



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

July 10, 2024

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 2024, as required pursuant to WV Codes §§ 22-6-29(b) and 22-6-29a, respectively.

Regarding the Oil and Gas Reclamation Fund, **\$1,721,836.00** was collected and deposited into the fund from permit fees and other revenues. Expenditures from the fund were **\$183,038.00** which covered personal services, vehicle maintenance, equipment purchases, all associated with the Abandoned Well Plugging Program (ABWP) and supported 1 yet-to-be-completed plugging project (Gilmer County, 47-021-00237/47-021-05816).

Regarding the Oil and Gas Abandoned Well Plugging Fund, **\$6,685,947.00** was collected and deposited into the fund from severance taxes. Expenditures from the fund were **\$2,820,137.00** which covered personal services associated with the ABWP and the plugging of 15 abandoned wells.

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

Sincerely,

A handwritten signature in black ink, appearing to read "James Martin", is written over a horizontal line.

James Martin
Chief

JM/kja
Attachment

Promoting a healthy environment.

West Virginia Department of Environmental Protection
Office of Oil and Gas
Annual Report FY2024
Per WV Code 22-6-29(b)

Fund 3322 - Oil and Gas Reclamation Fund

Beginning Cash at June 1, 2023	\$1,355,525
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Revenues:

Bond Forfeitures	\$50,000
Well Work Permit Fees	<u>\$1,671,836</u>

TOTAL REVENUE	\$1,721,836
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Expenditures:

Personal Services & Benefits	(\$178,863)
Reclamation of Oil & Gas Wells	(\$2,687)
Miscellaneous	<u>(\$1,488)</u>

TOTAL EXPENDITURES	(\$183,038)
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Ending Cash at May 31, 2024	<u><u>\$2,894,323</u></u>
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Fund 3334 - Oil and Gas Abandoned Well Plugging Fund

Beginning Cash at June 1, 2023		\$3,224,734
Revenues:		
Severance Taxes	<u>\$6,685,947</u>	
TOTAL REVENUE		\$6,685,947
Expenditures:		
Personal Services & Benefits	(\$134,932)	
Plugged Abandoned Oil & Gas Wells	(\$2,682,114)	
Miscellaneous	<u>(\$3,091)</u>	
TOTAL EXPENDITURES		(\$2,820,137)
Ending Cash at May 31, 2024		<u><u>\$7,090,544</u></u>

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<u>API NUMBER</u>	<u>WELL NUMBER</u>	<u>COUNTY</u>
47-007-00446	McPherson #2	Braxton
47-011-00182	Gideon #1	Cabell
47-011-01014	Patterson #1	Cabell
47-039-06400	Messer #1	Kanawha
47-041-02876	B-45-1	Lewis
47-061-00260	Murphy #9615	Monongalia
47-061-01943	Heller #1	Monongalia
47-079-01544	Day #1	Putnam
47-085-00273	Haught #1	Ritchie
47-085-01544	Beckner #7	Ritchie
47-085-01559	Anderson #10	Ritchie
47-085-02610	White #1	Ritchie
47-085-10446	Jones #1	Ritchie
47-097-00007	Burrough #1	Upshur
47-097-03866	Hull #1	Upshur



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Harold D. Ward, Cabinet Secretary
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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 2025-2029, the Office of Oil and Gas Abandoned Well Plugging Program (ABWP) will continue to expend monies from the Oil and Gas Reclamation Fund and the Abandoned Well Plugging Fund (W. Va. Codes §§ 22-6-29 and 22-6-29a) to help achieve the Office's mission to restore abandoned oil and gas well sites. Additionally, the Office will expend grant funds made available through federal grant opportunities to plug certain abandoned wells.

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. In FY2025, ABWP will continue the efforts by focusing on high-priority 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.

ABWP was recently awarded \$29.2 million as the first phase of a \$117 million grant from the U.S. Department of the Interior through the Bipartisan Infrastructure Law (BIL) for the plugging of orphaned, abandoned wells. This first phase will enable the plugging of an estimated 230 orphaned wells over the five-year performance period. ABWP was also awarded a \$1.9 million grant as part of the BIL's performance grant program, which will fund the plugging of approximately 17 additional orphaned, abandoned wells in FY2025.

Beyond FY2025, DEP will continue to pursue additional grant opportunities for the plugging of orphaned, abandoned wells. Combined with state revenues, OOG anticipates an average total annual budget to exceed \$40 million for the purpose of plugging abandoned wells. Over the five-year period FY2025-2029, DEP expects to plug a total of approximately 1,200 abandoned wells.

OOG has hired a program manager dedicated exclusively to abandoned well program administration and has added inspector staff positions that will enhance implementation of the entire oil and gas program. More field positions are being considered in FY2025.