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INSPECTOR GENERAL
U.S. DEPARTMENT OF THE INTERIOR



Inspection



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SEPT 25 2025

Memorandum

To: Jennifer Goldblatt
Acting Director, Orphaned Wells Program Office

From: Nicki Miller *Nicki Miller*
Assistant Inspector General for Audits, Inspections, and Evaluations

Subject: Final Inspection Report – *The Orphaned Wells Program Office and the State of Kansas Have Opportunities To Improve Spending of Infrastructure Investment and Jobs Act Orphaned Wells Funding*
Report No. 2024-ISP-018

This memorandum transmits our inspection report on the State of Kansas Infrastructure Investment and Jobs Act orphaned well initial grant performance reporting.

We will track open recommendations for resolution and implementation. We will notify Congress about our findings, and we will report semiannually, as required by law, on actions you have taken to implement the recommendations and on recommendations that have not been implemented. We will also post a public version of this report on our website.

If you have any questions about this report, please contact me at aie_reports@doioig.gov.

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Results in Brief

Objectives

Orphaned wells¹ pose public health and safety and environmental risks. For example, orphaned wells can pollute residential and recreational areas and public spaces through methane emissions and groundwater contamination. Congress sought to address these risks through the Infrastructure Investment and Jobs Act (IIJA)² by providing the U.S. Department of the Interior (DOI) \$4.7 billion in funding for fiscal years (FYs) 2022 through 2030 to administer orphaned well site plugging, remediation, and restoration activities on Federal, State, Tribal, and private lands.

DOI awarded Kansas an initial grant of \$25 million under the IIJA³ that the State may use for the following orphaned well activities: (1) plugging, remediating, and reclaiming orphaned wells; (2) identifying and characterizing undocumented orphaned wells; (3) ranking the priority of these wells; (4) publishing information on a public website; (5) measuring and tracking methane or other gas emissions and groundwater or surface water contamination; (6) addressing disproportionate burdens to underserved communities; (7) remediating contaminated soil and restoring native species habitat; and (8) remediating adjacent land or removing associated infrastructure.⁴ The initial grant did not require Kansas to track and report data on these activities⁵ to DOI; however, the IIJA requires DOI to report some of this information to Congress annually.⁶

Our objectives were to determine whether Kansas:

1. Reported accurate orphaned⁷ well inventory information to the Orphaned Wells Program Office (OWPO).
2. Tracked and reported orphaned well activity data outlined in Kansas' initial grant agreement and DOI's IIJA initial grant guidance and is prepared to report completely on the activities in the next round of funding.
3. Properly ensured the safety of orphaned well sites to be remediated with IIJA funds.

We initially assessed Kansas' readiness to report on IIJA activities in the next round of funding and determined that Kansas was not prepared to track or report the required information. However, in July 2025, while our report was in draft, DOI changed the reporting guidance, and the information is no longer required for the next round of funding. Therefore, we omitted the finding and associated recommendation from our final report.

¹ The definition of an orphaned well varies by State. For purposes of the U.S. Department of the Interior's program, an orphaned well on State land is a well (primarily from oil and gas drilling) that a State describes as eligible for plugging, remediation, and reclamation by the State.

² Pub. L. No. 117-58 § 40601.

³ In FY 2022, DOI distributed \$560 million through 24 initial grants to State orphaned wells programs. States may also apply for formula grants, which are grants that DOI distributes based on an eligibility formula. The Orphaned Wells Program Office anticipates awarding formula grants in six phases during FYs 2023 through 2028.

⁴ The IIJA also states that funding may be used to administer a program to carry out any of the eight activities listed above.

⁵ The IIJA, DOI's initial grant guidance, and Kansas' grant terms did not explicitly require the States to report on these activities.

⁶ Pub. L. No. 117-58 § 40601(f).

⁷ In Kansas, a well is considered "abandoned" when there is no responsible party for the well and the well is not claimed on an active commission operator's license. We use the term "orphaned" in this report to align with terminology in the IIJA; for purposes of this report, it is equivalent to an "abandoned" well under Kansas law.

Findings

The Kansas Corporation Commission (KCC) is the department responsible for ensuring that orphaned wells are plugged. It made progress in addressing the serious threats posed by orphaned wells to human health and the environment by plugging nearly 2,400 out of an estimated 2,513 wells with IIJA initial grant funding as of August 2024. However, we found that the KCC used IIJA funds to plug 20 orphaned wells without determining whether a responsible party existed, resulting in questioned costs of \$299,275. In addition, we found the KCC did not report accurate information regarding witnessing the plugging of the orphaned wells for 64 of the 122 wells we reviewed. Finally, the KCC stated it has limited authority over site safety because the orphaned wells were on private lands; we did not witness any site safety concerns during our site visits.

