

**MONTANA BOARD OF OIL AND GAS CONSERVATION**

**Narrative for Performance Report Federal FY 2023 Q1**

**Bipartisan Infrastructure Law Sec. 40601 Orphaned Well Program**

The purpose of this narrative is to provide required details to support the attached data report spreadsheet.

**FUNDS OBLIGATED TO CONTRACT**

237 orphaned wells were identified by the Montana Board of Oil and Gas Conservation (Board) at the time of receiving the federal grant award. These wells were separated out into 13 groups based on well type and geographic location and an invitation for bid (IFB) was posted on the State solicitation site for each group. All 13 IFB's had multiple bidders and were carefully evaluated by staff prior to the contracts being awarded. A summary of the groupings and the final awarded contract value is below.

<b>Project Grouping</b>	<b>Wells</b>	<b>Contract Signed</b>	<b>Cost per Well</b>
CBM	9	\$253,000	\$28,111
Glendive	7	\$788,656	\$112,665
Plentywood	14	\$3,163,756	\$225,983
Plentywood West	6	\$1,393,884	\$232,314
Roundup A	34	\$3,396,887	\$102,936
Roundup B	13	\$131,660	\$10,128
Roundup C	18	\$241,275	\$13,404
Shelby 1	61	\$561,406	\$9,203
Shelby 2	36	\$508,911	\$23,132
Shelby 3	34	\$303,156	\$9,474
Shelby 4	12	\$209,000	\$17,417
ShelbyH2S	3	\$182,025	\$60,675
Sidney	7	\$1,796,634	\$256,662
Total	237	\$12,930,250	\$84,777

All of the contracts were signed prior to December 30, 2022, the end of the obligation period defined in award terms #4 and #5. The initial contract terms began when signed and go until September 30, 2025.

**ORPHAN WELLS PLUGGED, REMEDIATED, AND RECLAIMED**

Work is planned to begin in early 2023.

**ACRES OF HABITAT RESTORED**

Work is planned to begin in early 2023.

**METHANE EMISSIONS TRACKING**

Actual and potential methane emissions are considered in the orphaned well ranking system through consideration of leaking fluids and wellhead pressures. Through the initial grant funding, the Board's primary goal is to use the funds to plug all of Montana's orphaned wells. By successfully getting all current orphaned wells under contract to plug, the potential to emit methane from these wells will be eliminated and therefore measuring actual methane emissions is not planned.

Monitoring of actual methane and equivalent carbon dioxide emissions has been undertaken by a private entity and the Board continues to review its ranking criteria and rule requirements based upon these studies. The Board does recognize the potential necessity to monitor and measure actual emissions when it comes to prioritizing future orphaned wells for plugging. The Board has also had discussions with a local University for a methane testing project.

**OTHER ENVIRONMENTAL CONCERNS TRACKING**

Actual or potential contamination of groundwater are also evaluated under the current ranking and review criteria. The Board and the Montana Department of Environmental Quality have joint responsibility should contamination of waters of the state be confirmed or suspected.

**ESTIMATE OF IMPACT TO JOBS**

While no work has taken place as of 12/31/2022, impact to jobs can be estimated. Assuming seven oil field services crews responsible for abandonment of 237 orphaned wells, it is estimated that 20 to 25 jobs in contracted services and support positions for each 30 wells plugged, or a total of 170 to 200 jobs created or saved through this federal funding opportunity.