

Union Calendar No. 464

117TH CONGRESS
2^D SESSION

H. R. 2415

[Report No. 117-645]

To amend the Energy Policy Act of 2005 to require the Secretary of the Interior to establish a program to permanently plug, remediate, and reclaim orphaned wells and the surrounding lands and to provide funds to States and Tribal Governments to permanently plug, remediate, and reclaim orphaned wells and the surrounding lands, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

APRIL 8, 2021

Ms. LEGER FERNANDEZ (for herself, Mr. GRIJALVA, Mr. LOWENTHAL, Ms. CASTOR of Florida, and Mr. MICHAEL F. DOYLE of Pennsylvania) introduced the following bill; which was referred to the Committee on Natural Resources

DECEMBER 15, 2022

Additional sponsors: Mr. CARTWRIGHT, Ms. DEGETTE, Mr. COHEN, Ms. BARRAGÁN, Ms. VELÁZQUEZ, Ms. NORTON, Ms. TLAIB, Mr. ESPAILLAT, Mr. SOTO, Mr. HUFFMAN, Mr. BLUMENAUER, Mrs. NAPOLITANO, Mr. WELCH, Mr. LEVIN of California, Ms. ROSS, Mr. GARCÍA of Illinois, Ms. PORTER, Mr. POCAN, Mr. SIRES, Mr. JONES, Mr. YARMUTH, Ms. NEWMAN, Ms. DEAN, Mr. SCOTT of Virginia, Mr. CARBAJAL, Mr. MCNERNEY, Mr. CARSON, Ms. STANSBURY, Mr. CARTER of Louisiana, and Mr. LEVIN of Michigan

DECEMBER 15, 2022

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in *italic*]

[For text of introduced bill, see copy of bill as introduced on April 8, 2021]

A BILL

To amend the Energy Policy Act of 2005 to require the Secretary of the Interior to establish a program to permanently plug, remediate, and reclaim orphaned wells and the surrounding lands and to provide funds to States and Tribal Governments to permanently plug, remediate, and reclaim orphaned wells and the surrounding lands, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
 2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 *This Act may be cited as the “Orphaned Well Cleanup*
 5 *and Jobs Act of 2021”.*

6 **SEC. 2. ORPHANED WELL SITE PLUGGING, REMEDIATION,**
 7 **AND RESTORATION.**

8 *(a) IN GENERAL.—Section 349 of the Energy Policy*
 9 *Act of 2005 (Public Law 109–58; 42 U.S.C. 15907) is*
 10 *amended to read as follows:*

11 **“SEC. 349. ORPHANED WELL SITE PLUGGING, REMEDI-**
 12 **ATION, AND RESTORATION.**

13 *“(a) FEDERAL PROGRAM.—*

14 *“(1) ESTABLISHMENT.—The Secretary, in co-*
 15 *operation with the Secretary of Agriculture and af-*
 16 *ected Indian Tribes, shall establish a program not*
 17 *later than 180 days after the date of enactment of this*
 18 *section to permanently plug orphaned wells and reme-*
 19 *diate and reclaim orphaned wells located on land ad-*
 20 *ministered by the land management agencies within*
 21 *the Department of the Interior and the Department of*
 22 *Agriculture.*

23 *“(2) ACTIVITIES.—The program under para-*
 24 *graph (1) shall—*

1 “(A) include a means of identifying, char-
2 acterizing, and inventorying orphaned wells on
3 Federal lands and ranking orphaned wells for
4 priority in permanent plugging, remediation,
5 and reclamation, based on public health and
6 safety, potential environmental harm, and other
7 land use priorities;

8 “(B) distribute funding according to the
9 priorities identified under subparagraph (A)
10 for—

11 “(i) permanently plugging orphaned
12 wells;

13 “(ii) remediating and reclaiming well
14 pads and access roads associated with or-
15 phaned wells;

16 “(iii) remediating soil and restoring
17 native species habitat that has been de-
18 graded due to the presence of orphaned
19 wells; and

20 “(iv) remediating lands, including ac-
21 cess roads, adjacent to orphaned wells and
22 decommissioning or removing pipelines, fa-
23 cilities, and infrastructure associated with
24 the orphaned well;

1 “(C) provide a public accounting of the
2 costs of permanently plugging, remediating, and
3 reclaiming each orphaned well;

4 “(D) seek to determine the identities of po-
5 tentially responsible parties associated with the
6 orphaned well, or their sureties or guarantors, to
7 the extent such information can be ascertained,
8 and make efforts to obtain reimbursement for ex-
9 penditures to the extent practicable;

10 “(E) to the maximum extent possible, sup-
11 port research and development efforts aimed at
12 investigating, measuring, and tracking emissions
13 of methane and other gases associated with or-
14 phaned wells;

15 “(F) measure and track contamination of
16 groundwater or surface water associated with or-
17 phaned wells; and

18 “(G) reduce the negative effects of orphaned
19 wells on environmental justice communities.

20 “(3) *DEFINE ORPHANED WELL.*—Not later than
21 180 days after the date of enactment of this section,
22 the Secretary shall issue a final rule defining the
23 term ‘orphaned well’ as such term applies to Federal
24 and Tribal land for the purposes of this section.

