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west virginia department of environmental protection

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Office of Oil and Gas  
601 57<sup>th</sup> Street SE  
Charleston, WV 25304  
(304) 926-0450 Telephone  
(304) 926-0452 Fax

Harold, Cabinet Secretary  
dep.wv.gov

July 12, 2022

The Honorable Jim Justice, Governor  
State Capitol Complex  
1900 Kanawha Blvd., East  
Charleston, WV 25305

Governor Justice:

Attached is a compilation of receipts and expenditures for the Oil and Gas Reclamation Fund and the Oil and Gas Abandoned Well Plugging Fund for Fiscal Year 2022, as required pursuant to W. Va. Code Chapter 22, Article 6, Sections 29 and 29a, respectively.

For the Oil and Gas Reclamation Fund, **\$1,062,850** were collected and deposited into the fund from permit fees and other revenues. Expenditures from the fund were **\$789,296** which covered personal services, three reclamation projects, and five plugging projects.

For the Oil and Gas Abandoned Well Plugging Fund, **\$1,890,512** were collected and deposited into the fund from severance taxes. Expenditures from the fund were **\$46,615** which covered personal services.

If you have any questions, please contact me at (304) 926-0499, extension 41101.

Sincerely,



James Martin  
Chief

JM/kja  
Attachment

**West Virginia Department of Environmental Protection**  
**Office of Oil and Gas**  
Annual Report FY2022  
Per WV Code 22-6-29(b)

**Fund 3322 - Oil and Gas Reclamation Fund**

Beginning Cash at June 1, 2021		\$396,822
Revenues:		
Bond Forfeitures	\$0	
Well Work Permit Fees	\$1,062,850	
Miscellaneous	\$0	
TOTAL REVENUE	<u>                    </u>	<u>\$1,062,850</u>
Expenditures:		
Personal Services & Benefits	(\$112,096)	
Reclamation of Oil & Gas Wells	(\$677,200)	
TOTAL EXPENDITURES	<u>                    </u>	<u>(\$789,296)</u>
Ending Cash at May 31, 2022		<u><u>\$670,376</u></u>

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**Fund 3334 - Oil and Gas Abandoned Well Plugging Fund**

Beginning Cash at June 1, 2021		\$0
Revenues:		
Oil and Natural Gas Fees	\$1,890,512	
TOTAL REVENUE	<u>\$1,890,512</u>	\$1,890,512
Expenditures:		
Personal Services & Benefits	(\$45,992)	
Plugged Abandoned Oil & Gas Wells		
Miscellaneous	(\$623)	
TOTAL EXPENDITURES	<u>(\$46,615)</u>	(\$46,615)
Ending Cash at May 31, 2022		<u><u>\$1,843,896</u></u>

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<u>API NUMBER</u>	<u>WELL NUMBER</u>	<u>COUNTY</u>	<u>Fund</u>
4701500341	Bodo Otto #6	Clay	R
4710501380	Toney #1	Wirt	P
4710501479	Farnsworth Rec	Wirt	R
4704303599	Clay #1	Lincoln	P
4709501272	Bens Run #1	Tyler	P
4709501273	Dominion 31	Tyler	P
4708506300	EPI-004	Ritchie	R
4708506300	EPI-004	Ritchie	P



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Harold D. Ward, Cabinet Secretary  
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July 12, 2022

### Abandoned Well Plugging Program – 5-year plan

Pursuant to W. Va. Code § 22-6-29A(b)(3), the WVDEP shall submit to the Governor and the Legislature an annual report which includes a five-year plan detailing current and future projects and activities to plug and reclaim abandoned wells. For Fiscal years 2023-2027, the Office of Oil and Gas Abandoned Well Plugging Program (ABWP) will continue to expend monies from Oil and Gas Reclamation and the Abandoned Well Plugging Funds (W. Va. Code §§ 22-6-29 and 22-6-29A) to help achieve the Office's mission to restore abandoned oil and gas sites.

In general, the Office of Oil and Gas will continue to locate, identify, and inspect abandoned wells. On a priority basis, the Abandoned Well Plugging Program will prepare solicitations for well plugging projects. Current estimates project combined revenues from these funds of approximately \$3 million in FY2023. ABWP will continue the efforts from FY2022, and focus on single-well, double-well, and small packages of five for fewer wells. In doing so, OOG hopes to appeal to the widest variety of plugging contractors. ABWP anticipates plugging approximately 25 abandoned wells from the combined state revenue sources.

In addition to state funding sources, ABWP expects to receive a \$25 million grant from the U.S. Department of Interior through the Bipartisan Infrastructure Law (BIL) for the plugging of orphaned, abandoned wells in FY2023. DEP is currently accepting bids for regional well plugging contracts. Based on estimated plugging costs, OOG anticipates the plugging of approximately 160 wells during FY2023.

Beyond FY2023, DEP will be eligible for additional grants from the Department of Interior through the BIL. ABWP projects receiving approximately \$117 million over five years. Combined with state revenues, OOG anticipates an average annual budget of approximately \$25 million for the purpose of plugging abandoned wells. Over the period FY2023-2027, DEP expects to plug a total of approximately 800 abandoned wells.

In response to the increased workload expectations from the DOI grants, the Office of Oil and Gas has added one new Inspector Specialist position in the ABWP program and is currently in the process of hiring a Procurement Associate to further support the office in the contracting of well plugging projects.

Promoting a healthy environment.