Impact

Operators that are still solvent and identifiable are responsible for plugging their respective wells. Plugging wells using Federal grant funds without determining whether a responsible party exists risks the taxpayer covering costs that should have been paid by operators. In addition, without accurate reports from the KCC, DOI cannot be assured that the KCC is performing oversight of plugging operations to ensure the contractor met standards and information reported by the contractor is accurate.

Recommendations

We make four recommendations that, if implemented, will help improve OWPO's oversight and Kansas' IIJA orphaned well grant funding performance.

Introduction

Objectives

The objectives of our inspection were to determine whether Kansas:

1. Reported accurate orphaned well inventory information to the Orphaned Wells Program Office (OWPO).
2. Tracked and reported orphaned well activity data outlined in Kansas' initial grant agreement and the U.S. Department of the Interior's (DOI's) Infrastructure Investment and Jobs Act (IIJA) initial grant guidance and is prepared to report completely on the activities in the next round of funding.⁸
3. Properly ensured the safety of orphaned well sites to be remediated with IIJA funds.

See Appendix 1 for our inspection scope and methodology.

Background

Orphaned wells no longer produce oil or gas and have no known owner or operator capable of plugging the well and reclaiming the well site. Millions of Americans live within a mile of an orphaned oil or gas well. These wells can pollute residential and recreational areas and public spaces, posing public health and safety and environmental risks. As a result, orphaned wells have been a concern for residents, environmental groups, landowners, and State and Federal agencies for many years. These stakeholders are directly affected by the outcome of the efforts to address orphaned wells, particularly through plugging. Figure 1 shows an orphaned well plugging in progress. The cost of plugging a well can be affected by various factors such as depth, condition, location, and accessibility of a well. Today, the true inventory of orphaned wells across the United States is not fully known. Because of the lack of information collected prior to regulation, Federal and State agencies have faced challenges in estimating the numbers, locations, and conditions of orphaned wells within their respective jurisdictions. Consequently, the existing data gap between the number of documented and undocumented wells⁹ creates challenges in well-plugging efforts. Moreover, the number of orphaned oil and gas wells in the United States is not static, and the status may change for a variety of reasons, including:

- A liable operator is identified and held financially responsible for plugging the well.
- Orphaned wells may change from being undocumented to documented.
- A company bankruptcy might lead to the orphaning of wells.

Figure 1: Orphaned Well Plugging



Source: OIG.

⁸ We initially assessed Kansas' readiness to report on IIJA activities in the next round of funding and determined that Kansas was not prepared to track or report the required information. However, in July 2025, while our report was in draft, DOI changed the reporting guidance, and the information is no longer required for the next round of funding. Therefore, we omitted the finding and associated recommendation from our final report.

⁹ The Interstate Oil and Gas Compact Commission defines a "documented" well as a well for which the State or regulatory agency has a drilling report, completion report, inspection report, or other record establishing the existence of the well, including its precise location. An "undocumented" well refers to a well that is entirely unknown to a State or agency or one for which a State or agency has some evidence but requires further verification.

When an oil or gas well is orphaned, the cleanup and associated costs fall on the Federal or State Governments.

Infrastructure Investment and Jobs Act

The IIJA, signed into law on November 15, 2021, increased funding for the Federal orphaned wells program and created a grant program to assist States and Tribes in establishing, growing, and managing their own orphaned well plugging, remediation, and restoration programs.¹⁰ IIJA Title VI, “Methane Reduction Infrastructure,” § 40601, “Orphaned Well Site Plugging, Remediation, and Restoration,” expands the Federal reclamation role for orphaned oil and gas wells by providing \$4.7 billion in supplemental appropriations for the Federal reclamation program and grants to State and Tribal programs to complete reclamation within their respective jurisdictions.¹¹ More specifically, IIJA § 40601 provided the following allocations:

- \$250 million for DOI to carry out orphaned oil and gas well reclamation on Federal lands.
- \$775 million for initial grants to States in support of administrative actions necessary to assess and update the inventory of their orphaned well sites, prepare applications for obtaining formula and performance grants, and carry out other activities as stipulated, including plugging orphaned wells.

States may use IIJA grant funding for activities related to orphaned well plugging, remediation, and restoration (described in detail in Appendix 2).

