

Oil and Gas Program Bonding Update

Utah Division of Oil, Gas and Mining

Deputy Director Bart Kettle

November 17, 2021



Utah Division of Oil, Gas and Mining

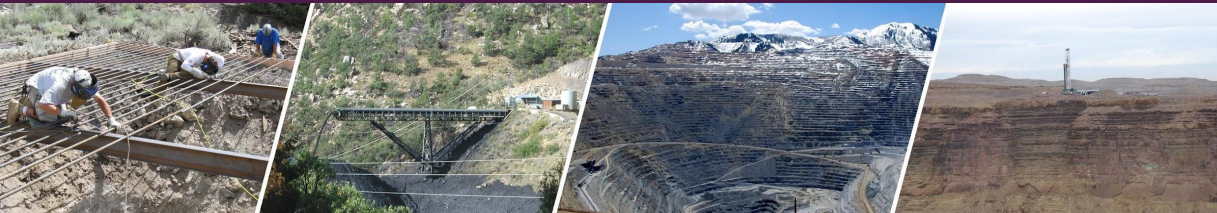
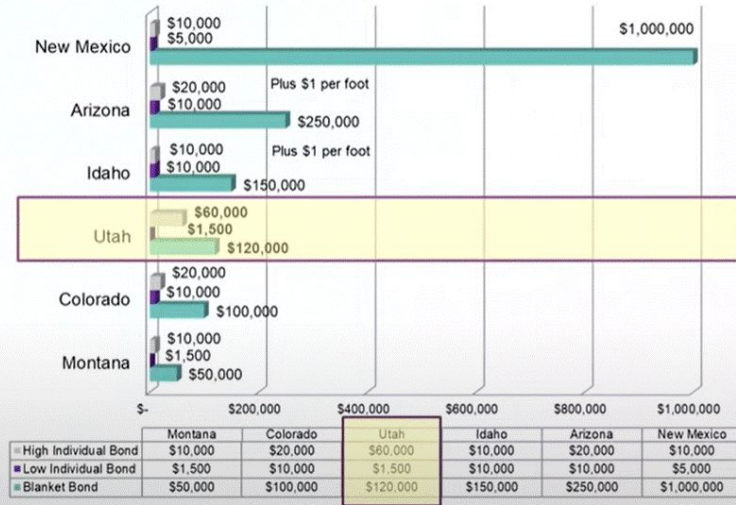
Current Bonding Enforcement

- Dedicated staff positions evaluating bond amounts
- Active idle well management
- Administrative Penalties
- Data driven decision making

Purpose of Bonds

- Well plugging and site reclamation
- Address waste or pollution issues
- Protects surface land owners
- Reduces risk to state and taxpayers

Last bond update was in 2002.

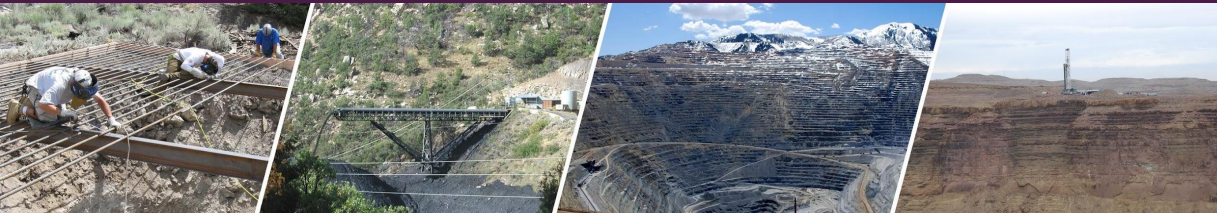
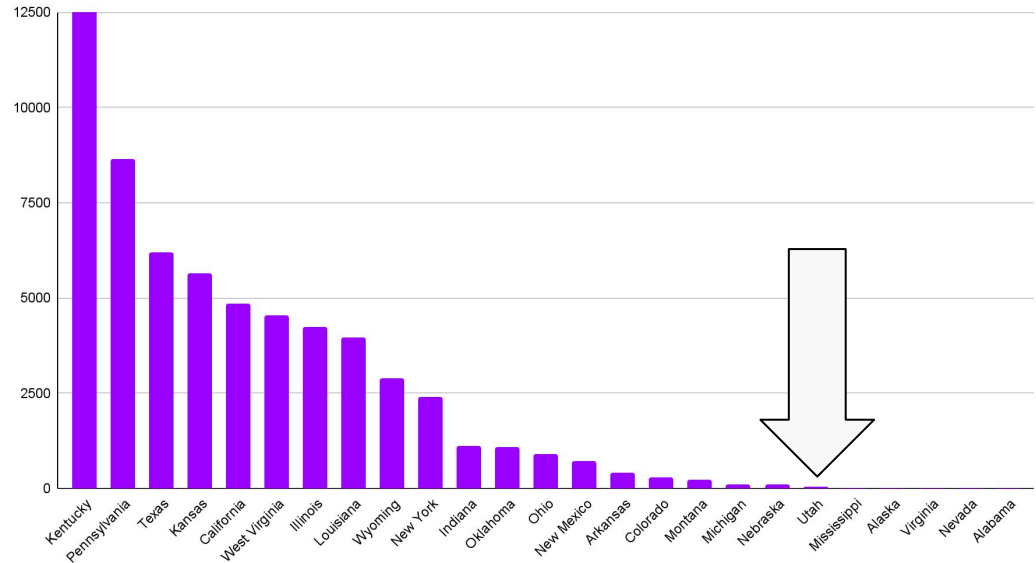


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Orphan wells in Utah

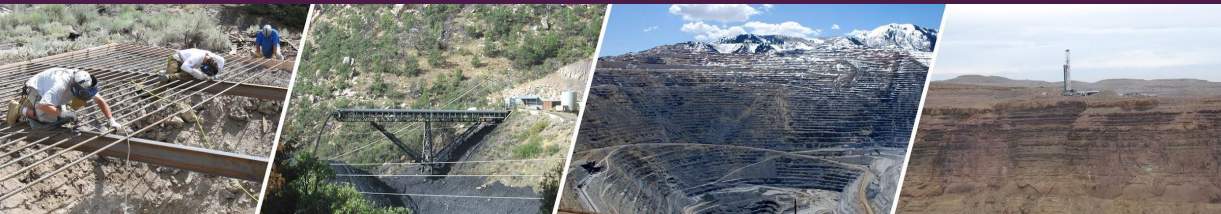
- 41 Orphan wells
- Active Program since 1992
 - Plugged 117 wells
- Source of Funding
 - Bond forfeitures
 - Conservation fund dollars
 - Potential Infrastructure Bill funding
- Cost Range
 - Site Specific
 - \$7,000-\$150,000

2019 Orphan Wells by State



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- **What has been done**
 - 2020 Penalty Statute in SB 148
 - 2020 full time position dedicated to idle well management
 - 2021 Funding Severance Tax SB 133
- **In Progress**
 - 2021 Idle Well Workflow Application and Prioritization Module
 - 2021 Bond Review Module
- **Remaining Needs**
 - Attorney General position
 - Appropriation increase
 - Completion of Bonding Rulemaking



Questions?

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