25 “(4) *IDLED WELLS.*—

1 “(A) *IN GENERAL.*—*The Secretary, acting*
2 *through the Director of the Bureau of Land*
3 *Management, shall annually review all idled*
4 *wells on Federal lands and take such measures*
5 *as such Director determines appropriate to re-*
6 *duce such Director’s idled well inventory.*

7 “(B) *DEFINITION OF IDLED WELL.*—*Not*
8 *later than 6 months after the date of enactment*
9 *of this section, the Secretary, acting through the*
10 *Director of the Bureau of Land Management,*
11 *shall establish a definition for the term ‘idled*
12 *well’ for the purposes of this section.*

13 “(5) *COOPERATION AND CONSULTATIONS.*—*In*
14 *carrying out the program under paragraph (1), the*
15 *Secretary shall—*

16 “(A) *work cooperatively with the Secretary*
17 *of Agriculture and the States within which Fed-*
18 *eral land is located; and*

19 “(B) *consult with affected Indian Tribes,*
20 *the Secretary of Energy, and the Interstate Oil*
21 *and Gas Compact Commission.*

22 “(b) *STATE ORPHANED WELL SITE PLUGGING, REME-*
23 *DICATION, AND RESTORATION.*—

24 “(1) *IN GENERAL.*—

1 “(A) *ACTIVITIES.*—*The Secretary shall pro-*
2 *vide funding to States as described in this sec-*
3 *tion for any of the following purposes:*

4 “(i) *To permanently plug, remediate,*
5 *and reclaim orphaned wells located on*
6 *State- and privately-owned land.*

7 “(ii) *To identify and characterize un-*
8 *documented orphaned wells on State and*
9 *private lands.*

10 “(iii) *To rank orphaned wells on State*
11 *and private lands based on factors includ-*
12 *ing public health and safety, potential envi-*
13 *ronmental harm, and other land use prior-*
14 *ities.*

15 “(iv) *To make information regarding*
16 *the use of funds received under this sub-*
17 *section available on a public website.*

18 “(v) *To measure and track emissions of*
19 *methane and other gases associated with or-*
20 *phaned wells.*

21 “(vi) *To measure and track contami-*
22 *nation of groundwater or surface water as-*
23 *sociated with orphaned wells.*

24 “(vii) *To remediate soil and restore*
25 *native species habitat that have been de-*

1 *graded due to the presence of orphaned*
2 *wells.*

3 “(viii) *To remediate lands, including*
4 *access roads, adjacent to orphaned wells and*
5 *decommission or remove pipelines, facilities,*
6 *and infrastructure associated with the or-*
7 *phaned well.*

8 “(ix) *To take such measures as such*
9 *State determines necessary to reduce the*
10 *negative effects of orphaned wells on envi-*
11 *ronmental justice communities.*

12 “(x) *To administer a program to carry*
13 *out activities described in clauses (i)*
14 *through (ix).*

15 “(B) *LIMITATION.—Except for funds re-*
16 *ceived by a State under paragraph (2)(A)(ii), a*
17 *State may not use more than 10 percent of the*
18 *funds received under this section in any fiscal*
19 *year for the purpose described in paragraph*
20 *(1)(A)(x).*

21 “(2) *INITIAL GRANTS.—*

22 “(A) *IN GENERAL.—The Secretary shall dis-*
23 *tribute—*

24 “(i) *not more than \$25,000,000 to each*
25 *State that—*

1 “(I) is a Member State or Asso-
2 ciate Member State of the Interstate
3 Oil and Gas Compact Commission;

4 “(II) requests funding under this
5 clause not later than 6 months after
6 the date of enactment of this section;

7 “(III) has at least one documented
8 orphaned well;

9 “(IV) certifies to the Secretary
10 that such State can use at least 90 per-
11 cent of the requested funding to issue
12 new contracts, amend existing con-
13 tracts, or issue grants for permanent
14 plugging, remediation, and reclama-
15 tion work within 180 days of receipt of
16 funds; and

17 “(V) describes to the Secretary
18 how funds received under this clause
19 will employ individuals who have lost
20 employment during the period begin-
21 ning on March 1, 2020, and ending on
22 the date on which such State requests
23 funding under subclause (II); and

24 “(ii) not more than \$5,000,000 to each
25 State that—

1 “(I) requests funding under this
2 clause;

3 “(II) does not receive a grant
4 under clause (i); and

5 “(III) certifies to the Secretary
6 that—

7 “(aa) such State has a per-
8 manent plugging, remediation,
9 and reclamation program for or-
10 phaned wells or the capacity to
11 start such a program; or

12 “(bb) such funds will be used
13 to conduct the administrative
14 work necessary to put together an
15 application to receive funds under
16 paragraph (3).

17 “(B) DISTRIBUTION.—The Secretary shall
18 disburse funds to a State under this subpara-
19 graph not later than 30 days after such State
20 makes a certification to the Secretary that such
21 State is eligible to receive such funds.

