WEST VIRGINIA
ENVIRONMENTAL COUNCIL

West Virginia
Surface Owners' Rights Organization

West Virginia Needs the Orphaned Well Prevention Act

OVERVIEW

West Virginia has over 15,000 oil and gas wells that are abandoned, meaning they have not produced in at least 12 months. Of those, 6,500 are orphaned–meaning the driller has gone out of business. The cost of plugging these wells is estimated around $125,000 per well, but can depend on many factors. With no operator, the cost of plugging falls on landowners or taxpayers–we believe it should fall on the industry instead.

The orphaned wells left behind by the oil and gas industry drive down property values because they often leak dangerous gasses like methane, pollute groundwater, pose a threat to public health, and contribute to climate change. One study showed that 28% of a sample of idle conventional wells were leaking methane. Plugging these wells would reduce methane and other greenhouse gas emissions, mitigate water contamination, and restore native habitats.

WHY WE NEED THE O.W.P.A.

Thanks to the Bipartisan Infrastructure Act passed by Congress in the Fall of 2021, the Department of the Interior has granted up to $142 million to West Virginia to "plug, remediate and reclaim orphaned oil and gas wells" across the state. However, to access the full amount of funds granted to the State, WV lawmakers must pass legislation to prevent more wells from becoming orphaned in the first place. WV stands to gain another $20 million to plug orphaned wells.

The Orphaned Well Prevention Act (OWPA), which would require drilling companies to set aside money to cover the cost of plugging, was introduced in the senate as SB532 on Jan. 24, 2024.

The bill requires newly drilled wells and transferred wells to either have a single well plugging bond, or for the driller/operator to start putting a small percentage of that well's financial proceeds into the State Treasurer's office for future plugging. For wells currently in use, the bill requires operators to pay 15¢/MCF into the State Treasurer's office for future plugging.

It also requires horizontal well 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.

Prepared by David McMahon, J.D | 304-993-0468 | wvdavid@wvdavid.net