

U.S. Department of the Interior Orphaned Wells Program Office

Revised State Matching Grant Guidance Frequently Asked Questions and Answers

July 2025 – Updated

Q1: Why did the Department issue revised State Matching Grant Guidance?

The Department of the Interior revised the State Matching Grant Guidance to ensure that implementation of the Orphaned Wells Program is consistent with the Administration's policy priorities to promote the advancement of energy development and fiscal responsibility. Revising the guidance to eliminate non-statutory requirements and reduce the post-award burdens on grant recipients will accelerate well plugging activities and support the Department's efforts to unleash American energy.

Q2: How has the guidance changed?

The Revised State Matching Grant Guidance eliminates non-statutory requirements and reduces the application and post-award burdens on States. As an example, the application requirements are now closely aligned with the language in the authorizing statute and reflect this Administration's priority to de-regulate and cut red tape. In addition, the burdensome post-award requirements added by the previous Administration, such as pre- and post-plugging methane measurement, have been eliminated. Similarly, post-award limitations, such as the prohibition on carbon credits, have been removed. With the revised guidance, grant recipients now have the flexibility to use awarded grant funding to support their State well plugging priorities.

Q3: When is the revised guidance effective?

The Revised State Matching Grant Guidance is effective immediately. Eligible States may use the revised Guidance to submit Matching Grant applications to the Department via GrantSolutions.gov.

Q4: How much Matching Grant funding is available?

Each State fiscal year, eligible States may apply for and receive a Matching Grant from the Department equal to what the State commits to spend in that fiscal year if the amount is greater than the average spent by the state between State fiscal years 2010 and 2019. Each State may apply for and receive only one Matching Grant per State fiscal year but may receive multiple Matching Grants over the duration of the program provided that the total awarded funding does not exceed \$30 million per State. By incentivizing grant recipients to increase funding for their State orphaned well programs, these grants help accelerate well plugging activities and support the Department's efforts to unleash American energy.

Q5: What if a State applied for a grant under the previous guidance?

The Department will incorporate the Revised State Matching Grant Guidance into all new Matching Grant awards. States that timely submitted a Matching Grant application prior to the issuance of the revised guidance may revise their applications, including Budget Proposals and Workplans. However, States are not required to submit new applications. While the Department will contact applicants to discuss any necessary revisions prior to award, States are encouraged to submit revised application

materials as soon as possible. Timely submission of updated budget proposals and workplans will ensure that the Department is able to award grants as expeditiously as possible.

Q6: Does the revised Guidance apply to existing Matching Grants?

The Guidance applies to existing awards. States are encouraged to submit revised materials requesting amendments to the terms and conditions of their Notices of Award as soon as possible. Timely submission of revised materials will help ensure that the Department is able to amend the Notice of Award to incorporate the revised Guidance as expeditiously as possible. The Department will contact States to discuss any revisions prior to amending the Notice of Award for existing Matching Grants. Unless otherwise indicated by the Financial Assistance Officer, grant recipients must comply with the existing terms and conditions of award until the Notice of Award is updated.

Q7: Why did the Department remove the Endangered Species Act and the National Historic Preservation Act requirements?

Based on the authorizing statute, the Department determined that activities funded by Matching Grants are not subject to the Section 7 of the Endangered Species Act, nor are they “undertakings” subject to Section 106 of the National Historic Preservation Act. The revised guidance removes those requirements. Eliminating the non-statutory requirement for a burdensome process created by the previous Administration reflects Secretary Burgum’s priority to de-regulate and cut red tape, thus reducing the post-award burden on grant recipients, accelerating well plugging activities, and supporting the Department’s efforts to unleash American energy.

Q8: Can grant recipients use funding for activities that are not in the revised guidance but were allowable or required before?

Certain activities, such as pre- and post-plugging methane emissions measurement, are allowable uses of grant funding even though they are no longer required activities. Grant recipients are encouraged to contact their Financial Assistance Officer Representative within the Orphaned Wells Program Office for additional information and to resolve any grant-specific questions.

Q9: Is the Department planning to revise other Orphaned Wells Grant Programs?

In the near term, grant recipients and applicants can expect to see similar revisions to the Department’s other Orphaned Wells Grant Programs. Specifically, the Department is working to revise the Tribal Grant Program. The State Regulatory Improvement Grant program is undergoing additional policy review and programmatic revisions to ensure that any associated grants will not place any undue regulatory burden on States.

Q10: Can a State amend the Matching Grant amount that it previously applied for in State fiscal year 2025?

A State that timely submitted its application for a Matching Grant for State fiscal year 2025 may revise the amount that it applies for if the increase or decrease is justified. States are encouraged to submit their revised Budget Detail for State Average 2010-2019 and Certified Amounts Spreadsheet by Thursday, July 24, 2025, and may submit additional revised information, *e.g.*, Workplan, Budget Detail, after the deadline. While the Department will accept revised workplan and budget documents

after the suggested deadline, we want to advise States that delays in the submission of revised application documents may impact the date of final award issuance.

The Matching Grant amount that a State may apply for is based on the Certified Amount. A State's Certified Amount includes both actual outlays made in the applicable State fiscal year (provided that they were not previously counted as an obligation in previous fiscal years for certified amount purposes) and obligations incurred during that same State fiscal year. Most Matching Grant eligible States have fiscal years that run from July 1 to June 30. While the Department anticipates that it will award Matching Grants for State fiscal year 2025 after the end of the relevant States' fiscal years, these awards should not affect the timing associated with fiscal year 2026 applications and awards.

As a reminder, a State may not receive more than a total of \$30 million in Matching Grants.

For general information, please visit <https://www.doi.gov/orphanedwells>. Members of the press and other media may contact Interior_Press@ios.doi.gov.