22 “(C) 2 YEARS TO EXPEND FUNDS.—

23 “(i) IN GENERAL.—A State that re-
24 ceives funds under this paragraph shall re-
25 imburse the Secretary in an amount equal

1 *to the amount of any unobligated funds that*
2 *remain 2 years after the date on which such*
3 *State receives funds under this paragraph.*

4 “(ii) *USE OF REIMBURSED FUNDS.—*
5 *The Secretary may use funds reimbursed*
6 *under this subparagraph to carry out any*
7 *activity under subsection (a)(2).*

8 “(D) *REPORT.—*

9 “(i) *IN GENERAL.—Not later than 15*
10 *months after the date on which a State re-*
11 *ceives funds under this paragraph, such*
12 *State shall submit a report to the Secretary*
13 *detailing how the State adhered to the cer-*
14 *tifications required by subparagraph (A).*

15 “(ii) *PUBLIC ACCESS.—The Secretary*
16 *shall make available on a publicly accessible*
17 *website each report submitted under clause*
18 *(i).*

19 “(3) *FORMULA GRANTS.—*

20 “(A) *FORMULA.—*

21 “(i) *IN GENERAL.—The Secretary shall*
22 *establish a formula for the distribution of*
23 *funds under this paragraph to the States*
24 *described in clause (ii). Such formula, with*

1 *respect to an applicant State, shall account*
2 *for the following factors:*

3 “(I) *The job losses in the oil and*
4 *gas industry between March 1, 2020,*
5 *and the date of enactment of this sec-*
6 *tion.*

7 “(II) *The number of documented*
8 *orphaned wells and associated facilities*
9 *and the projected cost to permanently*
10 *plug and reclaim such wells.*

11 “(ii) *NOTIFICATION.—A State is de-*
12 *scribed in this clause if, not later than 45*
13 *days after the date of enactment of this sec-*
14 *tion, such State submits a notice to the Sec-*
15 *retary that such State intends to submit an*
16 *application under subparagraph (B) and*
17 *includes in such notification the informa-*
18 *tion described in subclauses (I) through (II)*
19 *of clause (i) with respect to such State.*

20 “(iii) *PUBLICATION.—The Secretary*
21 *shall, not later than 30 days after the date*
22 *described in clause (ii), publish on a public*
23 *website the amount that each State de-*
24 *scribed in clause (ii) is eligible to receive*

1 *under the formula established under clause*
2 *(i).*

3 “(B) *APPLICATION.*—*A State may apply to*
4 *receive funds under this paragraph by submit-*
5 *ting an application including—*

6 “(i) *a description of—*

7 “(I) *the State program for or-*
8 *phaned well permanent plugging, re-*
9 *mediation, and restoration, including*
10 *legal authorities, processes used to*
11 *identify and prioritize orphaned wells,*
12 *procurement mechanisms, and other*
13 *program elements demonstrating the*
14 *readiness of the State program to carry*
15 *out the proposed activities;*

16 “(II) *the activities to be carried*
17 *out with the grant, including an iden-*
18 *tification of the estimated health, safe-*
19 *ty, habitat, and environmental benefits*
20 *of permanent plugging, remediating, or*
21 *reclaiming the orphaned wells; and*

22 “(III) *how the information re-*
23 *garding the State’s activities under*
24 *this subsection will be made available*
25 *on a public website;*

1 “(ii) an estimate of—

2 “(I) the number of orphaned wells
3 that will be permanently plugged, re-
4 mediated, or reclaimed;

5 “(II) the projected cost of perma-
6 nently plugging, remediating, or re-
7 claiming orphaned wells, adjacent
8 lands, and access roads;

9 “(III) the amount of that cost that
10 will be offset by the forfeiture of finan-
11 cial assurance instruments, the esti-
12 mated salvage of well-site equipment,
13 or other proceeds from the orphaned
14 wells and adjacent lands;

15 “(IV) the number of jobs that will
16 be created or saved through the activi-
17 ties to be funded under this subsection;
18 and

19 “(V) the amount of funds to be
20 spent on administrative costs;

21 “(iii) a certification that any financial
22 assurance instruments, including bonds,
23 available to cover permanent plugging, re-
24 mediation, or reclamation costs will be used
25 by the State; and

1 “(iv) the definitions and processes used
2 by the State to formally declare a well or-
3 phaned or, if the State uses different termi-
4 nology, otherwise eligible for permanent
5 plugging, remediation, and reclamation by
6 the State, including the steps the State has
7 taken to identify the well’s most recent oper-
8 ator.

9 “(C) REVIEW OF STATE DEFINITIONS AND
10 PROCESSES.—The Secretary may only distribute
11 funds to a State under this paragraph if the Sec-
12 retary determines that—

13 “(i) such State has taken appropriate
14 steps to protect taxpayers from unneces-
15 sarily paying for permanent plugging, re-
16 mediation, and reclamation costs;

17 “(ii) the processes of such State for de-
18 claring a well eligible for permanent plug-
19 ging by the State are reasonable; and

20 “(iii) the definition provided by the
21 State for the term ‘orphaned well’ (or an al-
22 ternate term, if applicable), if such term
23 differs from the definition given such term
24 in subsection (i)(5)(A)(ii), is reasonable.

1 “(D) 5 YEARS TO EXPEND FUNDS.—A State
 2 that receives funds under this paragraph shall
 3 reimburse the Secretary in an amount equal to
 4 the amount of any unobligated funds that re-
 5 main 5 years after the date on which such State
 6 receives funds under this paragraph.

7 “(E) CONSULTATION.—In making a deter-
 8 mination under this paragraph regarding the
 9 eligibility of a State to receive funds, the Sec-
 10 retary shall consult with the Administrator of
 11 the Environmental Protection Agency, the Sec-
 12 retary of Energy, and the Interstate Oil and Gas
 13 Compact Commission.

14 “(F) CONSIDERATION TIMELINE.—Not later
 15 than 60 days after receiving a completed appli-
 16 cation that meets the requirements of this section
 17 from a State under this paragraph, the Sec-
 18 retary shall issue a grant to such State.

