ORPHANED WELLS PROGRAM ANNUAL REPORT TO CONGRESS

November 2025

Infrastructure Investment and Jobs Act Section 40601

Prepared by the Orphaned Wells Program Office

U.S. Department of the Interior

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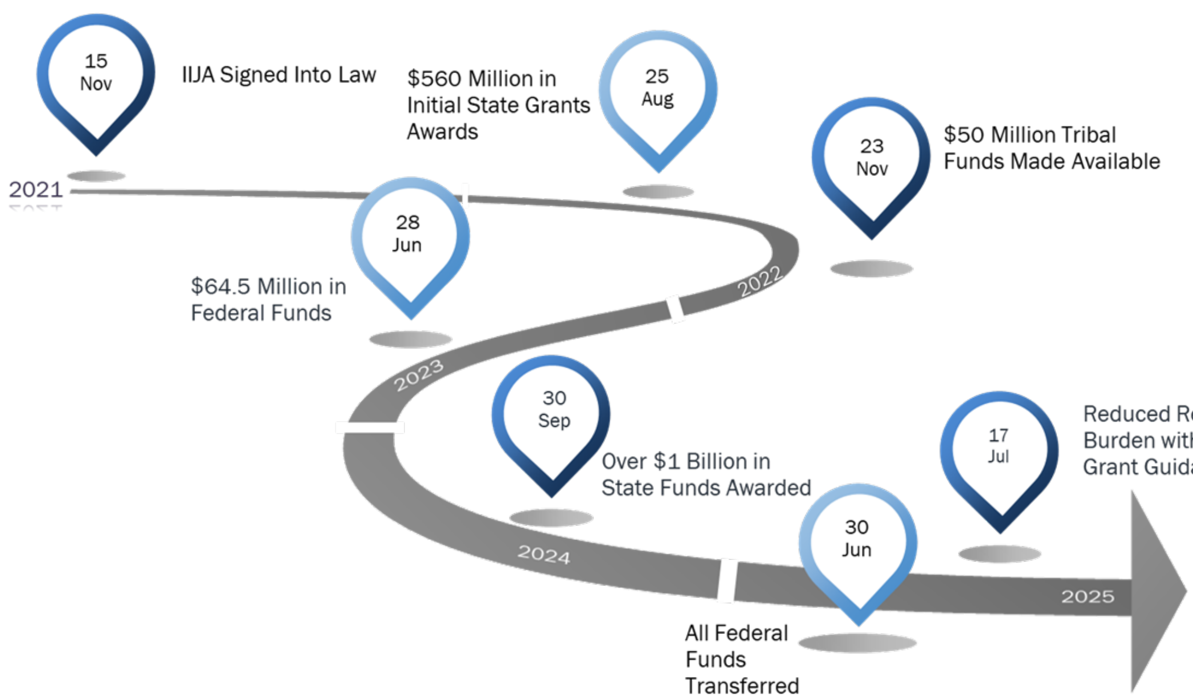

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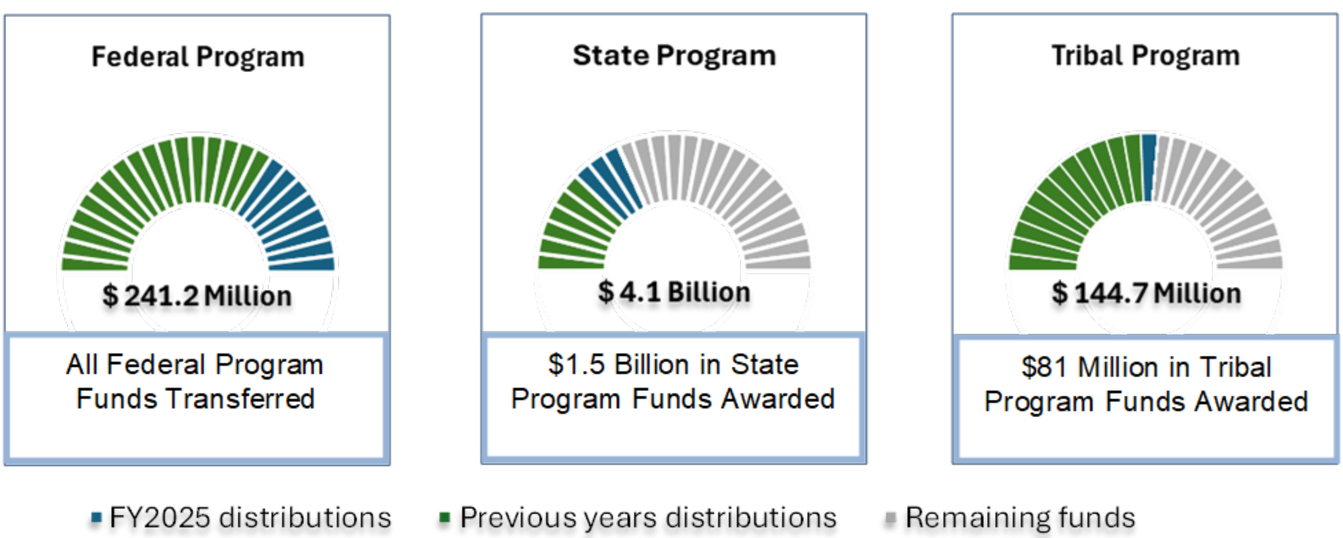


