

**U.S. Department of Interior
North Dakota State Orphaned Wells Program
Grant No.: D22AP00231-07
Final Performance Report**

Summary of Activities

The North Dakota Industrial Commission - Department of Mineral Resources (DMR) applied for and was awarded the \$25 million State Initial Grant authorized by Section 40601(c)(3) of the Bipartisan Infrastructure Law (BIL; Public Law 117-58). The NDIC used Initial Grant funds to implement and carry out an orphaned well plugging and reclamation program as provided under Section 40601(c)(2) of the BIL.

The DMR identified several wells located on State-owned or privately-owned land in North Dakota that meet the North Dakota statutory definition of orphaned wells within Section 40601. After wells were properly identified, DMR followed North Dakota procurement laws to bid the work and awarded contracts for plugging wells and reclaiming well sites. This part of the project required a joint effort from private service companies, state government, and appropriate federal agencies. The awarded contractors followed approved plugging procedures with guidance and oversight from State inspectors. DMR worked with the North Dakota Department of Environmental Quality for emission tracking on wells (see Methane Emissions on page 3).

Once the wells were plugged, DMR had reclamation contractors submit reclamation plans to be approved by the state. Reclamation of the well sites then proceeded to restore locations back to as close to original as practicable. Administrative staff reviewed all reclamation report documents and ensured work was done in accordance with the approved reclamation procedure before final payment.

For the entire Initial Grant program, DMR oversaw plugging of 73 orphaned wells and oversaw reclamation work on 115 orphaned well sites of which 112 were completed. Originally, 114 well sites were slotted for reclamation work, but remaining grant funds allowed reclamation work to continue. During the entire process DMR prioritized orphaned wells by evaluating each well's impact on public health and safety, and potential environmental risks while all work ensued.

This project benefited the state through the removal of wells that could cause environmental impacts. Additionally, the project returned much needed lands back to agriculture production. The work from this project benefited citizens in the state through employment opportunities, reduced emissions, reduced risk of ground water and surface water contamination, and land returned to recreational use and agriculture production.

The Initial Grant underwent seven amendments. The last amendment permitted a budget adjustment moving administrative costs to contracting costs. This realignment of funds allowed for reclamation work on another well site. The grant amendment also allowed a project end date

extension to November 30, 2025. This change allowed more work to be completed on well sites and allowed more time to use up as much of the grant funds as possible.

Grant Administration

For the entire Initial Grant program, AG Witt managed the administration of the federal reporting, provided input on fiscal management of the program, and provided assistance to DMR in meeting all Federal requirements of the grant. DMR and AG Witt had coordination meetings at least once a month and more frequently when needed. The meetings consisted of going over wells plugged and/or reclaimed, summary of work completed, contractor invoices received, and certified payroll.

AG Witt provided DMR a tracking spreadsheet each month that included a summary update of wells that had either been plugged or remediated. DMR used this information to update their website providing plugging and reclamation progress to the public. The website is located at <https://www.dmr.nd.gov/dmr/ijja/initialgrant>.

Contracts Awarded & Work Completed

Plugging contracts awarded and completed:

WISCO, Inc., was awarded fourteen wells, all of which have been plugged.
ND&T Services, Inc., was awarded fifty-nine wells, all of which have been plugged.

Reclamation contracts awarded:

Badlands Contracting, LLC, was awarded forty-five wells to be reclaimed.
Midwest Industrial Maintenance, LLC, was awarded fifty-two wells to be reclaimed.
Radiation Pro's, LLC, was awarded eighteen wells to be reclaimed.
All of the wells were reclaimed except three which were partially reclaimed due to timing and remaining funds. The three unfinished wells are intended to be completed with Formula grant funds.

Number of orphaned wells plugged, remediated, and reclaimed:

The attached data spreadsheet details the list of wells that have been plugged, cut, and capped, and wells that have been reclaimed. The spreadsheet also includes latitudes and longitudes of each well site and approximate amount of acreage restored. Throughout the Initial Grant program, 73 orphaned wells were plugged, and 112 orphaned well sites were reclaimed. Three additional orphaned well sites had reclamation work started but due to timing and not wanting to go over the allotted grant funding, the remaining work will be completed with Formula grant funds.

