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Pennsylvania Needs to Raise Bond Amounts for Oil and Gas Wells

In the Commonwealth of Pennsylvania, the required bond amounts for oil and gas wells — the amount of money drillers have to set aside before drilling a well to cover the costs of its eventual clean up — are woefully inadequate to cover the costs of cleaning up a well site at the end of its life.

Bonds are meant to ensure that companies have an incentive to plug abandoned wells rather than letting their environmental liabilities pile up until they go out of business. If they do go out of business without plugging their wells, bonds should be set at a level that will ensure the state has the money to pay for cleanup.

Taxpayers Cover the Bill When Polluters Don't Clean Up Their Messes

When bond amounts are too low, fossil fuel companies are more incentivized to walk away from their environmental obligations to eventually close and clean up these wells, leaving the state to cover the cleanup of these abandoned wells with taxpayer dollars.

Carbon Tracker's Asset Retirement Obligations [Portal](#) estimates that it would cost \$12.2 billion to plug all the wells in Pennsylvania, yet the Commonwealth has only \$47.2 million in bonds available to plug these wells. This is 0.4 percent of the total money needed to close Pennsylvania's wells.

Pennsylvania Already Has A Massive Backlog of Unplugged Abandoned and Orphaned Wells

In Pennsylvania, hundreds of thousands of oil and gas wells have been drilled since the oil industry was born in Titusville, Pennsylvania in 1859.

Due to the lax regulations and registration of these wells pre-1950s, the state does not know where most of these early wells are located. The Pennsylvania Department of Environmental Protection (PA DEP) has tracked just over 8,200 orphaned¹ and abandoned wells,² but studies estimate that there are more than 200,000 orphaned wells in existence.

The Department of Environmental Protection preliminarily estimated that the cost of plugging a conventional well is \$33,000, which would already leave Pennsylvania with a guaranteed plugging liability between \$280 million (8,500 wells) and \$6.6 billion (200,000 wells).

Orphaned and Abandoned Wells Threaten Health and Climate

Unplugged orphaned and abandoned wells [leak methane and other chemicals into the air and water](#), harming public health and exacerbating climate change. They mar communities, reduce property values and depress local tax bases. In some cases, they are also explosion hazards.

The longer these wells sit, the more dangerous and expensive to plug they become.

Unplugged orphaned and abandoned oil and gas wells release significant amounts of [methane](#), a potent greenhouse gas that is at least 80 times stronger than carbon dioxide in driving climate change during the time it remains in the atmosphere. A [study](#) of methane leaks from abandoned oil and gas wells in Pennsylvania found that such wells account for as much as seven percent of the annual methane emissions in the state.

The most recent [Intergovernmental Panel on Climate Change Report](#) emphasized the need to focus on cutting methane emissions in order to avert the worst of the climate crisis.

Cleaning Up Pennsylvania's Orphaned and Abandoned Well Backlog Is Key to a Just Transition

Orphaned and abandoned wells pose a major threat — and a major opportunity — for Pennsylvania

The Ohio River Valley Institute [found](#) that plugging every known abandoned well in Pennsylvania would create 3,960 jobs, which averages out to 198 jobs per year over 20 years. State regulators have the power to ensure strong labor standards for these jobs and that Pennsylvanians are given preference in hiring.

The economic downturn has hurt regions across Pennsylvania, especially in places that are historically reliant on fossil fuel production for jobs and local tax revenue. Creating new well plugging jobs for fossil fuel and other displaced workers can be a critical piece of our recovery and transition to a clean energy economy.

The Pennsylvania Environmental Quality Board must act immediately to implement full-cost bonding to ensure that oil and gas companies are responsible for their own cleanup costs and taxpayers don't get stuck with the bill. As EQB currently considers full-cost bonding reform, we must urge them to vote and adopt this policy to ensure that public health and environmental concerns are addressed and that a just transition is implemented so the state of Pennsylvania can recover and transition to a clean energy economy.

- [Sign the petition](#) and tell the EQB to raise bond amounts for oil and gas wells in Pennsylvania!
- [Watch our campaign launch webinar.](#)
- [Write a letter-to-the-editor](#) in your local paper on why raising bonds is important.
- **Share the news on social media.**

- 1 Orphaned well: A well abandoned prior to April 18, 1985, that has not been affected or operated by the present owner or operator and from which the present owner, operator, or lessee has received no economic benefit other than as a landowner or recipient of a royalty interest from the well.
- 2 Abandoned well: An abandoned well is defined by the Oil and Gas Act (58 Pa.C.S.A. § 3203) as: any well that has not been used to produce, extract, or inject any gas, petroleum, or other liquid within the preceding 12 months, or; any well for which the equipment necessary for production, extraction, or injection has been removed, or; any well, considered dry, not equipped for production within 60 days after drilling, re-drilling, or deepening.

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