Background

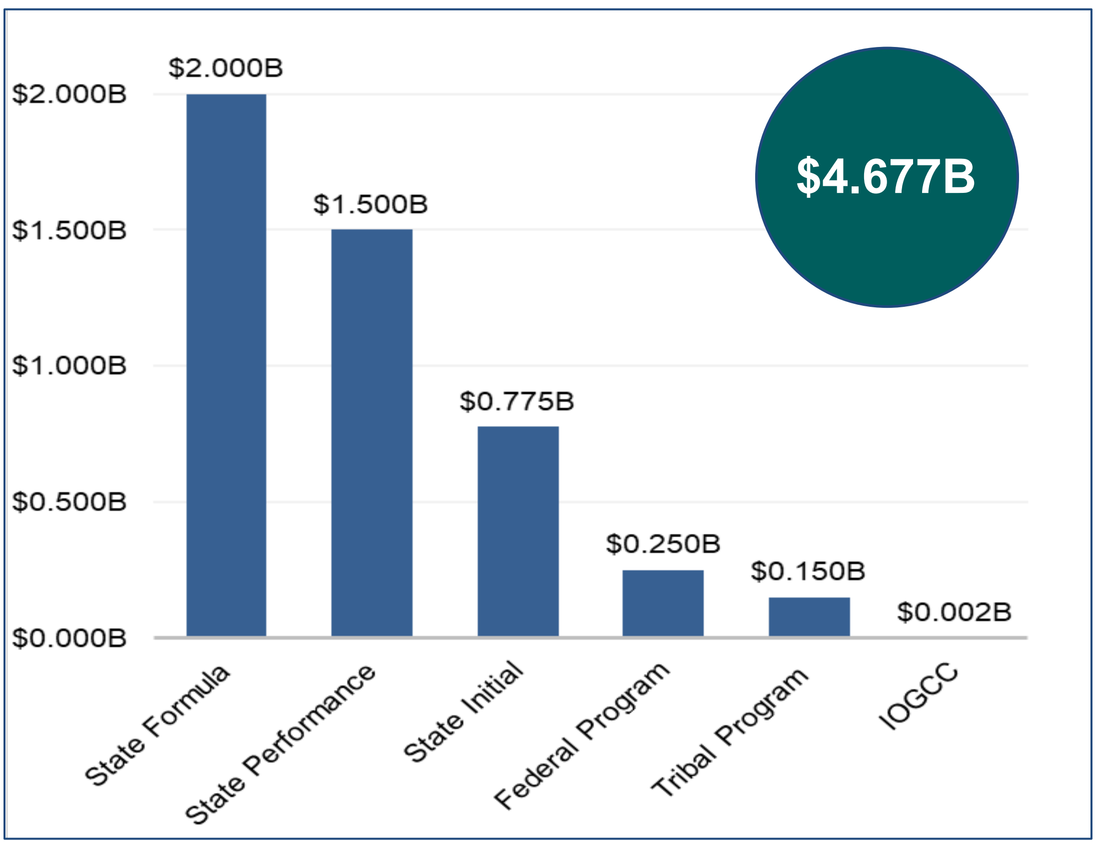
The Infrastructure Investment and Jobs Act (IIJA) (Public Law 117-58), Section 40601 “Orphaned Well Site Plugging, Remediation, and Restoration,” signed into law on November 15, 2021, provides the Department of the Interior (Department) authority and funding to address the Nation’s inventory of orphaned oil and gas wells. The Department, through the Orphaned Wells Program Office (OWPO), oversees a comprehensive, coordinated program to support the plugging of orphaned wells on federal, Tribal, state and private lands.

Under the IIJA, orphaned wells are generally defined as wells not used for an authorized purpose and for which no operator can be located, or where the operator is unable to plug the well and restore the site. States may apply their unique state definitions for orphaned wells on state and private lands.