Initial Grants

Each State can request up to \$25 million in initial grants. The initial grants bolster longstanding well-plugging programs already in operation in some States and help other States establish new programs to conduct plugging activities. DOI issued *State Initial Grant Guidance* requiring that States submit the following reports to DOI: (1) quarterly performance reports (due within 30 days of the close of each Federal fiscal quarter) and (2) final performance reports (due within 120 days of the period of performance end date). Although DOI required that States submit quarterly reports and a final report, it did not require any specific orphaned well activity data for inclusion in those reports. Kansas’ grant terms stated performance reports “should” (not must) include the following data:

- Inventory of orphaned wells on State and private lands (including latitude and longitude coordinates).
- Number of jobs created or saved.
- Number of orphaned wells plugged, remediated, and reclaimed.
- Witnessing documentation for each plugged well.
- Methane emissions reduced as a result of plugging, remediating, and reclaiming orphaned wells (including a description of the methodologies used for this parameter).
- Acres of habitat restored.
- Other parameters describing the means by which the State used the funds in accordance with the certification submitted in the application.

¹⁰ Pub. L. No. 117-58, 135 Stat. 429 (2021).

¹¹ The IIJA specifically authorized \$4.7 billion of funding: \$250 million for the Federal program, \$775 million for initial State grants, \$2 billion for State formula grants, \$1.5 billion for State performance grants, and \$150 million for Tribal grants.

Formula Grants

Congress also appropriated \$2 billion for formula grants¹² to States. To be eligible to receive a formula grant, a State must submit an application that includes documentation that describes the State-level program's current authorities and activities, activities to be carried out using the formula grant, and how reclamation activity information is made public, among other information. The amount that a State receives for a formula grant is dependent upon the factors considered in the State's application. DOI considers the following factors when calculating the formula grant amounts States are eligible to receive:

- Job losses in the oil and gas industry.
- Number of documented orphaned wells in the State.
- Projected costs to plug or reclaim the wells, reclaim adjacent land, and decommission or remove associated infrastructure.

DOI's *Formula Grant Guidance*¹³ encourages States "to provide information related to how plugging orphaned oil and gas wells supports current and future oil and gas production and State activities that support the Administration's efforts to unleash American energy and address our National Energy Emergency, if applicable."

Performance and Regulatory Improvement Grants

The IIJA also provides \$1.5 billion for performance grants, which consist of two types—regulatory improvement grants and matching grants. A State would qualify for a regulatory improvement grant by demonstrating within a 10-year period after its initial grant application that it has strengthened State plugging and reclamation standards and financial assurance mechanisms. Matching grants may be provided based on the difference States spend on plugging wells between 2010 and 2019, and the amount the State expects to spend during the fiscal year the State receives the grant. Matching grants are limited to a cumulative total of \$30 million per State from fiscal years (FYs) 2022 to 2031.

DOI Orphaned Wells Program Office

On January 10, 2023, the Secretary of the Interior established OWPO,¹⁴ which is responsible for carrying out the Secretary's responsibilities under IIJA § 40601, specifically to:

- Establish a program to plug, remediate, and reclaim orphaned wells located on Federal land.
- Provide initial grants, formula grants, and performance grants to the States to carry out plugging, remediating, and reclaiming activities related to orphaned wells.
- Establish a program under which the Secretary will (1) provide Indian Tribes grants to carry out plugging, remediation, and reclamation activities related to orphaned wells or (2) on request of an Indian Tribe and in lieu of a grant, administer and carry out plugging, remediation, and reclamation activities related to orphaned wells on behalf of the Indian Tribe.

The IIJA requires the Secretary of the Interior, through OPWO, to provide the following information in a report to Congress annually: (1) an updated inventory of wells located on Federal land, Tribal land, and State and private land that are orphaned or at risk of becoming orphaned; (2) an estimate of the quantities of methane and other gases emitted from orphaned wells and emissions reduced as a result of plugging, remediating, and

¹² Formula grants are intended to bolster States' well-plugging programs and provide significant financial resources over several years to plug, remediate, and reclaim thousands of orphaned wells on State and private lands.

