



RESOLUTION 20.071

Urging the United States Congress to Adopt Legislation to Stimulate the National Economy and Promote Energy Independence by Plugging Orphan Wells

WHEREAS, the COVID-19 global pandemic and global oversupply triggered a historic downturn in crude oil prices and fuel consumption, forcing North American oil and gas producers to slash production and cut the workforce; and

WHEREAS, the maintenance of a trained and experienced oil and gas workforce is fundamental to maintaining energy independence and security for the United States; and

WHEREAS, Rystad Energy Research Services estimates more than a million oil worker jobs are at risk to be cut in 2020 due to low project volumes brought by the COVID-19 pandemic and the ongoing global oil price dispute; and

WHEREAS, at the Annual Business Meeting of the Interstate Oil and Gas Compact Commission (IOGCC) held in July 2020, IOGCC discussed the need to maintain a stable workforce of oilfield workers vulnerable to layoff during the COVID-19 pandemic; and

WHEREAS, IOGCC reported in its 2019 study, "Idle and Orphan Oil and Gas Wells: State and Provincial Regulatory Strategies," that 30 states reported a total of 56,600 documented orphan wells and an average orphan well plugging expenditure of \$18,940 in 2018; and

WHEREAS, the government of Canada adopted a C\$1.7 billion economic stimulus effort to clean up its orphaned wells in Alberta, Saskatchewan and British Columbia; the funding is expected to retain and create approximately 10,000 well-paying jobs in the energy sector; and

WHEREAS, orphan wells and well sites may pose a risk to the environment, public health, and safety if not properly plugged and restored; and

WHEREAS, federal economic stimulus funds to the states to plug orphan wells in accordance with state laws, along with research funding to assist the states in documenting and assessing orphan wells, can provide jobs to sustain the oil and gas workforce and their local communities and address potential environmental harms; and



WHEREAS, IOGCC's mission to promote the conservation and efficient recovery of domestic oil and natural gas resources, while protecting health, safety, and the environment, correlates with the purposes of this federal stimulus request.

NOW, THEREFORE, BE IT RESOLVED THAT, the Interstate Oil and Gas Compact Commission does hereby support and endorse legislative actions by Congress to provide at least five years of federal funding for states to plug orphan wells and restore orphan well sites in accordance with state laws plus funding for research to assist states in documenting and assessing currently undocumented orphan wells; and further requests that the members of the congressional delegation of each IOGCC state take action as necessary to achieve this objective.

I certify that this is a true and correct copy of the resolution adopted by the Commission on July 21, 2020.

/s/ Lori Wrotenbery

Lori Wrotenbery
Executive Director
Interstate Oil and Gas Compact Commission