As shown in Figure 3, Section 40601 of the IIJA provides $4.677 billion to support orphaned well site plugging, remediation, and restoration through three distinct programs:

- Federal Program – $250 million for wells on federal lands and waters
- State Program – $4.275 billion for wells on state and private lands
- Tribal Program – $150 million for wells on Tribal lands

Figure 3: Appropriated IIJA Funds Allocated by Program Area



Funding recipients have broad discretion in how they use awarded funds. Recipients may use funding, consistent with federal, state and Tribal priorities for the purposes outlined in the IIJA, including but not limited to plugging, remediating and reclaiming orphaned wells; identifying and characterizing undocumented orphaned wells; and remediating land adjacent to orphaned wells and decommissioning or removing associated pipelines, facilities and infrastructure.

In addition to program funding, the IIJA authorizes $2 million in funding for the Interstate Oil and Gas Compact Commission (IOGCC) for consultation and coordination activities. The IOGCC is a multi-state organization that provides a forum for states to coordinate regulatory practices, share information, and advocate for state-level leadership in the responsible development of oil and natural gas resources.

Distribution of FY 2025 IIJA Funds

From the passage of the IIJA through the end of FY 2025, the OWPO distributed approximately $1.85 billion in IIJA funds to federal, state, and Tribal recipients for inventorying and plugging orphaned wells, including remediation and restoration work. Of this amount, the OWPO distributed $554.8 million during FY 2025. Table 1 shows the distributions by program area.

***$554.8 million* distributed in FY 2025**

Table 1: IIJA Funds Distributed through FY 2025

Orphaned Wells Program IIJA Funding					
Program Description	**OMB Apportioned**	**Administrative and OIG**	**Program Amount**	**Transferred or Awarded FY 2025**	**Cumulative FY 2022-2025 Distribution**
Federal Program	$250 M	$8.7 M	$241.3 M	$93 M	$241.3 M
State Program	$4.3 B	$150 M	$4.1 B	$450 M	$1.5 B
Tribal Program	$150 M	$5.3 M	$144.7 M	$11.8 M	$80.9 M
IOGCC Funding	$2 M	$0.07 M	$1.93 M	-	-
Totals	**$4.7 B**	**$164.1 M**	**$4.5 B**	**$554.8 M**	**$1.8 B**

Section 2: Supporting Presidential Priorities

Orphaned wells are found in rural, urban and agricultural areas across the United States. Orphaned wells can harm public health and interfere with current and future energy development. Plugging orphaned wells directly supports the Administration's priority to unleash American energy (Executive Order 14154) and promote American Energy Dominance (Executive Order 14213). In July, the OWPO published Revised Grant Guidance to help advance the

***Streamlined and Reduced Regulatory Burden* with Revised State Grant Guidance**

Administration’s goals of unleashing American energy resources, protecting American jobs and reducing federal overreach. In addition to promoting American Energy Dominance, the Revised Grant Guidance eliminated non-statutory requirements and reduced burdens on State grant recipients to provide more flexibility and speed up well-plugging efforts.

Unplugged orphaned wells can act as pathways that connect hydrocarbon reservoirs to other permeable, subsurface layers whether these wells are situated near active production infrastructure or in areas with no current development. These unintended connections diminish the crucial underground pressure balance required for production, allow oil, gas or other resources to leak away from active wells, and degrade production efficiency. This unwanted interference and leakage can cause valuable resources to migrate to the surface or into ground water aquifers, potentially damaging surrounding ecosystems and increasing operational costs for energy producers. By providing necessary funding to plug orphaned wells throughout the country, the OWPO helps protect and preserve oil and gas resources by sealing potentially detrimental subsurface pathways. This ensures energy companies can extract resources safely and efficiently, without risking contamination or loss of production.

In addition to the physical effects on current energy extraction, orphaned wells can hinder future hydrocarbon development. In some cases, approval to drill new wells is restricted by the presence of existing wells, including orphaned wells. Since many orphaned wells lie within active and developing oil and gas fields, plugging and remediating these sites helps unlock access to new development areas and enables better, more efficient well placement.

Beyond the negative effects on energy production, orphaned wells pose significant risks to natural resources. Orphaned wells can reduce land value, limit land use, disrupt ecosystems and often litter properties with rusted infrastructure, threatening wildlife, particularly in wetlands and other sensitive areas. With IIJA funding, the OWPO is making possible the restoration of these areas for public enjoyment and use.

Section 3: Federal Orphaned Wells Program

The IIJA allocated $250 million to the Federal Orphaned Wells Program for well plugging and reclamation of orphaned wells located on federal land. Portions of this amount are allocated to the OWPO as administrative funding (3.0%) and to the Office of the Inspector General for oversight purposes (0.5%), leaving $241.3 million in direct funding for the Federal Program.

$93 million in federal project funding in FY 2025

1,115 planned wells to be plugged with federal funds

All federal funds transferred as of 3rd Quarter FY 2025

Federal Programs Receiving IIJA Funds:

Bureau of Land Management (BLM) received $35 million in total funds to plug 93 wells.

Bureau of Safety and Environmental Enforcement (BSEE) received $46 million in total funds to plug 29 wells.

