

**REGROW Act**  
**Revive Economic Growth and Reclaim Orphaned Wells Act of 2021**  
**Senators Luján (D-NM) & Cramer (R-ND)**

---

*“For a fraction of what the federal government has spent on economic stimulus during the COVID-19 pandemic, America could put laid off oil and gas employees back to work, preventing massive amounts of the most dangerous greenhouse gas from warming our atmosphere, and cleaning up local communities. It’s a win-win-win-win proposal that both Republicans and Democrats can support.”* Forbes, September 2020

Across the country, over 56,000 documented “orphaned” oil and gas wells (abandoned wells with no responsible party for cleanup) can leak methane, contaminate groundwater, and create safety risks. Even before the economic repercussions of the COVID-19 pandemic, federal agencies and states responsible for plugging and reclaiming these wells had limited funding for cleanup. During 2020, global energy oversupply combined with decreased demand due to the pandemic caused major job losses in the energy sector. Under the REGROW Act of 2021, over \$4.6 billion would go towards putting skilled energy workers back to work cleaning up these sites, with the goal of plugging every documented orphan well in the country. This reclamation and restoration work will create or retain tens of thousands of jobs, help stimulate oilfield community economies, and cut down on harmful emissions.

**The REGROW Act would provide:**

- \$4.275 billion for orphaned well cleanup on state and private lands
- \$400 million for orphaned well cleanup on public and tribal lands
- \$32 million for related research, development, and implementation

**STATE GRANTS: Most documented orphaned wells are on state and private land, and the bulk of funds in the bill are dispersed to states through three types of grants administered by the Department of the Interior (DOI)**

- \$775 Million in initial grants to be delivered within 7 months of the bill’s passage - Goal is to get funds to states quickly to help unemployed oil and gas workers
  - Up to a \$25 million grant if a state has a well-established cleanup program and can put a large sum of money to use quickly
  - Up to a \$5 million grant if a state uses the funds to start a cleanup program or apply for a Formula Grant
- \$2 Billion in Formula Grants starting roughly five months after enactment, obligated by states within 5 years of receipt - Goal is to provide dedicated, longer-term grants is to help states significantly reduce their orphaned well inventory
  - Grant amounts largely determined by a formula that accounts for oil and gas job losses and number of orphaned wells in the state
- \$1.5 Billion in Performance Grants issued started roughly 7 months after enactment - Goal of grants is to incentivize states to take fiscally and environmentally positive actions
  - State regulatory improvements trigger grant eligibility
  - States may receive up to two \$20 million grants by strengthening plugging standards; or undertaking reforms to reduce future orphan well burden
  - States may receive up to \$30 million in grants by increasing state spending on well cleanup

**PUBLIC LANDS AND TRIBAL GRANTS: In addition to state grants, the bill directs funds to DOI to cleanup orphaned wells on public lands and creates a grant program within the Bureau of Indian Affairs to help Tribes cleanup orphaned wells**

- Public Lands - \$250 Million
  - U.S. Bureau of Land Management (BLM) is the primary agency within DOI tasked with orphaned well cleanup
  - BLM must establish a program to plug, remediate and reclaim wells on Federal lands within 60 days of enactment
  - Reduces the time period before which inactive wells are considered idled, and requires BLM to reduce idled well inventory
- Tribal Grants - \$150 Million
  - U.S. Bureau of Indian Affairs (BIA) within DOI is tasked with establishing a tribal grant program
  - Tribes can apply for and receive grants for capacity building to plug orphaned wells and remediate surrounding lands
  - Tribes may also request that BLM conduct the cleanup work

**Stakeholder Support**

“The Independent Petroleum Association of America (IPAA) supports actions to address orphan wells. States have been acting to plug these wells for decades. The REGROW Act would provide additional funds for these state programs and aid their initiatives and the workers who undertake these efforts during the difficult fiscal times caused by the COVID-19 pandemic. IPAA urges Congress to take swift action on this legislation. We applaud the leadership of Senators Luján and Cramer in working with all interested parties to develop legislation that will help address this important issue in a reasonable and thoughtful manner.” Barry Russell, IPAA President & CEO

“EDF applauds Senators Luján and Cramer for introducing a bipartisan bill that will create jobs and protect local communities from air, water and climate pollution from leaky orphan wells. Over 100,000 oil and gas workers have lost their jobs in the past year and this effort will put people back to work while creating a healthier environment. This bill will ensure every documented orphan well in the U.S. is plugged, help identify and catalogue the hundreds of thousands of other improperly abandoned wells across the country and make sure when wells are plugged, they are plugged properly. This is an important piece of the overarching reforms – including reforms to bonding and other policies that prevent wells from becoming orphaned in the future – needed to reduce the environmental impact of the oil and gas industry.” Elizabeth Gore, Senior Vice President, Political Affairs, Environmental Defense Fund

“The Interstate Oil and Gas Compact Commission (IOGCC) urges Congress to pass the REGROW Act now. This legislation will provide funding to accelerate the orphan well plugging activities of the states. It will simultaneously sustain the oil and gas workforce through the repercussions of the pandemic and address the potential environmental harms of orphan wells. IOGCC has been gratified to work with other stakeholders under the leadership of Senators Luján and Cramer in crafting bipartisan legislation that addresses an issue of paramount importance to the states.” Lori Wrotenbery, Executive Director, Interstate Oil and Gas Compact Commission