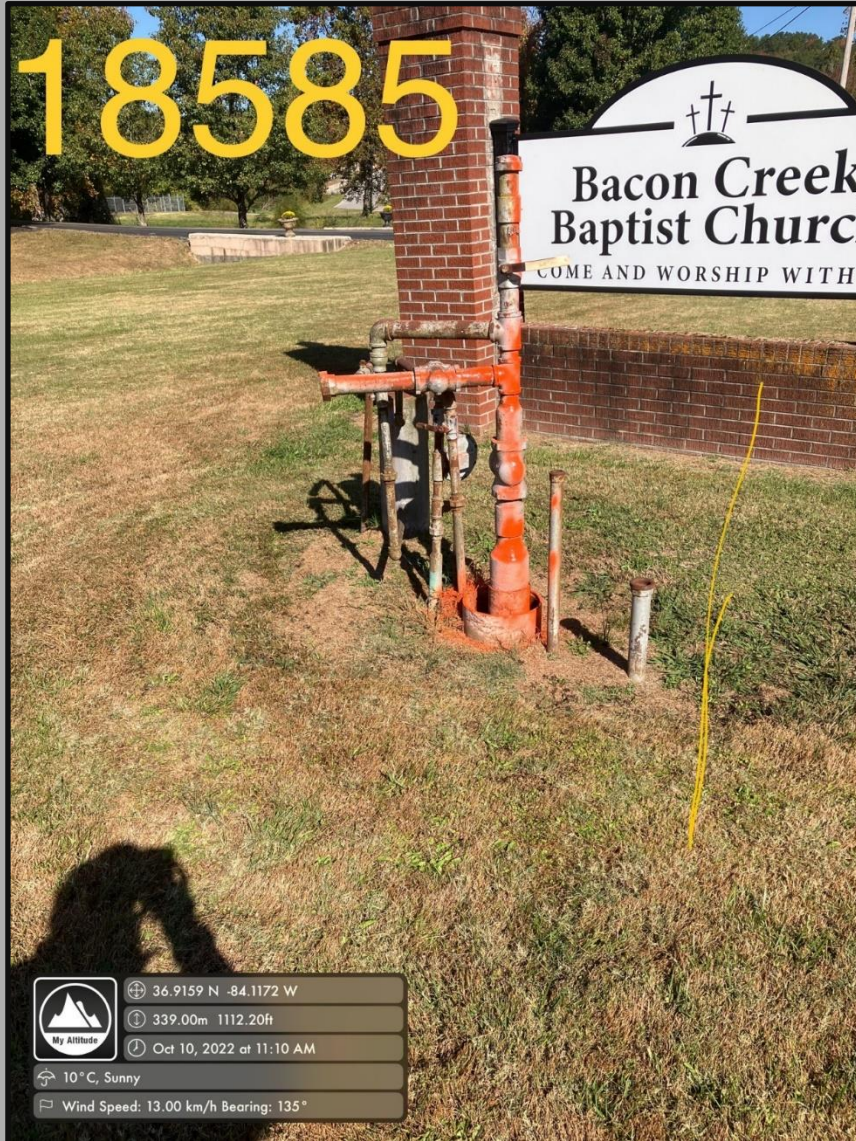


# AT THE HOUSE





# AROUND TOWN





# AND AT THE END ...



# **DOI Approved Initial Grant August 25**

## **Phase 1 RFP's Released July 28**

- Ten Orphan Well Packages, 153 Sites.
- First Site Work Began September 23 in Christian County.
- To Date **Over 30** Orphan Wells Have Been Plugged in Christian, Daviess, Henderson, and Lee Counties.

## **Phase 2 RFP's Released August 15**

- Seven Orphan Well Packages, 159 Sites.

## **Phase 3 RFP's Released August 25**

- Eight Orphan Well Packages, 133 Sites.

## **Phase 4 RFP's Released October 6**

- Seven Orphan Well Packages, 91 Sites.