U.S. Fish and Wildlife Service (FWS) received $64 million in total funds to plug 564 wells.

U.S. Forest Service (USFS) received $58 million in total funds to plug 336 wells.

National Park Service (NPS) received $39 million in total funds to plug 93 wells.

Federal Program Funding, Activities and Monitoring

In Fiscal Year 2025, the OWPO distributed the remaining $93 million in allocated Federal Program funding to bureaus within the Department and to the U.S. Forest Service. These funds are slated to support the plugging, reclamation, and remediation of 484 orphaned oil and gas wells, the removal of legacy oilfield equipment, and ongoing inventory efforts to identify and characterize additional orphaned wells.

484 orphaned wells planned for plugging with FY 2025 funds.

As of September 30, 2025, the OWPO's federal partners reported plugging 231 of the 1,115 planned and funded orphaned wells. Wells were plugged across 10 states including Alaska, California, Kentucky, Louisiana, Montana, Oklahoma, Tennessee, Texas, Utah, Wyoming, and three in the Gulf of America.

To ensure well-plugging activities are adequately completed, the OWPO will conduct site visits and randomized monitoring reviews. In addition, periodic monitoring of financial and operational aspects of the Federal Program are conducted to ensure that funding is expended according to statute and in alignment with the Administration's priorities. These internal controls ensure that federal tax dollars allocated for the Federal Program are efficiently and effectively expended.

Section 4: State Orphaned Wells Program

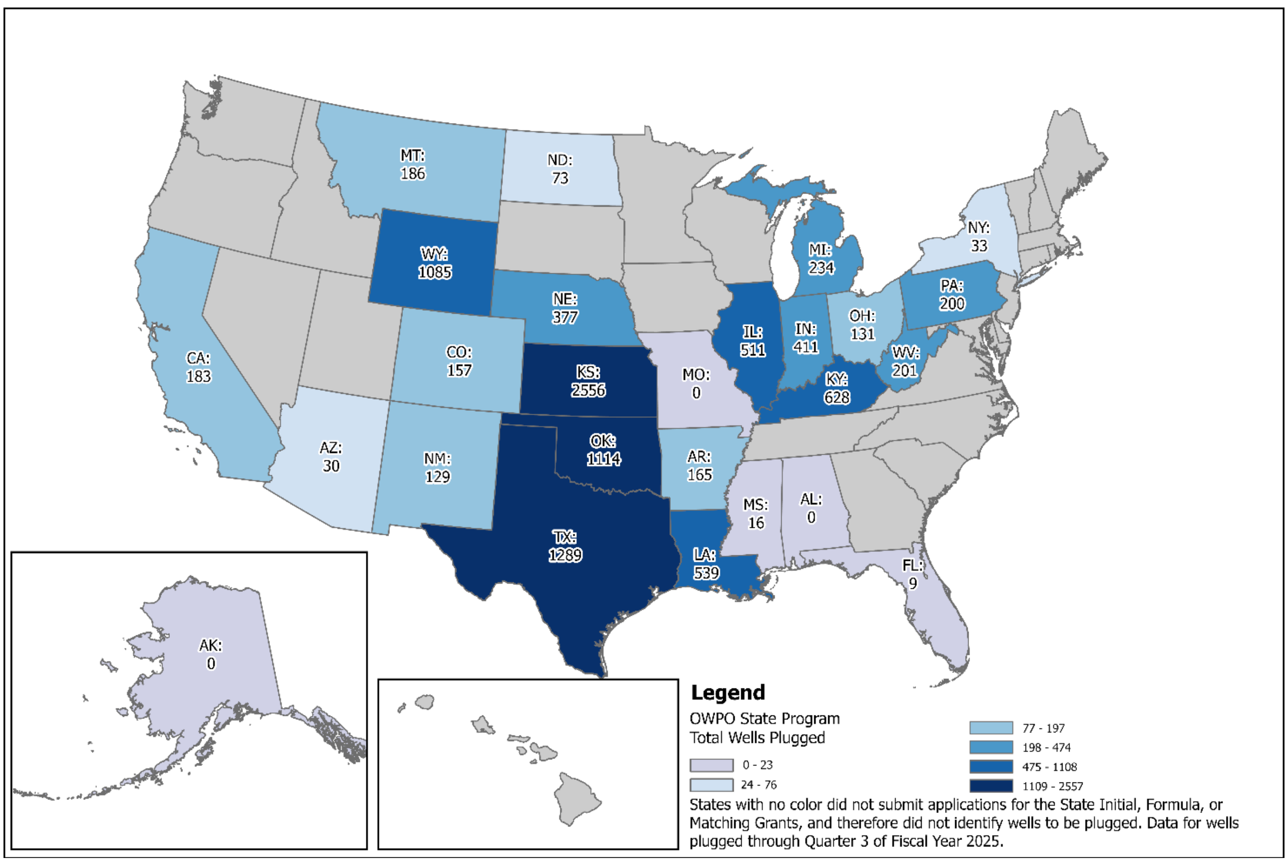
The IIJA established the State Orphaned Wells Program to address the environmental, health, and safety risks associated with orphaned oil and gas wells on state and private lands. The State Program provides direct funding to states through three primary grant mechanisms: Initial Grants, Formula Grants, and Matching Grants under the Performance Grant authority. These grants support states in developing, expanding, and sustaining their orphaned well plugging and site remediation programs.

