



Infrastructure Investment and Jobs Act

FLASH REPORT: ORPHANED WELLS PROGRAMS

THE U.S. DEPARTMENT OF THE INTERIOR'S EFFORTS TO COLLECT DATA TO MEET ANNUAL ORPHANED WELLS PROGRAMS REPORTING REQUIREMENTS

The President signed the Infrastructure Investment and Jobs Act (IIJA), Pub. L. No. 117–58, into law on November 15, 2021. The IIJA authorizes \$4.7 billion for the U.S. Department of the Interior (DOI) to create programs to plug, remediate, and reclaim orphaned wells on Federal, State, Tribal, and private lands. The IIJA requires the DOI to submit an annual report to Congress that includes the following information:

1. Descriptions of the orphaned wells programs established and grants awarded under the IIJA.
2. Updated inventories of orphaned wells or wells at risk of becoming orphaned that are located on Federal, State, Tribal, and private lands.
3. Estimates of the quantities of methane and other gases emitted from orphaned wells and the estimated reduction in emissions due to plugging, remediating, and reclaiming orphaned wells.
4. Number of jobs created and saved through plugging, remediating, and reclaiming orphaned wells.
5. Acreage of habitat restored using grants awarded to plug, remediate, and reclaim orphaned wells and adjacent land, as well as descriptions of future uses of the land.

The DOI submitted its first annual report to Congress on December 5, 2022.¹ We are issuing this flash report to provide information on the status of the DOI's efforts to comply with the annual reporting requirements and the challenges related to compliance.

Summary of the First Report to Congress

The first report to Congress provides background information on the IIJA and orphaned wells programs for Federal, State, and Tribal lands; milestones accomplished for each program; estimated numbers of orphaned wells; metrics for each program; and the status of data elements required for the annual report.² The DOI has collected some data and is in the process of implementing plans to collect additional data for each of the IIJA's five required elements (see Figure 1). The Office of Environmental Policy and Compliance (OEPC) has been working with the Interior Business Center to create a new database to maintain orphaned wells data for the purpose of meeting the IIJA reporting requirements. Each week, the database project manager and database developer provided status updates to the OEPC. The database became available in December 2022 for bureaus to upload orphaned well data for OEPC use.

¹ The IIJA requires the report to be submitted to Congress no later than 1 year after the IIJA's enactment and annually thereafter. The anniversary of the IIJA's enactment was November 15, 2022.

² A copy of the report can be found on the DOI's Legacy Pollution Remediation and Reclamation website (<https://www.doi.gov/sites/doi.gov/files/fy22-ecrp-congressional-report.pdf>).



The DOI's Progress in Collecting Information

Figure 1: The DOI's Progress in Collecting Information for Required Reporting Elements

Reporting Element	Data Available? ³	Progress
Descriptions of the orphaned wells programs established.	Yes	The DOI provided a spend plan to Congress in February 2022 detailing the Federal, State, and Tribal orphaned wells programs. The DOI has issued \$560 million in initial grants to States, started drafting guidance for State formula grants, and issued guidance for Tribal grants.
Updated inventory of orphaned wells or wells that are at risk of becoming orphaned.	No	The OEPC has stated that it intends to collect updated information from Federal, State and Tribal entities to include in the new database. The annual report contains estimated numbers of orphaned and abandoned wells from the U.S. Geological Survey and the Environmental Protection Agency.
Estimates of orphaned well emissions of methane and other gases as well as reductions in emissions.	No	<p>The DOI published a methane testing protocol for the Federal program. The U.S. Fish and Wildlife Service tested methane and other gas measurement tools and the mobile application for well surveys in various wildlife refuges. For most sites without complex infrastructure, the DOI reported that surveys were done in less than 20 minutes. For example, of the 20 wells tested in Deep Fork National Wildlife Refuge, OK, 16 had detectable methane levels.</p> <p>No wells have been plugged to date using IIJA funds. However, once wells are plugged OEPC protocols and existing State methods provide for the testing of emissions reductions.</p>
Number of jobs created and saved.	No	The DOI approved the use of an economic tool approved for other DOI programs to measure the number of jobs created and saved through projects supported by IIJA funding. Per the annual report, the DOI estimates that the FY 2022 obligations supported 7,250 jobs, with 2,615 directly related to the IIJA.
Acreage of habitat restored.	No	Because there were no FY 2022 projects that reached the revegetation stage, the annual report does not contain habitat restoration data. The DOI has field tested a mobile application that provides a method of marking an orphaned well location and its surrounding area affected by the well's infrastructure.

