



west virginia department of environmental protection

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

Harold, Cabinet Secretary
dep.wv.gov

August 7, 2023

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 2023, as required pursuant to WV Code Chapter 22, Article 22-6-29(b) and WV Code Chapter 22, Article 22-6-29a, respectively.

Regarding, the Oil and Gas Reclamation Fund, **\$969,500.00** were collected and deposited into the fund from permit fees and other revenues. Expenditures from the fund were **\$627,223.00** which covered personal services and 6 plugging projects.

Regarding, the Oil and Gas Abandoned Well Plugging Fund, **\$3,585,248.00** were collected and deposited into the fund from severance taxes. Expenditures from the fund were **\$2,209,889.00** which covered personal services, 22 plugged abandoned wells, and 2 reclamation projects.

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

Sincerely,

A handwritten signature in blue ink, appearing to read "James Martin", is written over a printed name and title.

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, 2022		\$670,376
Revenues:		
Bond Forfeitures	\$105,000	
Well Work Permit Fees	\$864,500	
Miscellaneous	\$0	
TOTAL REVENUE	<u> </u>	\$969,500
Expenditures:		
Personal Services & Benefits	(\$190,931)	
Reclamation of Oil & Gas Wells	(\$436,292)	
TOTAL EXPENDITURES	<u> </u>	(\$627,223)
Ending Cash at May 31, 2023		<u><u> </u></u> \$1,012,653

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Fund 3334 - Oil and Gas Abandoned Well Plugging Fund

Beginning Cash at June 1, 2022		\$1,843,896
Revenues:		
Severance Taxes	<u>\$3,585,248</u>	
TOTAL REVENUE		\$3,585,248
Expenditures:		
Personal Services & Benefits	(\$122,176)	
Plugged Abandoned Oil & Gas Wells	(\$2,087,334)	
Miscellaneous	<u>(\$379)</u>	
TOTAL EXPENDITURES		(\$2,209,889)
Ending Cash at May 31, 2023		<u><u>\$3,219,255</u></u>

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<u>API NUMBER</u>	<u>WELL NUMBER</u>	<u>COUNTY</u>
4703305998	White #1	Harrison
4709502762	Bens Run #1	Tyler
4709502763	Dominion #1	Tyler
4710501409	Farnsworth #1	Wirt
4701500341	Otto #6	Clay
4701500518	Otto #7	Clay
4708510428	Cuthbert 80603	Ritchie
4708510429	Cuthbert 80604	Ritchie
4708510430	Cuthbert 80605	Ritchie
4708510431	Cuthbert 80608	Ritchie
4708510432	Cuthbert 90094	Ritchie
4703306018	Suan #1	Harrison
4709701588	Mays #1	Upshur
4709902275	Powdermill #1	Wayne
4702101203	Davis #1	Gilmer
4703902770	Geno #7	Kanawha
4701100466	Salt Rock #1	Cabell
4710701756	Riding Masters #1	Wood
4710701760	Harper #1	Wood
4704303621	Hager #1	Lincoln
4708510441	Hanlon #1	Ritchie
4704105731	McCoy #1	Lewis
4704100228	Summers #1	Lewis
4704100229	Burr #1	Lewis



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Harold D. Ward, Cabinet Secretary
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August 4, 2023

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 2024-2028, 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 \$4 million in FY2024. ABWP will continue the efforts from FY2023, and focus on single-well, double-well, and small packages of five or fewer wells. In doing so, OOG hopes to appeal to the widest variety of plugging contractors. ABWP anticipates plugging approximately 36 abandoned wells from the combined state revenue sources.

In addition to state funding sources, ABWP expects to receive the first phase of a \$117 million grant from the U.S. Department of Interior through the Bipartisan Infrastructure Law (BIL) for the plugging of orphaned, abandoned wells in FY2024. This first phase will bring approximately \$29.2 million for plugging, from which OOG anticipates the plugging of 230 orphaned wells.

Beyond FY2024, DEP will continue to be eligible for additional grants from the Department of Interior through the BIL. ABWP projects receiving the remaining phases of the \$117 million grant over the next five years. DEP will also continue to pursue additional grant opportunities, where available. Combined with state revenues, OOG anticipates an average total annual budget of approximately \$33 million for the purpose of plugging abandoned wells. Over the five-year period FY2024-2028, DEP expects to plug a total of approximately 1,200 abandoned wells.

While not solely dedicated to the abandoned well plugging program, OOG has recently added inspector staff positions that will enhance implementation of the entire oil and gas program. The Office of Oil and Gas anticipates adding additional field positions over the next year and is currently in the process of hiring a program manager dedicated exclusively to abandoned well program administration.

Promoting a healthy environment.