10,257 wells plugged through June 2025 through State funds

Regardless of the type of grant that a state receives, it may use funding, consistent with its priorities, for the purposes stated in 42 U.S.C. § 15907(c)(2), which include: to plug, remediate, and reclaim orphaned wells located on state and private land; to identify and characterize undocumented orphaned wells on state and private land; and to remediate land adjacent to orphaned wells and decommission or remove associated pipelines, facilities and infrastructure.

This framework enables states to build tailored programs that reflect local needs while contributing to national goals of unleashing American energy, restoring natural resources, and protecting communities. Since the program began, state grant recipients have successfully plugged 10,257 wells across the country (see Figure 4).

Figure 4: Map of Orphaned Wells Plugged by State Using Initial and Formula Grant



State Program Funding, Activities and Monitoring

The IIJA allocated $4.3 billion for the State Program. Portions of this amount are allocated to the OWPO as administrative funding (3.0% and the Office of the Inspector General for oversight purposes (0.5%), leaving $4.1 billion in direct funding for the State Program. As of September 30, 2025, the OWPO awarded more than $1.5 billion through the State Program, supporting eligible activities across 26 states (see Table 2). These achievements were attainable with the strong support of the Trump Administration and continued state-federal collaboration. Funding from the State Program is delivered through three distinct grant types that each play a complementary role in advancing the OWPO's goals:

- **Initial Grants** provided early support to help states rapidly scale up their orphaned well programs. Large-scale grants of $25 million and small-scale grants of up to $5 million enabled hiring, contractor mobilization, and the launch of new plugging operations. These grants served as the foundation for states to participate in future Formula and Matching Grant opportunities. 26 states received Initial Grants totaling $570 million.

- **Formula Grants** offer scalable, multi-phase funding to 26 eligible states based on their orphaned wells inventory and demonstrated need. With over $520 million awarded in Phase 1, the program expanded in FY 2025 with Phase 2, which made up to $826 million available to eligible states. The OWPO will make the remaining Formula Grant funding available in future phases. These grants help states strengthen state-led orphaned well plugging, remediation and reclamation activities.

- **Matching Grants** under the Performance Grant authority incentivize states to increase their investment in their own orphaned well programs. For state funding above each state's 2010-2019 average annual funding, states are eligible to receive up to $30 million in Matching Grants. These performance-based awards offer powerful incentives for states to maintain momentum and scale up efforts beyond baseline levels.

To streamline and expedite the grant award process, the OWPO published Revised State Grant Guidance in July 2025. Changes align with the Administration's priorities to reduce unnecessary barriers and allow states to move more quickly to plug wells and reduce environmental risks.

- **Matching Grant Awards:** In FY 2025, the OWPO awarded Matching Grants to seven states (California, Louisiana, Michigan, Mississippi, New Mexico, Texas, and West Virginia) totaling $78 million. These awards allow recipients to leverage federal funding for their enhanced investments to alleviate orphaned wells by increasing state spending on well plugging, remediation, and reclamation.

- **Formula Phase 2 Grant Awards:** In FY 2025, the OWPO awarded Formula Grants to seven states (Alaska, California, Kansas, Kentucky, New York, Oklahoma, and Texas) totaling $367 million. These awards are distributed based on a statutory formula designed to strengthen state-led orphaned well plugging, remediation and reclamation activities.