The DOI also has data available or has stated that it is in the process of implementing plans to collect the data for the additional items referenced in the IIJA but not listed as a requirement for the annual report to Congress (see Figure 2).

Figure 2: The DOI's Progress in Collecting Additional Data Referenced in the IIJA

Data Element	Data Available?
Inventory of idled wells on Federal land the Bureau of Land Management will periodically review.	Yes
Information that would be useful for the inventory of orphaned wells located on Federal, State, Tribal, and private lands, such as the date a well entered a given status, location, and unique record identifier.	Yes
Estimated or actual costs to plug, remediate, and reclaim orphaned wells.	Yes
Estimated or measured contamination of groundwater or surface water associated with orphaned wells.	No

³ This column in Figures 1 and 2 addresses whether the DOI identified this category of information as available for reporting purposes. For entries labeled "No," the DOI was able to collect some, but not all, data for the first report, which was submitted to Congress on December 5, 2022.



Challenges for Collecting Annual Reporting Data

Challenges for Collecting Annual Reporting Data

The first report to Congress is primarily a narrative rather than a summary of data elements because so few data were available pertaining to contract or financial assistance awards. We found that the limited availability of data was due to timing of funding, the need to verify data, security of data collection, IJA requirements for information, and capacity for data collection.

Timing of Funding

The DOI and the U.S. Department of Agriculture's U.S. Forest Service (USFS) had limited time to collect all required reportable data once they received IJA funding. Specifically, the DOI told us that obtaining data for the first report presented challenges because the funds were not apportioned to DOI bureaus and the USFS until May 2022; initial grants were not issued to States until August 2022, and the required information was not typically collected by States or bureaus prior to the IJA (e.g., jobs saved and estimated emissions). The DOI did, however, make some progress in data collection.

For example, as of September 30, 2022, the Bureau of Land Management (BLM) had issued contracts in August 2022 for plugging and remediating wells located in Utah and California. The U.S. Fish and Wildlife Service (FWS) entered into a cooperative agreement with Louisiana for orphaned wells on Federal lands. The National Park Service (NPS) included terms in a contract for the reclamation of well sites in Louisiana. See Figure 3 for a list of awards. As additional contracts, grants, and other agreements are awarded using IJA funds, more data will become available to the DOI for use in its annual reports to Congress.

Figure 3: Awards for Addressing Orphaned Wells as of September 30, 2022

Bureau	Award Type	Description	Amount (\$)
BLM	Firm Fixed Price (FFP) Contract	Plugging and reclamation of 11 orphaned wells in Utah	877,352
	FFP Purchase Order (PO)	Emission measurement services for 8 orphaned wells in Utah	19,800
	FFP Contract	Orphaned well plugging and reclamation in California	251,503
	Time and Materials PO	Emission measurement services for orphaned wells in California	38,686
FWS	Cooperative Agreement	Plugging and remediation of 151 orphaned wells on national wildlife refuges in Louisiana	12,675,000
NPS	FFP Contract	Plugging and remediation of 3 orphaned wells in Louisiana	300,000
Total			\$14,162,341



Challenges for Collecting Annual Reporting Data

Verification of Data

Although the Federal orphaned wells program has been in place for many years, most bureaus stated that they were in varying stages of verifying their orphaned wells inventories to ensure the data were current and accurate. For example:

- The Bureau of Indian Affairs (BIA) is currently building its inventory using existing BLM, Office of Natural Resources Revenue, State, and other inventories. In the first phase of this project, the BIA is verifying each potential orphaned well in Utah.
- The FWS began populating its orphaned well database using State data. In 2016, the FWS began verifying and updating well data through site surveys and inspections.
- The NPS stated that it is performing site surveys and inspections to verify well information for the more than 1,800 wells located on its lands.
- The USFS identifies orphaned wells through inspections and information the public provides on well locations. It is developing a revised database to meet reporting requirements.

Security of Data Collection

The OEPC is currently determining how to collect data effectively and securely from States and the USFS. The OEPC has created and provided a template for States and the USFS to use when reporting data to the DOI, which the DOI can consolidate and input into its database. The OEPC is considering how to allow States and the USFS to access and input information into the database directly. According to the OEPC, however, there are ongoing data security and accuracy concerns regarding access that still need to be addressed.

IJA Requirements for Information

The IJA does not specifically identify the detailed information that States applying for initial grants must provide the OEPC for its annual report to Congress. Due to OEPC's stated concerns about requiring information outside of the specific language in the IJA or Federal regulations (namely, 2 C.F.R. § 200, "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards"), the

OEPC recommended but did not require that States provide some key information. For example, the OEPC recommended that the State provide information regarding:

- Processes for determining orphaned well status.
- Descriptions of State plugging standards.
- Processes for ranking orphaned wells.
- Methodology for tracking methane emissions and water contamination and the processes for confirming the effectiveness of plugging efforts to reduce contamination.