19 “(4) DISCRETIONARY GRANTS.—

20 “(A) IN GENERAL.—

21 “(i) REGULATORY IMPROVEMENT
 22 GRANT.—

23 “(I) IN GENERAL.—Beginning on
 24 the date that is 6 months after the date
 25 on which the first grant is issued

1 *under paragraph (2), the Secretary*
2 *may provide funding in an amount*
3 *not to exceed \$20,000,000 per grant to*
4 *a State if the State meets one of the*
5 *following criteria:*

6 “(aa) The State—

7 “(AA) requires, or will
8 require by the date that is
9 not later than five years after
10 the date of enactment of the
11 Orphaned Well Cleanup and
12 Jobs Act of 2021, the oper-
13 ator of each well subject to
14 regulation by the State to
15 capture (which such term
16 means the physical contain-
17 ment of gas for transpor-
18 tation to market or produc-
19 tive use, including reinjec-
20 tion and other on-site uses)
21 at least 98 percent of all gas
22 produced each year from
23 each such well; and

24 “(BB) prohibits, or will
25 prohibit by the date that is

1 *not later than five years after*
2 *the date of enactment of the*
3 *Orphaned Well Cleanup and*
4 *Jobs Act of 2021, venting*
5 *and flaring of gas produced*
6 *from each such well, except*
7 *in the case of emergencies or*
8 *equipment failures as defined*
9 *under the applicable law of*
10 *such State.*

11 “(bb) *During the period of 10*
12 *years that precedes the date on*
13 *which the State applies for a*
14 *grant under this paragraph, the*
15 *State strengthened its plugging*
16 *standards and procedures to en-*
17 *sure that wells located in the*
18 *State are plugged in an effective*
19 *manner that protects groundwater*
20 *and other natural resources, pub-*
21 *lic health and safety, and the en-*
22 *vironment.*

23 “(cc) *The State has made im-*
24 *provements to State programs de-*
25 *signed to prevent future orphaned*

1 *well burdens, such as bonding re-*
2 *form or other financial assurance*
3 *reform, alternative funding mech-*
4 *anisms for orphaned well pro-*
5 *grams, and reforms to well trans-*
6 *fer and temporary abandonment*
7 *programs in the 10 years pre-*
8 *ceding the date that the States ap-*
9 *plies for a grant under this para-*
10 *graph.*

11 “(II) *LIMITATION.*—*The Secretary*
12 *may only issue one grant per criterion*
13 *per State under this clause.*

14 “(ii) *MATCHING GRANT.*—

15 “(I) *IN GENERAL.*—*Beginning on*
16 *the date that is 6 months after the date*
17 *on which the first grant is issued*
18 *under paragraph (2), the Secretary*
19 *may provide funding to a State in an*
20 *amount equal to the difference be-*
21 *tween—*

22 “(aa) *the amount of funds*
23 *such State expended on average in*
24 *fiscal years 2010 through 2019 to*
25 *permanently plug, remediate, and*

1 *reclaim orphaned wells and asso-*
2 *ciated facilities; and*

3 “(bb) *the amount of funds*
4 *such State certifies to the Sec-*
5 *retary such State will expend for*
6 *such purposes in the fiscal year in*
7 *which such State will receive such*
8 *grant.*

9 “(II) *ANNUAL GRANT.—The Sec-*
10 *retary may issue one grant per State*
11 *per fiscal year under this clause.*

12 “(III) *LIMITATION ON TOTAL*
13 *FUNDS PROVIDED TO A STATE.—The*
14 *Secretary may not provide a total of*
15 *more than \$30,000,000 to a State*
16 *under this clause during the period of*
17 *fiscal years 2021 through 2031.*

18 “(B) *APPLICATION.—*

19 “(i) *IN GENERAL.—A State may apply*
20 *to receive funds under this paragraph by*
21 *submitting an application including—*

22 “(I) *each of the elements required*
23 *in an application under paragraph*
24 *(3)(B);*

1 “(II) a description of measures
2 such State has taken to address or-
3 phaned wells, including by increasing
4 State spending on well permanent
5 plugging, remediation, and reclama-
6 tion and by improving regulation of
7 oil and gas wells; and

8 “(III) a description of how such
9 State will use such funds to—

10 “(aa) lower unemployment
11 in such State; and

12 “(bb) improve economic con-
13 ditions in economically distressed
14 areas of such State.

15 “(ii) CONSULTATION.—In making a
16 determination to issue a grant under this
17 paragraph, the Secretary shall consult with
18 the Administrator of the Environmental
19 Protection Agency and the Secretary of En-
20 ergy.

21 “(iii) REIMBURSEMENT FOR FAILURE
22 TO MAINTAIN PROTECTIONS.—A State that
23 receives funds under this paragraph shall
24 reimburse the Secretary any funds received
25 if, during the 10 year period beginning on

1 *the date of receipt of funds under this para-*
 2 *graph, such State enacts a statute or regula-*
 3 *tion that, if such statute or regulation were*
 4 *in effect when the State submitted an appli-*
 5 *cation under this paragraph, would have*
 6 *prevented such State from being eligible to*
 7 *receive funds under subparagraph (A)(i)(I).*

8 “(iv) *CONSIDERATION TIMELINE.*—*Not*
 9 *later than 60 days after receiving an appli-*
 10 *cation from an eligible State under this*
 11 *paragraph, the Secretary shall make a*
 12 *grant or reject such application.*

13 “(5) *STATE REPORT.*—

14 “(A) *IN GENERAL.*—*Each State that re-*
 15 *ceives funding under this subsection shall submit*
 16 *a report to the Secretary each year that pro-*
 17 *vides—*