Number of jobs created or saved through the funded activities:

For the entire Initial Grant program, DMR estimates approximately 133 jobs created and or saved directly from contracts through the Orphaned Wells program. These amounts are based on the total number of contractor employees and approximate number of employees who were involved with the project as documented on certified payrolls which were received, reviewed, and approved each week by AG Witt.

P&A witnessing documentation for each plugged well:

See attached inspector notes from DMR Field Inspectors witnessing each plugging job. AG Witt also conducts tracking of plugging, reclamation, and cost monitoring.

Methane emissions reduced as a result of plugging, remediating, and reclaiming orphaned wells (including a description of the methodologies used for this parameter):

No methane or other hydrocarbon/Voc emissions were observed by the North Dakota Department of Environmental Quality (NDDEQ) at the 73 wellheads surveyed. NDDEQ noted in their October 27, 2023, letter:

“The North Dakota Department of Environmental Quality (Department) has completed the post- plug methane assessments at 73 wellheads in accordance with the November 29, 2022, Interagency Agreement. From the original 90 wellheads listed in the agreement, it is understood that 17 wellheads will no longer be plugged, those wellheads have been taken off the list and were not surveyed. 65 wellheads in Bottineau & Renville counties were surveyed August 30th and 31st, 5 wellheads in Burke County were surveyed on September 13th, one wellhead in McKenzie County was surveyed on October 11, and a final two wellheads were surveyed in Bottineau County on October 24th, all in 2023. No methane or other hydrocarbon/VOC emissions were observed by the Department at the 73 wellheads surveyed. No gas monitor readings were taken due to a lack of observable emissions, only OGI videos are available for each post-plug wellhead surveyed.”

Inventory of orphaned wells on state and private lands:

See attached spreadsheet including inventory of all wells with latitudes and longitudes of each site.

Acres of habitat restored:

See attached spreadsheet including completed reclamation work. Approximately 157.65 acres have been restored.

Grant Funds Breakdown:

Most of the grant funds were spent on plugging costs totaling \$4,543,896.96 and reclamation costs totaling \$21,511,473.05. These costs were offset by bonds that were confiscated in the amount of \$1,338,826.30. Accordingly, the total grant funds spent on plugging and reclamation was \$24,716,543.71. Program income from salvage sales was deducted from the contractor invoices and not drawn down from grant funds.

The administration costs totaled \$253,843.39 which was under the 10% allowed in the grant. No funds were used to purchase equipment.

All together the total amount of Initial Grant funds used was \$24,970,387.10. This left \$29,612.90 of unspent funds.

Successes Documented:

DMR was able to successfully plug 73 orphaned wells which has reduced the risk to environmental impacts and economic liability. DMR's work in reclamation has restored 157.65 acres back to usable land that allows landowners to again generate an income and positively impact the region. The work done through the program provided workforce that would not have been possible prior.

Challenges Documented:

Due to invoice timing and estimations used throughout the program it was challenging to accurately determine when the full budget amount would be utilized, and when weather in North Dakota would allow work to be completed as proposed. In North Dakota, the weather only permits for a limited construction season typically June 1 through October 31 which caused project delays and issues. DMR had to request no-cost extensions to be able to complete project work. The extensions allowed more time and the update to the budget estimation originally submitted in the grant application allowed for additional wells to be plugged or sites to be reclaimed to further achieve the intent of the grant funds.

Addendum:

The final report is incomplete due to warranty work being completed on two of the 115 well sites that were reclaimed. The work to be done is at NO COST to the Government and there are no issues with the contractor. It simply entails reclamation work that did not take as expected creating follow up work to be completed to restore the land back to as close to original as practicable. Work is estimated to be completed around May 31, 2026. A follow-up report will be submitted by June 30, 2026, with the proper close out notations.