

**Frequently Asked Questions, BIL Sec. 40601 Orphaned Well Plugging and Site Remediation –  
Initial State and Private Grants**

**April 12, 2022**

**Q: Why isn't the Department of the Interior mandating either the measurement and monitoring of methane emissions, or that projects be prioritized if they are near communities of color, low-income communities, and Tribal and Indigenous communities, as provided in the IJA/BIL?**

The Bipartisan Infrastructure Law requires the Secretary of the Interior to distribute initial grants to states if they make the certifications listed in the law. Those certifications do not include, for example, pre-plugging methane measurement.

However, the Department agrees with the commentors who pointed out that methane reduction and reducing impacts on Tribal and disadvantaged communities are positive benefits that should be maximized through the initial grants, and is working with states to encourage voluntary adoption of additional measures to maximize these benefits. The Department is also ready to provide technical assistance to states on methane measurement, plugging and reclamation standards, and data management to ensure successful execution of the programs.

**Q: Why doesn't the Department of the Interior standardize the prioritization system across States?**

As noted, the BIL does not require specific prioritization schemes as a condition of receiving an initial grant. The Department also acknowledges that differences in climate, geology, and other factors create legitimate reasons for states to prioritize wells differently.

**Q: Will things like methane measurement and consideration of environmental justice impacts be required for Formula and Performance grants?**

The Department is still developing the guidance for the formula and performance grant programs and will share draft guidance documents for review for those two programs.

**Q: How will DOI ensure that this money isn't being used to plug wells for companies that still exist and are simply trying to avoid their cleanup obligations?**

For the federal orphaned well program, the land management agencies will conduct detailed reviews to ensure that any potentially responsible parties are held accountable. The law incorporates state definitions of orphaned wells, and only wells determined by states to be orphaned are eligible for remediation using this grant funding. The law does not disturb a well owner's liability for the well, and allows states to seek reimbursement for plugging and reclamation costs from such owners if they are found.

**Q: Why isn't DOI requiring that states bundle plugging work into larger contracts?**

The BIL does not list bundling among its certification requirements. However, while not required, bundling work will likely be a natural feature of state contracts, since orphaned wells are often found in clusters that lend themselves to multi-well contracts. In addition, the federal government will be making every effort to coordinate with states before signing plugging contracts, so as to increase efficiency and reduce costs. The final initial grant guidance also strongly encourages and provides direction for states to coordinate with the federal government before entering into their own plugging contracts.

**Q: Why should states measure methane emissions when that will take money away from plugging and reclamation work?**

Methane reduction is a major priority of this program, and only by measuring methane pre- and post-plugging can taxpayers be assured that methane emissions are being reduced. An interagency team has developed methane measurement guidelines that allow states to measure methane in a cost-effective manner. The federal government will reevaluate these guidelines as newer technology becomes available. The Department also expects that as more people are trained to perform methane measurements on orphaned wells, the cost of performing such measurements will fall.

**Q: How exactly do all the deadlines in the initial grant program work?**

The law requires states to certify that they will "use" at least 90 percent of their grant money within the first 90 days "after the date of receipt" of their grant funds, and that any "unobligated" funds must be returned 1 year after the date of receipt.

The Department has worked with states to provide maximum flexibility for grant money within the confines of the BIL . While the Department must "award" the grant within 30 days of receiving a completed grant application, the BIL does not require a state to "receive" that money immediately, and the Department will allow states to delay receipt for up to 90 days after award.

"Obligate" is a legal term meaning that a state has made a definite commitment, such as a contract, to spend the money. "Obligate" does not mean the money must be received by the state's counterparty. As long as a state has obligated the money by entering into contracts or other commitments before the deadlines, that state will have complied with the BIL.