18 “(i) *the number of orphaned wells that*
 19 *have been permanently plugged, remediated,*
 20 *or reclaimed;*

21 “(ii) *the cost of permanently plugging,*
 22 *remediating, or reclaiming orphaned wells,*
 23 *adjacent lands, and access roads;*

24 “(iii) *the amount of that cost offset by*
 25 *the forfeiture of financial assurance instru-*

1 ments, the salvage of well-site equipment, or
2 other proceeds from the orphaned wells;

3 “(iv) an estimate of the number of jobs
4 created or saved through the activities fund-
5 ed under this subsection;

6 “(v) the funds spent on administrative
7 costs;

8 “(vi) a description of how the State is
9 working to decrease the effects of orphaned
10 wells on environmental justice communities;
11 and

12 “(vii) survey results from State efforts
13 to identify undocumented orphaned wells.

14 “(B) *PUBLIC ACCESS.*—The Secretary shall
15 make available on a publicly accessible website
16 each report submitted under subparagraph (A).

17 “(c) *TRIBAL ORPHANED WELL SITE PLUGGING, RE-*
18 *MEDIATION, AND RESTORATION.*—

19 “(1) *ESTABLISHMENT.*—The Secretary shall es-
20 tablish a program in the Bureau of Indian Affairs to
21 provide grants to Indian Tribes for the purposes de-
22 scribed in paragraph (2).

23 “(2) *ACTIVITIES.*—The purposes described in this
24 paragraph are to—

1 “(A) permanently plug, remediate, and re-
2 claim orphaned wells on Tribal land;

3 “(B) remediate soil and restore native spe-
4 cies habitat that has been degraded due to the
5 presence of orphaned wells on Tribal land;

6 “(C) remediate lands, including access
7 roads, adjacent to orphaned wells and decommis-
8 sion or remove pipelines, facilities, and infra-
9 structure associated with the orphaned well on
10 Tribal lands;

11 “(D) provide an online public accounting of
12 the cost of permanent plugging, remediation, and
13 reclamation for each orphaned well site on Trib-
14 al land, excluding confidential or sensitive Trib-
15 al trust or business information (as determined
16 by the Secretary);

17 “(E) identify and characterize undocu-
18 mented orphaned wells on Tribal land; and

19 “(F) administer a Tribal program to carry
20 out activities described in subparagraphs (A)
21 through (E).

22 “(3) CONSIDERATIONS.—In making a deter-
23 mination to issue a grant under this subsection, the
24 Secretary shall take into account the number of docu-
25 mented orphaned wells on the land of the Indian

1 *Tribe and the projected cost to permanently plug and*
2 *reclaim such wells.*

3 “(4) *APPLICATION.—An Indian Tribe may*
4 *apply to receive funds under this paragraph by sub-*
5 *mitting an application that includes—*

6 “(A) *a description of—*

7 “(i) *the Tribal program for orphaned*
8 *well permanent plugging, remediation, and*
9 *restoration, including legal authorities,*
10 *processes used to identify and prioritize or-*
11 *phaned wells, procurement mechanisms, and*
12 *other program elements demonstrating the*
13 *readiness of the Tribal program to carry*
14 *out the proposed activities; and*

15 “(ii) *the activities to be carried out*
16 *with the grant, including an identification*
17 *of the estimated health, safety, and habitat,*
18 *and environmental benefits of permanently*
19 *plugging, remediating, or reclaiming the or-*
20 *phaned wells, adjacent lands, and access*
21 *roads; and*

22 “(B) *an estimate of—*

23 “(i) *the number of orphaned wells that*
24 *will be permanently plugged, remediated, or*
25 *reclaimed; and*

1 “(ii) the projected costs of permanently
2 plugging, remediating, or reclaiming the or-
3 phaned wells and any adjacent lands or ac-
4 cess roads.

5 “(5) *LIMITATION.*—An Indian Tribe may not
6 use more than 15 percent of the funds received under
7 this subsection in a fiscal year for the purposes de-
8 scribed in paragraph (2)(F).

9 “(6) *CONSIDERATION TIMELINE.*—The Secretary
10 shall issue or deny a grant under this subsection not
11 later than 60 days after the date of receipt of the com-
12 plete application under paragraph (4).

13 “(7) *8 YEARS TO EXPEND FUNDS.*—An Indian
14 Tribe that receives funds under this subsection shall
15 reimburse the Secretary in an amount equal to the
16 amount of any unobligated funds that remain 8 years
17 after the date on which such Indian Tribe receives
18 funds under this subsection.

19 “(8) *DEFERRAL OF PLUGGING AND REMEDI-*
20 *ATION.*—An Indian Tribe with an orphaned well
21 within such Indian Tribe’s jurisdiction may request
22 that the Secretary administer and carry out perma-
23 nent plugging, remediation, and reclamation work
24 with respect to such orphaned well. For the purposes
25 of subsection (a), any orphaned well with respect to

1 *which the Indian Tribe with jurisdiction has made*
2 *such a request shall be treated as if such orphaned*
3 *well is on land administered by a land management*
4 *agency within the Department of the Interior.*