Because the IJA includes specific requirements related to the data elements that States are required to provide when applying for formula grants, the OEPC intends to add those requirements to its State formula grant guidance, which it will issue in the coming months.

Capacity for Data Collection

Another challenge is the OEPC's capacity to collect the information and data for the annual report and to manage the orphaned wells programs. To address its capacity issues, the OEPC is hiring a data analyst to review data entered into the database and format the information to meet annual reporting requirements. The OEPC also contracted with a third party to prepare the first report to Congress, which the DOI submitted on December 5, 2022. On January 10, 2023, the DOI announced⁴ the formation of a new Orphaned Wells Program Office under the Assistant Secretary for Policy, Management and Budget. This new office was set up with the intention of enabling better communication with States and Tribes and ensuring timely and transparent implementation of the orphaned wells program.

⁴ See <https://www.doi.gov/pressreleases/secretary-haaland-establishes-orphaned-wells-program-office-implement-historic>.



Scope and Methodology

Scope and Methodology

We conducted our inspection in accordance with the *Quality Standards for Inspection and Evaluation* as put forth by the Council of the Inspectors General on Integrity and Efficiency. To accomplish our objectives, we observed data recorded in information systems to obtain an understanding of IJA orphaned wells programs; researched the IJA for annual report requirements; reviewed data sets provided by DOI bureaus and the USFS; obtained a copy of the FY 2022 annual report submitted to Congress; and interviewed DOI and bureau officials to gain an understanding of orphaned wells data collection. We did not verify the accuracy of bureaus' orphaned wells data as part of our inspection. However, we observed DOI bureau officials downloading the data sets from source systems and databases.





LOOKING AHEAD

The DOI has stated that it will award most of its IJJA funding through contracts and grants. As we have described in other contexts, given the large amount of funding that is being quickly distributed, there is an increased risk of fraud and misuse. Our current and planned oversight efforts of the orphaned wells program include the following:

Current Oversight Efforts

- We are reviewing the status of recommendations in an evaluation (Report No. 2016–EAU–061, *Bureau of Land Management's Idled Well Program*) of the BLM's idled well review policy and data entry in its Automated Fluid Minerals Support System. This system is used to track oil and gas information on public and Tribal lands.

Planned Oversight Efforts

- We plan to review the reliability and accuracy of data provided by bureaus for monitoring and reporting on orphaned wells activities and perform data analysis to identify potential weaknesses, risk areas, and other orphaned wells data concerns.
- We plan to review contract and grant cost oversight and compliance with Federal regulations, award terms, and the IJJA.

To prevent fraud, waste, and abuse, our office anticipates that we will regularly:

- Host discussions and provide training to DOI employees, grant recipients, and contractors.
- Enhance detection through data analysis and the development of sources of investigative information.
- Improve oversight through focused training of investigators, auditors, and inspectors.
- Coordinate oversight efforts throughout the Inspector General community and share results, trends, and best practices.



REPORT FRAUD, WASTE, ABUSE, AND MISMANAGEMENT

The Office of Inspector General (OIG) provides independent oversight and promotes integrity and accountability in the programs and operations of the U.S. Department of the Interior (DOI). One way we achieve this mission is by working with the people who contact us through our hotline.



If you wish to file a complaint about potential fraud, waste, abuse, or mismanagement in the DOI, please visit the OIG's online hotline at **www.doioig.gov/hotline** or call the OIG hotline's toll-free number: **1-800-424-5081**

Who Can Report?

Anyone with knowledge of potential fraud, waste, abuse, misconduct, or mismanagement involving the DOI should contact the OIG hotline. This includes knowledge of potential misuse involving DOI grants and contracts.

How Does it Help?

Every day, DOI employees and non-employees alike contact the OIG, and the information they share can lead to reviews and investigations that result in accountability and positive change for the DOI, its employees, and the public.

Who Is Protected?

Anyone may request confidentiality. The Privacy Act, the Inspector General Act, and other applicable laws protect complainants. Section 7(b) of the Inspector General Act of 1978 states that the Inspector General shall not disclose the identity of a DOI employee who reports an allegation or provides information without the employee's consent, unless the Inspector General determines that disclosure is unavoidable during the course of the investigation. By law, Federal employees may not take or threaten to take a personnel action because of whistleblowing or the exercise of a lawful appeal, complaint, or grievance right. Non-DOI employees who report allegations may also specifically request confidentiality.