

**Michelle Lujan Grisham**, Governor  
**Sarah Cottrell Propst**, Cabinet Secretary  
**Todd E. Leahy, JD, PhD**, Deputy Cabinet Secretary

**FOR IMMEDIATE RELEASE:**

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**August 25, 2022**

## **New Mexico awarded \$25 million for orphan well clean-up**

SANTA FE – Gov. Michelle Lujan Grisham and the Energy Minerals and Natural Resources Department announced today that the U.S. Department of the Interior has awarded New Mexico an Orphan Wells Initial Grant of \$25 million to clean up abandoned oil and gas wells on state and private lands in New Mexico through the federal Bipartisan Infrastructure Law. The Initial Grant award is effective on October 1, 2022, and the state will have approximately a year to obligate the funds for projects on state and private land.

The law provides federal funding for oil-producing states to plug and reclaim orphaned wells and associated sites and to support investments in program improvements. This \$25 million in federal funding, in addition to the state's annual investment in the existing state orphan well program, will enable EMNRD's Oil Conservation Division to plug and reclaim many of the orphaned sites in the state, protect the environment and help put these sites to other uses, while putting oilfield workers to work.

"This funding will allow the state to clean up dozens of additional abandoned oil and gas wells every year, protecting our environment and providing local jobs and economic benefits," said Gov. Michelle Lujan Grisham. "I appreciate New Mexico's congressional delegation and the U.S. Department of the Interior for bringing these vital funds to our state."

When an oil and gas operator goes bankrupt or otherwise becomes insolvent, wells may become "orphaned" and the responsibility to plug and reclaim the site falls to the state. Wells and associated facilities that are left abandoned can cause environmental damage by leaking methane or impacting groundwater. When that occurs, the state has been able to plug wells using the Reclamation Fund created by the state legislature many years ago.

However, there are approximately 1,700 orphaned and abandoned wells in New Mexico on state and private land. At current funding levels, the state plugs about 50 wells a year. With the additional funding announced today, that number will significantly increase, making positive impacts across the New Mexico landscape.

EMNRD has a well-established orphan well clean-up program. In 2018, the state updated bonding requirements so that more funding would be available for remediation when a company goes bankrupt. This has put the state in an improved position to clean up orphaned wells. In addition, the Lujan Grisham administration's focus on compliance and reporting will prevent the creation of more orphan wells in the future.

“I was proud to champion the bipartisan REGROW Act to address the growing orphaned wells crisis across America which poses serious public health and environmental risks. Thanks to the Bipartisan Infrastructure Law, funding is now on its way to help New Mexico clean up orphaned wells, protect our environment, and put New Mexicans back to work,” said **Senator Ben Ray Luján**. “Millions of Americans live within a mile of an orphaned well, and this funding will make a real difference across New Mexico and the nation.”

“I’m excited that the Bipartisan Infrastructure Law is continuing to deliver for New Mexicans with the latest \$25 million to clean up abandoned oil and gas wells,” said **Rep. Melanie Stansbury**. “For years, 1,700 orphaned and abandoned wells across New Mexico have posed a risk to our environment and the health and well-being of our communities. I’m proud that this investment will help us to protect our environment while supporting economic development and sustainable local jobs that use the expertise of our oil field workers across New Mexico.”

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*The Energy, Minerals and Natural Resources Department provides resource protection and renewable energy resource development services to the public and other state agencies.*

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