5 “(d) *TECHNICAL ASSISTANCE.—The Secretary of En-*
6 *ergy, in cooperation with the Secretary and the Interstate*
7 *Oil and Gas Compact Commission, shall provide technical*
8 *assistance to Federal land management agencies and oil*
9 *and gas producing States and Indian Tribes to ensure prac-*
10 *tical and economical remedies are used to address environ-*
11 *mental problems caused by orphaned wells on Federal,*
12 *State, Tribal, or private land, including the sharing of best*
13 *practices in the management of oil and gas well inventories*
14 *to ensure the availability of funds to permanently plug, re-*
15 *mediate, and restore oil and gas well sites when operations*
16 *cease.*

17 “(e) *REPORT TO CONGRESS.—Not later than 1 year*
18 *after the date of enactment of this section, and every year*
19 *thereafter, the Secretary shall submit to the Committees on*
20 *Appropriations and Energy and Natural Resources of the*
21 *Senate and to the Committees on Appropriations and Nat-*
22 *ural Resources of the House of Representatives a report on*
23 *the program established and grants awarded under this sec-*
24 *tion, including—*

25 “(1) *an updated inventory of—*

1 “(A) orphaned wells on Federal, Tribal,
2 State, and private land; and

3 “(B) wells at-risk of becoming orphaned on
4 Federal, Tribal, State, and private land;

5 “(2) to the maximum extent practical, an esti-
6 mate of—

7 “(A) the amount of methane and other gas-
8 ses emitted from orphaned wells; and

9 “(B) the amount of emissions reduced as a
10 result of permanently plugging and reclaiming
11 orphaned wells;

12 “(3) the number of jobs created and saved
13 through the permanent plugging, remediation, and
14 reclamation of orphaned wells; and

15 “(4) the acreage of habitat restored using grants
16 awarded to permanently plug, remediate, and reclaim
17 orphaned wells and adjacent lands, including access
18 roads, and a description of how such land is likely to
19 be used in the future.

20 “(f) IDLED WELL FEES.—

21 “(1) IN GENERAL.—The Secretary shall, not
22 later than 180 days after the date of enactment of this
23 section, issue regulations to require each operator of
24 an idled well on Federal land to pay an annual, non-

1 *refundable fee for each such idled well in accordance*
2 *with this subsection.*

3 *“(2) AMOUNTS.—Except as provided in para-*
4 *graph (5), the amount of the fee shall be as follows:*

5 *“(A) \$500 for each well that has been con-*
6 *sidered an idled well for at least 1 year, but not*
7 *more than 5 years.*

8 *“(B) \$1,500 for each well that has been con-*
9 *sidered an idled well for at least 5 years, but not*
10 *more than 10 years.*

11 *“(C) \$3,500 for each well that has been con-*
12 *sidered an idled well for at least 10 years, but*
13 *not more than 15 years.*

14 *“(D) \$7,500 for each well that has been con-*
15 *sidered an idled well for at least 15 years.*

16 *“(3) DUE DATE.—An owner of an idled well that*
17 *is required to pay a fee under this subsection shall*
18 *submit to the Secretary such fee by not later than*
19 *May 1 of each year.*

20 *“(4) CIVIL PENALTY.—If the operator of a idled*
21 *well fails to pay the full amount of a fee under this*
22 *subsection, the Secretary may assess a civil penalty*
23 *against the operator under section 109 of the Federal*
24 *Oil and Gas Royalty Management Act of 1982 (30*

1 *U.S.C. 1719) as if such failure to pay were a viola-*
 2 *tion under such section.*

3 “(5) *ADJUSTMENT FOR INFLATION.*—*The Sec-*
 4 *retary shall, by regulation not less than once every 4*
 5 *years, adjust each fee under this subsection to account*
 6 *for inflation based on the Consumer Price Index for*
 7 *All Urban Consumers (as published by the Bureau of*
 8 *Labor Statistics of the Department of Labor).*

9 “(6) *USE OF FEES.*—*The Secretary, acting*
 10 *through the Director of the Bureau of Land Manage-*
 11 *ment, shall use any fees collected under this subsection*
 12 *for the following purposes:*

13 “(A) *50 percent of such amounts shall be*
 14 *used for—*

15 “(i) *inventorying and tracking or-*
 16 *phaned wells on Federal lands;*

17 “(ii) *permanently plugging orphaned*
 18 *wells on Federal lands;*

19 “(iii) *remediating and reclaiming well*
 20 *pads and access roads associated with or-*
 21 *phaned wells on Federal lands;*

22 “(iv) *remediating soil and restoring*
 23 *native species habitat that have been de-*
 24 *graded due to the presence of orphaned wells*
 25 *on Federal land; and*

1 “(v) *remediating lands, including ac-*
 2 *cess roads, adjacent to orphaned wells and*
 3 *decommissioning or removing pipelines, fa-*
 4 *cilities, and infrastructure associated with*
 5 *orphaned wells.*

6 “(B) *50 percent of such amounts shall be*
 7 *used to carry out part 3163 of title 43, Code of*
 8 *Federal Regulations (or any successor regula-*
 9 *tion).*

10 “(g) *SAVINGS CLAUSES AND PREVAILING WAGE RE-*
 11 *QUIREMENTS.—*

12 “(1) *NO EXPANSION OF LIABILITY.—Nothing in*
 13 *this section establishes or expands the responsibility*
 14 *or liability of any entity with respect to permanently*
 15 *plugging a well or remediating or reclaiming a well*
 16 *site.*

17 “(2) *PREVAILING WAGE.—Any entity carrying*
 18 *out a project authorized by this section shall be re-*
 19 *quired to pay prevailing wages in accordance with*
 20 *subchapter IV of chapter 31 of title 40, United States*
 21 *Code (commonly known as the Davis-Bacon Act).*