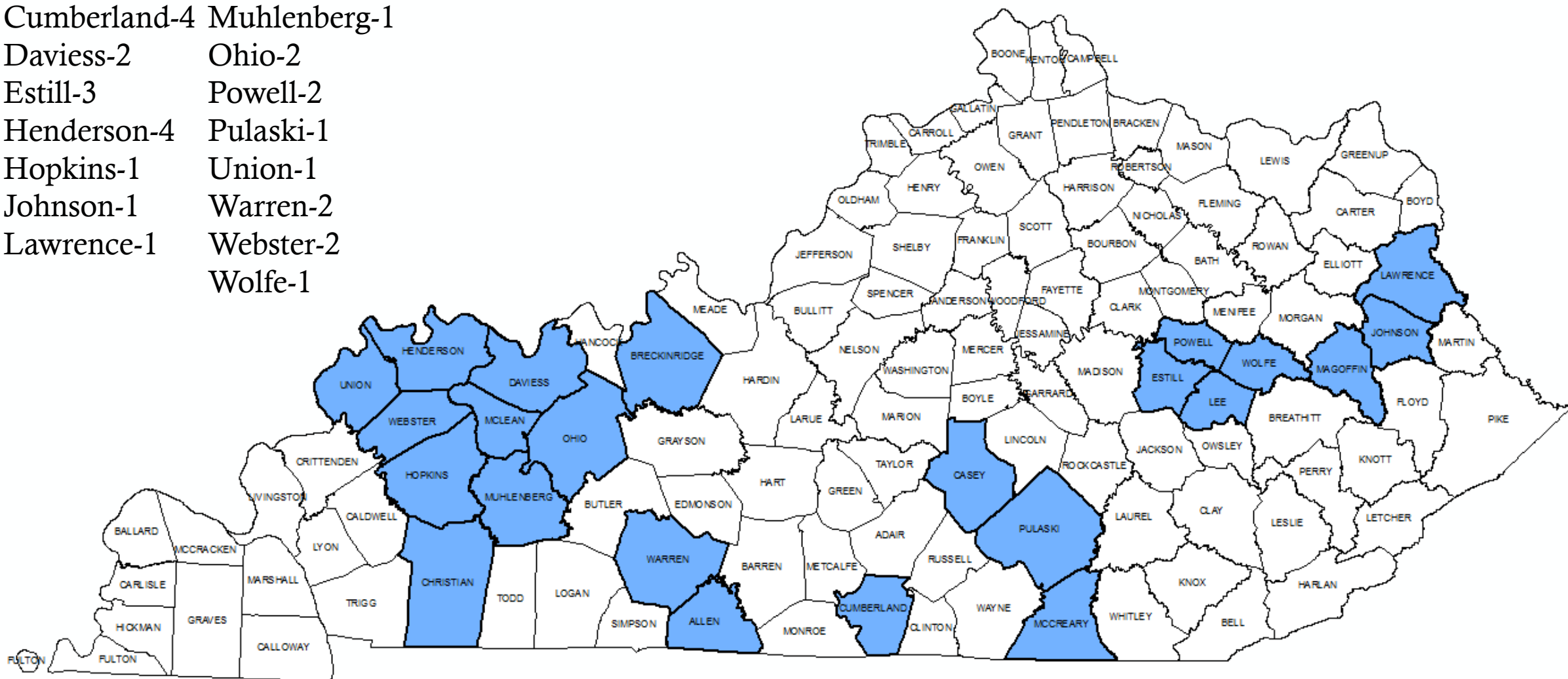
## **Phase 5 RFP's to Be Released October 17**

- Seven Orphan Well Packages, 82 Sites.



# Number of Federal Plugging Packages by County Phases 1-5

Allen-1	Lee-1
Breckinridge-1	Magoffin-1
Casey-1	McCreary-1
Christian-2	McLean-1
Cumberland-4	Muhlenberg-1
Daviess-2	Ohio-2
Estill-3	Powell-2
Henderson-4	Pulaski-1
Hopkins-1	Union-1
Johnson-1	Warren-2
Lawrence-1	Webster-2
	Wolfe-1



# INITIAL GRANT WORK ONGOING

- Contractors Have 6-12 Months to Plug the First 17 RFP's.
- Other Successive Packages Have 12-18 Months.
- Once Wells are Contracted, KDOG has as Much as 5 Years to Spend the Initial Grant Funds.
- With Other DOI Plugging Grants on the Horizon, The Federal Orphan Well Plugging Initiative Can Become a Highly Successful 5 Year Program.
- This Initiative will not Plug All Kentucky Orphan Wells, But It Will Accomplish Much Good for the Citizens, Communities, and the Environment.



# THANK YOU!