Table 2: Funding Awarded to States by Grant Type through September 30, 2025

	State Grant Program			
Recipient	Initial	Formula	Performance Matching	Total Awarded
Alabama	$5,000,000	-	-	$5,000,000
Alaska	$25,000,000	$28,336,497	-	$53,336,497
Arizona	$25,000,000	$4,871,791	-	$29,871,791
Arkansas	$5,000,000	$5,589,721	-	$10,589,721
California	$25,000,000	$88,044,069	$9,028,614	$122,072,683
Colorado	$25,000,000	$25,000,000	-	$50,000,000
Florida	$25,000,000	-	-	$25,000,000
Illinois	$25,000,000	$25,000,000	-	$50,000,000
Indiana	$25,000,000	$14,076,668	-	$39,076,668
Kansas	$25,000,000	$33,600,000	-	$58,600,000
Kentucky	$25,000,000	$60,000,000	-	$85,000,000
Louisiana	$25,000,000	$25,000,000	$23,263,107	$73,263,107
Michigan	$25,000,000	$5,873,295	$5,000,000	$35,873,295
Mississippi	$5,000,000	$6,830,345	$2,077,801	$13,908,146
Missouri	$4,806,743	$5,123,494	-	$9,930,237
Montana	$25,000,000	-	-	$25,000,000
Nebraska	$25,000,000	-	-	$25,000,000
New Mexico	$25,000,000	$25,000,000	$5,500,000	$55,500,000
New York	$25,000,000	$44,672,162	-	$69,672,162
North Dakota	$25,000,000	$25,000,000	-	$50,000,000
Ohio	$25,000,000	$57,757,052	-	$82,757,052
Oklahoma	$25,000,000	$102,613,486	-	$127,613,486
Pennsylvania	$25,000,000	$76,406,474	-	$101,406,474
Texas	$25,000,000	$199,184,393	$30,000,000	$254,184,393
West Virginia	$25,000,000	$29,233,057	$5,271,948	$59,505,005
Wyoming	$25,000,000	-	-	$25,000,000
Totals	**$569,806,743**	**$887,212,504**	**$80,141,470**	**$1,537,160,717**

To ensure program integrity and effective outcomes, the OWPO conducts oversight through site visits, desk reviews, and standardized reporting. The OWPO conducted twelve site visits, including three in FY 2025, to verify that state operations meet regulatory, legal, and programmatic standards. States are also required to submit quarterly and annual reports, which include data on wells plugged, emissions measured, acres restored, and community impacts addressed. These reports play a key role in tracking progress and guiding future funding decisions.

Looking ahead, additional phases of Formula Grants will provide sustained support and aid in unleashing American Energy Dominance, while Performance Grants will drive innovation and higher standards across states. As reclamation and restoration projects mature and more wells are permanently removed from the orphaned well inventory, the benefits of this investment in cleaner air and water, public safety, and healthier landscapes will continue to grow. The OWPO will remain focused on tracking outcomes, sharing best practices, and ensuring that every federal dollar delivers measurable results.

Section 5: Tribal Orphaned Wells Program

The IIJA allocated $150 million to the Tribal Orphaned Wells Program for well plugging, remediation, and reclamation on Tribal land. Portions of this amount are allocated to the OWPO as administrative funding (3.0%) and to the Office of the Inspector General for oversight purposes (0.5%), leaving $144.7 million in direct funding for the Tribal Program. The Tribal Orphaned Wells Program is designed to support Tribal capacity building and fund well plugging, remediation and reclamation activities through three types of funding.

***$81 million awarded** through September 2025 to 14 Tribes and the BIA*

1) **Program Development Grants** can be used to create and administer programs for well identification, assessment, training, and capacity building.

2) **Implementation Grants** can be used to fund the plugging, remediation, and reclamation of orphaned wells and well sites.

3) **In Lieu of Grant (ILOG) Funding** are the mechanism through which Tribes may request that the Department administer and conduct plugging, remediation, and reclamation activities related to eligible orphaned wells on their behalf.