22 “(3) *TRIBAL LAND.—Nothing in this section may*
 23 *be construed to relieve the Secretary of any obligation*
 24 *imposed by section 3 of the Act of May 11, 1938 (25*
 25 *U.S.C. 396c), or to absolve the United States from*

1 *any responsibility to an Indian Tribe, including*
 2 *those which derive from the trust relationship or from*
 3 *any treaties, statutes, Executive orders, or agreements*
 4 *between the United States and an Indian Tribe, to*
 5 *permanently plug, remediate, or reclaim orphaned*
 6 *wells located on Tribal lands.*

7 “(4) OWNER OR OPERATOR NOT ABSOLVED.—
 8 *Nothing in this section may be construed to absolve*
 9 *the owner or operator of an oil or gas well of poten-*
 10 *tial liability for reimbursement of permanent plug-*
 11 *ging and reclamation costs or adverse effects on the*
 12 *environment.*

13 “(h) AMERICAN IRON, STEEL, AND MANUFACTURED
 14 *PRODUCTS.—*

15 “(1) DEFINITIONS.—*In this subsection:*

16 “(A) IRON OR STEEL MANUFACTURED
 17 *PRODUCT.—The term ‘iron or steel manufactured*
 18 *product’ includes any construction material or*
 19 *end product (as those terms are defined in sub-*
 20 *part 25.003 of the Federal Acquisition Regula-*
 21 *tion) that does not otherwise qualify as an iron*
 22 *or steel product, including—*

23 “(i) *an electrical component;*

24 “(ii) *a non-ferrous building material,*
 25 *including—*

1 “(I) aluminum and
2 polyvinylchloride;

3 “(II) glass;

4 “(III) fiber optics;

5 “(IV) plastic;

6 “(V) wood;

7 “(VI) masonry;

8 “(VII) rubber;

9 “(VIII) manufactured stone; and

10 “(IX) any other non-ferrous met-
11 als; and

12 “(iii) an unmanufactured construction
13 material.

14 “(B) PRODUCED IN THE UNITED STATES.—

15 “(i) IN GENERAL.—The term ‘produced
16 in the United States’—

17 “(I) with respect to an iron or
18 steel product or an iron or steel manu-
19 factured product, means that all man-
20 ufacturing processes for, and materials
21 and components of, the iron or steel
22 product or iron or steel manufactured
23 product, from the initial melting stage
24 through the application of coatings, oc-
25 curred in the United States; and

1 “(II) *with respect to an iron or*
2 *steel manufactured product, means*
3 *that—*

4 “(aa) *the iron or steel manu-*
5 *factured product was manufac-*
6 *tured in the United States; and*

7 “(bb) *the cost of the compo-*
8 *nents of the iron or steel manufac-*
9 *tured product that were mined,*
10 *produced, or manufactured in the*
11 *United States is greater than 60*
12 *percent of the total cost of the*
13 *components of the iron or steel*
14 *manufactured product.*

15 “(ii) *EXCLUSIONS.—The term ‘pro-*
16 *duced in the United States’, with respect to*
17 *an iron or steel product or iron or steel*
18 *manufactured product, does not include an*
19 *iron or steel product or an iron or steel*
20 *manufactured product the materials and*
21 *components of which were manufactured—*

22 “(I) *abroad from semi-finished*
23 *steel or iron from the United States; or*

1 “(II) in the United States from
2 semi-finished steel or iron of foreign
3 origin.

4 “(2) REQUIREMENT.—Funds made available
5 under this section may not be used for an orphaned
6 well plugging or remediation project unless all of the
7 iron and steel products and steel manufactured prod-
8 ucts used in the project are produced in the United
9 States.

10 “(3) WAIVER.—

11 “(A) IN GENERAL.—On request of the re-
12 cipient of a grant under this section, the Sec-
13 retary may grant for the project of the recipient
14 of the grant a waiver of the requirement de-
15 scribed in paragraph (2) if the Secretary finds
16 that—

17 “(i) the application of paragraph (2)
18 would be inconsistent with the public inter-
19 est;

20 “(ii) iron or steel products or iron or
21 steel manufactured products are not pro-
22 duced in the United States—

23 “(I) in sufficient and reasonably
24 available quantities; or

25 “(II) of a satisfactory quality; or

1 “(iii) the inclusion of iron or steel
 2 products or iron or steel manufactured
 3 products in the United States would in-
 4 crease the cost of the overall project by
 5 greater than 25 percent.

6 “(B) *PUBLIC NOTICE*.—On receipt of a re-
 7 quest for a waiver under subparagraph (A), the
 8 Secretary shall—

9 “(i) make available to the public, in-
 10 cluding by electronic means, including on
 11 the official public website of the Depart-
 12 ment, on an informal basis, a copy of the
 13 request and all information available to the
 14 Secretary relating to the request; and

15 “(ii) provide for informal public input
 16 on the request for a period of not fewer than
 17 15 days before making with respect to the
 18 request the finding described in subpara-
 19 graph (A).

20 “(i) *DEFINITIONS*.—In this section:

21 “(1) *ENVIRONMENTAL JUSTICE COMMUNITY*.—
 22 The term ‘environmental justice community’ means
 23 any community with significant representation of
 24 communities of color, low-income communities, or
 25 Tribal and indigenous communities, that experiences,

1 or is at risk of experiencing higher or more adverse
2 human health or environmental effects.

