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Biden-Harris Administration Invests \$775 Million from Investing in America Agenda for States to Plug Orphaned Oil and Gas Wells



Bipartisan Infrastructure Law funding is addressing legacy pollution, spurring economic growth nationwide

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Contact: Interior_Press@ios.doi.gov

WASHINGTON — The Department of the Interior today announced the availability of \$775 million for 21 states to clean up legacy pollution through President Biden’s Investing in America agenda. These historic resources to clean up orphaned oil and gas wells and well sites -of which over \$1 billion has already been distributed – are creating good-paying jobs, catalyzing economic growth, eliminating harmful methane leaks, and reducing environmental and public health risks to surface water and groundwater resources critical to U.S. communities and ecosystems.

Through the Bipartisan Infrastructure Law, the Department is delivering the largest investment in [tackling legacy pollution](#) in American history, including \$4.7 billion to plug orphaned wells. This includes grants to states in three categories: initial grants, formula grants, and performance grants.

[Plugging is underway](#) across the country, and since the enactment of the Bipartisan Infrastructure Law, states have plugged more than 8,200 orphaned wells. Nationwide, investments through the Department’s Orphaned Well Program Office are estimated to have supported over 7,200 jobs and contributed more than \$900 million to the economy over the last two fiscal years.

“President Biden’s Investing in America agenda is enabling us to confront long-standing environmental injustices by making a historic investment to plug orphaned wells throughout the country,” said **Secretary Deb Haaland**. “These investments are good for our climate, for the health of our communities, and for American workers. With this third round of additional funding, states will put

more people to work to clean up these toxic sites, reduce methane emissions and safeguard our environment.”

[Orphaned oil and gas wells](#) are polluting backyards, recreation areas, and community spaces across the country. Many of these wells pose serious health and safety threats by contaminating surface and groundwater, releasing toxic air pollutants, and leaking methane – a “super pollutant” that is a significant cause of climate change and many times more potent than carbon dioxide at trapping heat in the atmosphere. Plugging orphaned wells supports broader Biden-Harris administration efforts under the U.S. Methane Emissions Reduction Action Plan. This effort also advances the President’s [Justice40 Initiative](#) that sets a goal to deliver 40 percent of the overall benefits of certain federal investments to disadvantaged communities that have been historically marginalized by underinvestment and overburdened by pollution.

Since [August 2022](#), the Department has awarded \$565 million in initial grants to 25 states, \$444 million in Phase 1 formula grants to 18 states and a [\\$2 million](#) performance grant to one state. The Phase 2 Formula Grant [guidance](#) released today begins the start of the next application window for states to apply for an estimated \$775 million in formula grant funds. The guidance encourages states to use project labor agreements and a unionized project workforce for the plugging, remediation and reclamation of wells, and requires states to:

- Measure methane emissions from orphaned wells plugged with formula grants.
- Screen for groundwater and surface water impacts caused by orphaned wells.
- Include their prioritization methods polluting wells creating burdens for nearby disadvantaged communities.

The 21 states eligible to apply for a Phase 2 formula grant have until December 13, 2024, to submit applications. Additional phases of funding will be available in the future.

In addition to providing historic funding to states, the Bipartisan Infrastructure Law allocated \$250 million to [clean up well sites](#) in national parks, national forests, national wildlife refuges, and other public lands, nearly \$150 million of which has been allocated over the past three years. This funding for states and federal land managers is in addition to the close to \$40 million awarded to [Tribal communities](#) in September 2023.

Total and Phase 2 State Formula Grant Eligibility

State	Total Formula Grant Eligibility	Phase 2 Eligibility
Alabama	\$1,681,430	\$1,681,430
Alaska	\$28,336,497	\$3,336,497

California	\$140,870,510	\$52,826,441
Colorado	\$54,064,506	\$29,064,506
Illinois	\$36,875,485	\$11,875,485
Kansas	\$33,666,697	*\$8,666,697 or \$33,666,697
Kentucky	\$78,980,737	\$35,000,000
Louisiana	\$86,449,520	\$35,000,000
Missouri	\$26,925,384	\$21,801,890
Montana	\$5,139,423	\$5,139,423
Nebraska	\$4,151,076	\$4,151,076
New Mexico	\$72,260,163	\$35,000,000
New York	\$44,672,162	\$19,672,162
North Dakota	\$55,266,234	\$30,266,234
Ohio	\$231,028,206	\$86,635,577
Oklahoma	\$205,226,972	*\$76,960,115 or \$102,613,486
Pennsylvania	\$305,625,896	*\$114,609,711 or \$152,812,948
Texas	\$318,695,029	\$119,510,636
Utah	\$5,229,389	\$5,229,389
West Virginia	\$116,932,226	\$43,849,585
Wyoming	\$40,680,639	\$35,000,000
Total	\$1,930,000,000	**\$775,276,854 – \$864,133,462

*the amount a state receives in Phase 1 determines how much the state is eligible to apply for in Phase 2. Kansas, Oklahoma and Pennsylvania's phase 1 applications are still under review. Arizona, Arkansas,

Indiana, Michigan and Mississippi received their total formula grant eligibility in phase 1 and are therefore not eligible for additional funding in phase 2

** the range of the total Formula grant funding available to states in Phase 2.

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