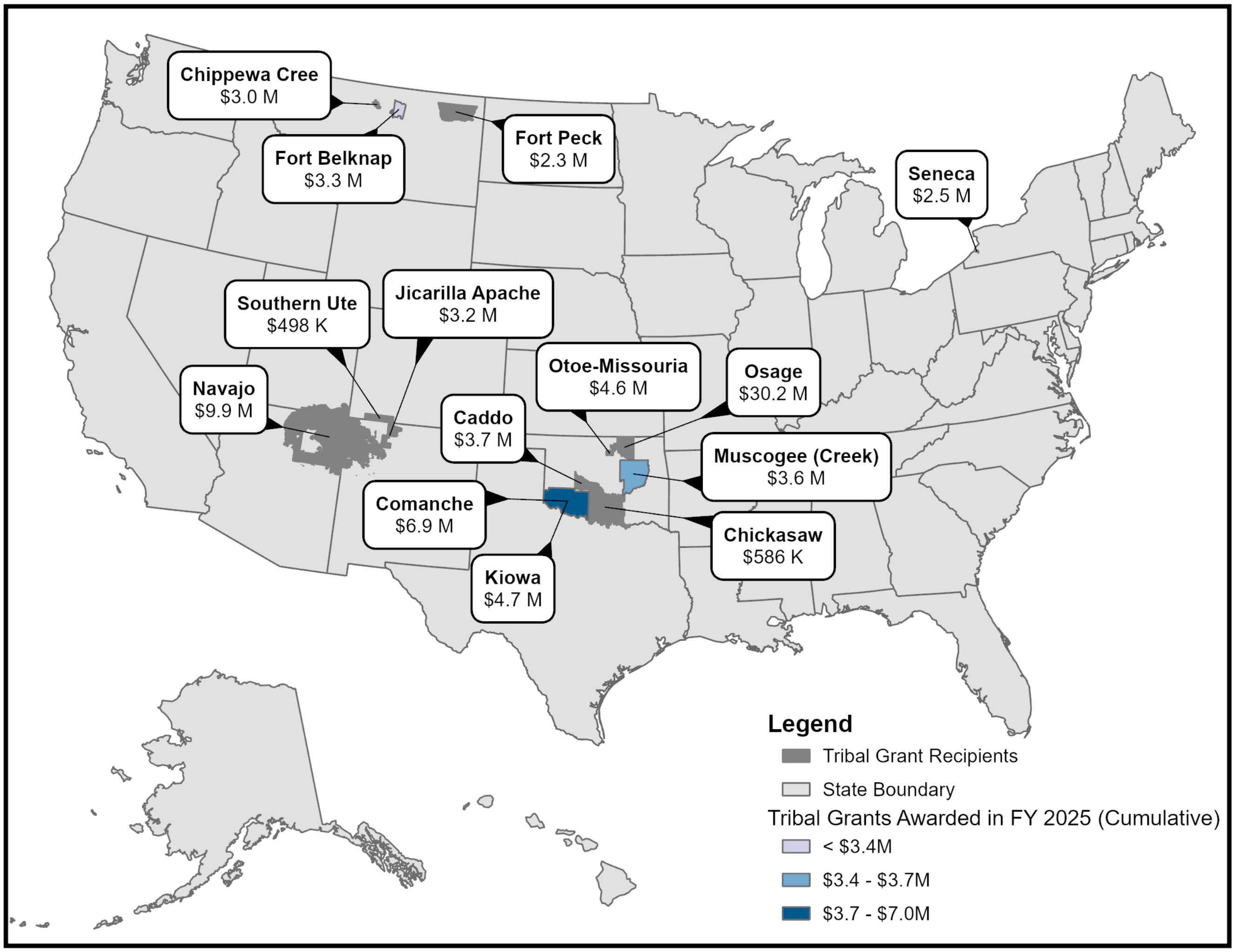
Tribal Program Funding, Activities and Monitoring

To date, the OWPO awarded $79.2 million to 14 Tribes, and transferred $2.6 million to the Bureau of Indian Affairs for ILOG funding to support well plugging and site remediation on Tribal lands. Through September 30, 2025, recipients have plugged 30 wells with Tribal Program funding (see Figure 5).

Through FY 2025, Tribes have identified over 600 wells to be plugged under Phase 1 and Phase 2 grants. Additionally, over 1,000 wells are in the process of being assessed for plugging eligibility. In support of Tribal well plugging operations, the OWPO provides technical assistance and program oversight through standardized reporting, desk reviews, and site visits. In FY 2025, the Tribal Program completed site visits on Fort Belknap Indian Community and Chippewa Cree of Rocky Boy reservation. These site visits focused on building working relationships and providing technical assistance prior to the start of plugging operations.

All remaining grant funds will be made available under a Phase 3 funding opportunity estimated to be released in the fourth quarter of FY2026. The Tribal Program will continue to assist Tribes in the grant application process and post award monitoring.

Figure 5: Map of Tribal Funding Awarded Through September 30, 2025



Section 6: IIJA Reporting Requirements

Emissions from Unplugged Orphaned Wells

The IIJA requires the Department to report on an annual basis an estimation of the quantities of methane and other gases emitted from orphaned wells and the emissions reduced from plugging, remediating, and reclaiming orphaned wells. Though the true number of orphaned wells in the United States is unknown, the IOGCC reports over 141,000 documented orphaned wells on state and private land and estimates an additional 250,000-740,000 undocumented orphaned wells nationwide.[1] The universe of documented and undocumented orphaned wells may emit nearly 63 million grams of methane per hour into the atmosphere, the equivalent of emissions from over 3.6 million gasoline-powered passenger cars driven per year.

[1] "Idle and Orphan Oil and Gas Wells: State and Provincial Regulatory Strategies-Supplemental Information on Orphan Well Plugging and Site Restoration." Interstate Oil & Gas Compact Commission. 2024.

With over 10,000 orphaned wells plugged by states and federal agencies with IIJA funds through June 30, 2025, the OWPO estimates that well plugging has prevented an estimated 5.9 billion grams of methane emissions per year. This equates to approximately 167,000 metric tons of carbon dioxide equivalent emissions per year or removing nearly 40,000 gasoline-powered passenger cars from the road for a year.

Economic Opportunities

The IIJA requires the Department to report on an annual basis on the number of jobs created and saved through plugging, remediation and reclamation of orphaned wells. In FY 2025, it is estimated that 5,217 jobs were created from the approximate $479.9 million in total funds obligated by the Program.

Habitat Restoration

The IIJA requires the Department to report on an annual basis on the acreage of habitat restored using grants awarded to plug, remediate, and reclaim orphaned wells and to remediate and reclaim adjacent land. One allowed purpose of the IIJA orphaned wells program funding is to remediate and reclaim adjacent land surrounding an orphaned well. This process restores the former well site into land available for beneficial use. Types of restoration practices include removing rusted tanks and equipment, dilapidated buildings and other infrastructure, remediating contaminated soil and reseeding and restoring native species.

Grant recipients report acres of restored land to the OWPO quarterly, in most cases. In instances in which this metric is not reported, the OWPO estimates acreage affected per well site based on the median of previously reported well restoration data. As reported through June 30 of this year, 5,259 acres have been remediated and made available for beneficial use. These reclaimed acres stretch across a variety of different land types. Former orphaned well sites are now used for farming and agriculture, providing native species habitat in national forests, parks and other public recreation areas, and supporting current and future energy development. Restoring orphaned well sites and making land available for beneficial use is creating multiple ancillary opportunities and economic benefits.

Each well site is unique and so are the benefits of reclamation for those that interact with the land. For one farmer in Nebraska, the benefits were both environmental and economical. The pictures below highlight the plugging and restoration process of the Pickering #1 well site in Scottsbluff County, Nebraska. This site was a hindrance to the landowner and prevented the optimization of land for agricultural use. The Nebraska Oil and Gas Conservation Commission used OWPO funds to plug the well and restore the site for beneficial use. It now provides increased economic value to the landowner by enlarging the farmable acreage.

Pickering #1 well and tank battery site before plugging and restoration work; note the unusable area due to orphaned infrastructure.

The same well site after the well was plugged and infrastructure removed in January 2024.

The site in June 2025 after remediation. The landowner uses the site for agriculture.

Orphaned Wells Inventories in the United States

While multiple organizations have developed their own estimates, a comprehensive national inventory of orphaned wells has not been established. The process of inventorying wells depends on how wells are categorized, such as orphaned, abandoned, idle or other classifications, which vary across jurisdictions. The absence of a standard definition for "orphaned" wells contributes to inconsistencies in reporting and complicates efforts to assess the true scope of the issue.

Since the passage of the IIJA, federal funding has enabled states to expand their identification and documentation of orphaned wells. For example, in 2020, the IOGCC surveyed its member and associate member states, identifying 92,203 documented orphaned wells.[2] By 2023, a follow-up survey reported 141,959 documented orphaned wells, a 54% increase. This growth is largely attributed to improved state-level data collection, including refined classification criteria, updated databases, and expanded field inspections. The IIJA funding has played a critical role in supporting these improvements.

The OWPO, in collaboration with the U.S. Geological Survey (USGS), developed a centralized database to compile the data collected from federal, state, and Tribal partners. This database tracks not only the number of wells plugged using IIJA funding, but also includes information on habitat restoration, water quality impacts, and well locations. In addition, the OWPO is working with the USGS to refine the national orphaned well count by updating the USGS's earlier Documented Unplugged Orphaned Oil and Gas Wells dataset.[3] The goal is to publish this updated dataset in 2026.

To prevent future orphaned wells, it is important to identify and track wells at risk of becoming orphaned. With funding from OWPO, the USGS has developed a methodology to estimate the number of wells at risk of becoming orphaned. Once published, this methodology will provide a critical foundation for proactive monitoring and mitigation efforts.

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[2] https://oklahoma.gov/content/dam/ok/en/iogcc/documents/publications/Orphan%20Wells%20Revised.pdf
[3] https://www.usgs.gov/data/united-states-documented-unplugged-orphaned-oil-and-gas-well-dataset

Section 7: Looking Ahead

Orphaned Wells Program Outlook

The progress achieved to date in plugging orphaned wells and remediating and reclaiming surrounding lands, made possible through the framework established in the IIJA, has delivered significant benefits to the American people and to America's natural resources. The OWPO will continue to address legacy pollution, foster community revitalization, and support future energy development as plugging, remediation, and restoration efforts advance with the funding provided by the federal, state and Tribal programs featured in this report. Ongoing reporting and documentation of orphaned wells data will further strengthen current implementation and future program design.

In the coming years, as the OWPO distributes the remaining IIJA funding and recipients continue to plug and remediate orphaned wells and well sites nationwide, the benefits to public health, environmental quality, safety, and national energy are expected to grow substantially. Through consistent monitoring and enhanced data analysis, the OWPO will ensure the effective use of IIJA resources to restore lands and waters across the nation.

Additional program information is available and will be updated regularly on the Department's Orphaned Wells Program website, https://www.doi.gov/orphanedwells.