3 “(2) *IDLED WELL*.—The term ‘idled well’—

4 “(A) if the Secretary has not established a
5 definition under subsection (a)(4)(B), means a
6 well that has been non-operational for at least
7 two consecutive years for which there is no an-
8 ticipated beneficial future use; or

9 “(B) has the meaning given to such term by
10 the Secretary under subsection (a)(4)(B).

11 “(3) *INDIAN TRIBE*.—The term ‘Indian Tribe’
12 means the governing body of any Indian or Alaska
13 Native Tribe, band, nation, pueblo, village, commu-
14 nity, component band, or component reservation indi-
15 vidually identified (including parenthetically) in the
16 most recent list published pursuant to section 104 of
17 the Federally Recognized Indian Tribe List Act of
18 1994 (25 U.S.C. 5131).

19 “(4) *OPERATOR*.—The term ‘operator’ means,
20 with respect to an oil or gas operation, any entity,
21 including the lessee or operating rights owner, who
22 has stated in writing to a relevant authority that
23 such entity is responsible for such operation or a por-
24 tion thereof.

1 “(5) *ORPHANED WELL*.—*The term ‘orphaned*
2 *well’—*

3 “(A) *with respect to Federal and Tribal*
4 *land—*

5 “(i) *has the meaning given to such*
6 *term by the Secretary under subsection*
7 *(a)(3); or*

8 “(ii) *if the Secretary has not defined*
9 *the term under such subsection, means a*
10 *well that is not being used for authorized*
11 *purposes such as production, injection, or*
12 *monitoring and for which either no operator*
13 *can be found or the operator is unable to*
14 *permanently plug the well and remediate*
15 *and reclaim the well site; and*

16 “(B) *with respect to State or private land—*

17 “(i) *has the meaning given to such*
18 *term by such State if the Secretary deter-*
19 *mines under subsection (b)(3)(C)(iii) that*
20 *such definition is reasonable; or*

21 “(ii) *has the meaning given in sub-*
22 *paragraph (A).*

23 “(6) *TRIBAL LAND*.—*The term ‘Tribal land’*
24 *means any land or minerals, or interests in land or*
25 *minerals, owned by any Indian Tribe, the title to*

1 *which is held in trust by the United States, or is sub-*
 2 *ject to a restriction against alienation under the laws*
 3 *of the United States.*

4 “(j) *AUTHORIZATION OF APPROPRIATIONS.—There are*
 5 *authorized to be appropriated for fiscal year 2021, to re-*
 6 *main available until September 30, 2031—*

7 “(1) *to the Secretary—*

8 “(A) *\$400,000,000 to carry out the program*
 9 *under subsection (a);*

10 “(B) *\$1,500,000,000—*

11 “(i) *to provide grants under paragraph*
 12 *(2) of subsection (b); and*

13 “(ii) *to provide, beginning on the date*
 14 *that is 18 months after amounts are made*
 15 *available to carry out this section, grants*
 16 *under paragraph (4) of such subsection;*

17 “(C) *\$3,500,000,000 to provide grants*
 18 *under paragraph (3) of such subsection;*

19 “(D) *\$2,250,000,000 to provide grants*
 20 *under paragraph (4) of such subsection; and*

21 “(E) *\$300,000,000 to carry out subsection*
 22 *(c);*

23 “(2) *to the Secretary of Energy, \$48,000,000 to*
 24 *conduct research and development activities in co-*
 25 *operation with the Interstate Oil and Gas Compact*

1 *Commission to assist the Federal land management*
 2 *agencies, States, and Indian Tribes in identifying*
 3 *and characterizing undocumented orphaned wells and*
 4 *mitigating the environmental risks of undocumented*
 5 *orphaned wells; and*

6 *“(3) to the Interstate Oil and Gas Compact*
 7 *Commission, \$2,000,000 to carry out this section.”.*

8 *(b) CLERICAL AMENDMENT.—Section 1(b) of the En-*
 9 *ergy Policy Act of 2005 is amended in the table of contents*
 10 *by amending the item relating to section 349 to read as*
 11 *follows:*

“Sec. 349. Orphaned well site plugging, remediation, and restoration.”.

12 **SEC. 3. AMENDMENT TO MINERAL LEASING ACT.**

13 *Section 17(g) of the Mineral Leasing Act (30 U.S.C.*
 14 *226(g)) is amended by inserting “The Secretary concerned*
 15 *shall review the adequacy of each such bond, surety, or other*
 16 *financial arrangement anytime a lease issued under this*
 17 *section is transferred. Each such bond, surety, or other fi-*
 18 *nancial arrangement shall be considered inadequate if such*
 19 *bond, surety, or other financial arrangement is for less than*
 20 *\$150,000 in the case of an arrangement for an individual*
 21 *surface-disturbing activity of each entity on an individual*
 22 *oil or gas lease in a State, or \$500,000 in the case of an*
 23 *arrangement for all surface-disturbing activities of each en-*
 24 *tity on all oil and gas leases in a State.” after “on the*
 25 *lease.”.*

Union Calendar No. 464

117TH CONGRESS
2D Session

H. R. 2415

[Report No. 117-645]

A BILL

To amend the Energy Policy Act of 2005 to require the Secretary of the Interior to establish a program to permanently plug, remediate, and reclaim orphaned wells and the surrounding lands and to provide funds to States and Tribal Governments to permanently plug, remediate, and reclaim orphaned wells and the surrounding lands, and for other purposes.

DECEMBER 15, 2022

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed