United States Department of the Interior

OFFICE OF THE SECRETARY
Washington, DC 20240

December 17, 2021

Dear State Agency Representative:

The Bipartisan Infrastructure Law (BIL) was signed into law by President Biden on November 15, 2021. Among the many significant provisions of the BIL is Section 40601 of Division D, "Orphaned Well Site Plugging, Remediation, and Restoration," which directs the Secretary of the Interior to establish programs to fund the proper closure and cleanup of orphaned wells and well sites on Federal, State, and Tribal lands.

The State Programs under the BIL are divided into three types of grants:

1. Initial Grants, with a **May 15, 2022, deadline** for state applications;
2. Formula Grants, which require a **State Notice of Intent by December 30, 2021**; and
3. Performance Grants

This letter is to notify you of 1) the requirement to submit a Notice of Intent to apply for Formula Grants, and 2) the opportunity to apply for either of two kinds of Initial Grants.

The format to use when applying for Formula Grants and Performance Grants is still being developed and we will provide additional information about those types of grants in the coming weeks.

Eligible Activities

The BIL outlines eligible activities for reclaiming orphaned wells. For orphaned wells located on State-owned or privately-owned land, funds may be used to plug wells and remediate and reclaim lands impacted by associated development activities, including the removal of infrastructure associated with the well(s). States will need to rank orphaned wells based on considerations related to public health and safety, potential environmental harm, and other land use priorities. States will also be required to share performance progress on a public website.

Formula Grant Notice of Intent

While detailed guidance for Formula Grants and Performance Grants, application formats, and reporting requirements are still being developed, please note that the BIL requires States to submit a *Notice of Intent* to the Department of the Interior **no later than December 30, 2021, if they intend to apply for a Formula Grant at a later date.** The Interstate Oil and Gas Compact Commission has developed and circulated a template that States may use to submit their Formula Grant Notice of Intent. Use of that template is not required. However, please be aware that the BIL states that Formula Grant Notices of Intent must include the following information:

(1) the number of job losses in the oil and gas industry in the State during the period between March 1, 2020, and November 15, 2021;
(2) the number of documented orphaned wells located in the State; and

(3) the projected cost to plug or reclaim those orphaned wells, reclaim adjacent land, and decommission or remove associated pipelines, facilities, and infrastructure.

Please submit Formula Grant Notices of Intent to the Department of the Interior via the following email address by midnight Eastern Time on December 30, 2021: ***ECRP@ios.doi.gov***.

Initial Grants Application Process

Each State may receive up to $25,000,000 for eligible activities if it meets the requirements in the BIL by certifying that:

(1) the State is a Member State or Associate Member State of the Interstate Oil and Gas Compact Commission;
(2) there are 1 or more documented orphaned wells located in the State; and
(3) the State will use not less than 90 percent of the funding requested under this subsection to issue new contracts, amend existing contracts, or issue grants for plugging, remediation, and reclamation work by not later than 90 days after the date of receipt of the funds.

The application should include an SF-424, SF-424A, SF-LLL, budget justification, workplan, as well as the certifications required by the BIL.

In lieu of the larger Initial Grant described above, a State may instead request up to $5,000,000 if the state certifies it has in effect a plugging, remediation, and reclamation program for orphaned wells; has the capacity to initiate such a program; or will use the grant to carry out any administrative actions necessary to develop an application for a Formula or Performance Grant. The smaller initial grants will also require an application that includes an SF-424, SF-424A, SF-LLL, budget justification, workplan, as well as the certifications required by the BIL.

Additional guidance for Initial Grants, including a template for applications, will be forthcoming. Once that guidance has been distributed, applications may be submitted to ***ECRP@ios.doi.gov***. **The deadline to submit applications for Initial Grants is May 15, 2022.**

Subject to the availability of appropriations, Initial Grants will be distributed within 30 days of receipt of a complete application. States must reimburse the Department in an amount equal to the amount of the funds that remain unobligated on the date that is 1 year after the date of receipt of the funds. Not later than 15 months after the date on which a State receives an Initial Grant, the State must submit to the Department a report that describes how the State used the funds in accordance with its application certification.

We look forward to working with you closely in the implementation of this important initiative.

Sincerely,

Winnie Stachelberg
Senior Advisor and Infrastructure Coordinator