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The Oil and Gas Bonding Reform and Orphaned Well Remediation Act

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For decades, many oil and gas companies have operated on public lands, but outdated federal standards let irresponsible actors leave state and local governments to clean up orphaned wells. There are now [tens of thousands](#) of orphaned wells across the U.S., which can [pollute watersheds](#), [leak methane](#), and harm wildlife and livestock. Yet the Government Accountability Office [estimates](#) that 84 percent of Bureau of Land Management bonds are insufficient to cover cleanup costs. This bill would take a two-step approach to address the problem, lifting the burden on local governments and creating good-paying jobs. First, the bill would fund orphaned well remediation on federal, state, and tribal lands to reduce pollution and restore habitat. Second, it would modernize the federal oil and gas bonding requirements to reflect the true cost of remediation, while ensuring that all companies operating on public lands are held to the same high standards that responsible operators already follow.

The Oil and Gas Bonding Reform and Orphaned Well Remediation Act would:

Create Jobs through Orphaned Well Cleanup, by establishing a multi-billion-dollar orphaned well fund, to be administered by the Department of the Interior, in cooperation with the Department of Agriculture, Department of Energy, and Interstate Oil and Gas Compact Commission, for states, tribes and federal agencies to remediate orphaned wells on public and private land. This fund would create new oil and gas jobs while reducing methane emissions.

Modernize Bonding Requirements, by increasing individual and statewide bonding requirements to \$75,000 and \$200,000, respectively, while eliminating inadequate bonding mechanisms. It would also require the Secretary to consistently review and update financial assurance requirements and account for inflation. These updates would ensure that oil and gas development on public land is backed with the financial resources to pay for future remediation, shifting the burden away from state and local governments.

Establish Standards for Inactivity and Cleanup, by requiring approval of interim and final reclamation plans prior to drilling, outlining what constitutes an inactive well, when reclamation must commence, and providing uniform standards for remediation and reclamation of land and water resources. Too often, irresponsible actors leave inactive wells in limbo to avoid starting the remediation process.

Improve Accountability, by establishing a centralized, publicly available database to increase transparency in onshore lease operations. This database would include information on existing financial assurances, current or future reclamation costs, orphaned and inactive wells, and any violations or enforcement actions.