

West Virginia Surface Owners' Rights Organization 1500 Dixie Street, Charleston, WV 25311 (304) 346-5891 - www.wvsoro.org

West Virginia Needs The Orphaned Well Prevention Act.

More Federal money!

The third tranche of orphaned well plugging money in the Bipartisan Infrastructure Act could provide \$20 Million extra to plug orphaned wells if West Virginia has regulatory improvement to prevent orphaned wells

What does the Orphaned Well Prevention Act do?

It requires newly drilled wells and transferred wells to either have a single well plugging bond, or for the driller/operator to start putting a tiny percentage of that well's financial proceeds into the State Treasurer's office to pay the driller/operator itself to plug the well when the time comes.

If existing wells are producing in paying quantities, it requires those wells to put 15ϕ per MCF into the State Treasurer's office for the driller/operator to use to plug that well when the time comes.

It also requires horizontal well driller/operators to plug "abandoned" conventional wells in the area the horizontal well will drain and collect the cost of doing so from the operator of that well, and a few other things.

Why is it needed.

West Virginia has over 15,000 wells that are no longer producing and so should already be plugged, and of those, over 6,500 have become orphaned because the driller/operator has gone out of business without plugging them!

West Virginia has no plugging bond for wells!

West Virginia only requires a "performance bond" *for each well driller/operator*, and if the State forfeits that bond for failure to plug a well, the money does not go to plug the well that caused the forfeiture – it goes to plug wells already orphaned by other drillers. And the driller only has to have one performance bond no matter how many wells it is operating! Because the performance bond is a "blanket bond" of only \$50,000 for conventional wells and \$500,000 for horizontal wells, no matter how many wells the driller is operating, the bond would only begin to plug all of a driller/operators's wells even if it could be used to plug that driller/operator's wells.

Unplugged wells decrease surface owners property values, risk if not cause pollution of the surface and ground water, and about 30% of them leak methane (which is wasteful, usually stinks, and contributes to global warming).