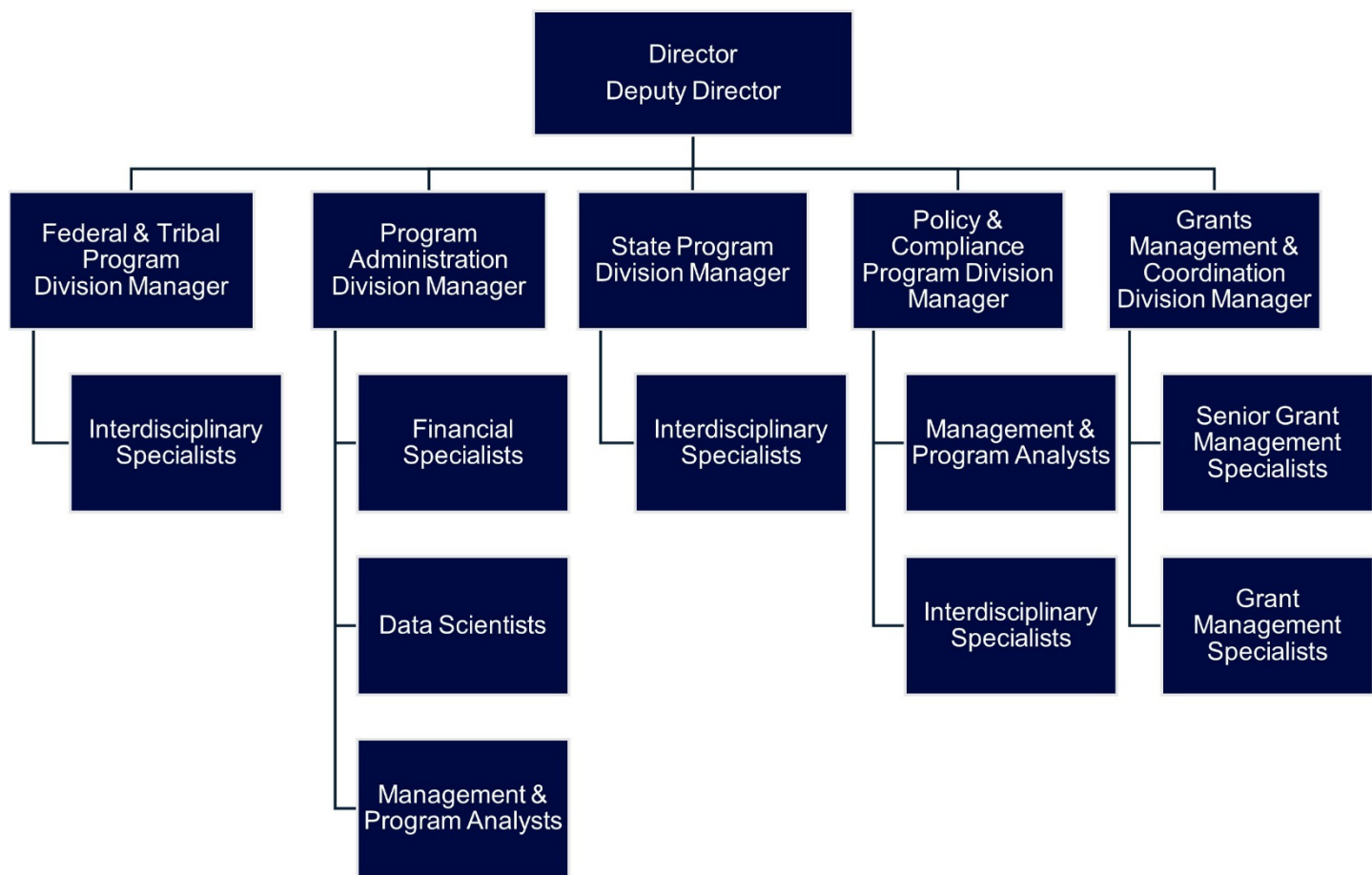
¹³ OWPO issued revised *State Formula Grants Guidance* in July 2025. According to OWPO, the revised guidance eliminates nonstatutory requirements and reduces the application and post-award burdens on States. This includes the elimination of pre- and post-plugging methane measurement and requirements related to the Endangered Species Act and the National Historic Preservation Act.

¹⁴ Secretary's Order No. 3409, *Establishment of the Orphaned Wells Program Office*.

reclaiming orphaned wells; (3) the number of jobs created and saved through plugging, remediating, and reclaiming orphaned wells; and (4) the acreage of habitat restored using grants awarded to plug, remediate, and reclaim orphaned wells and to remediate or reclaim adjacent land, together with a description of the purposes for which that land is likely to be used in the future.

OWPO is organizationally structured within DOI’s Policy and Environmental Division under the Office of Policy, Management and Budget (see Figure 2). OWPO management and staff are responsible for oversight and administration of the Federal, State, and Tribal programs, which include reviewing grant applications, awarding grants, and reviewing reports submitted by the grant recipients.

Figure 2: OWPO Organizational Structure



Source: OIG reformatted the organization chart OWPO provided in June 2025.

Kansas Corporation Commission

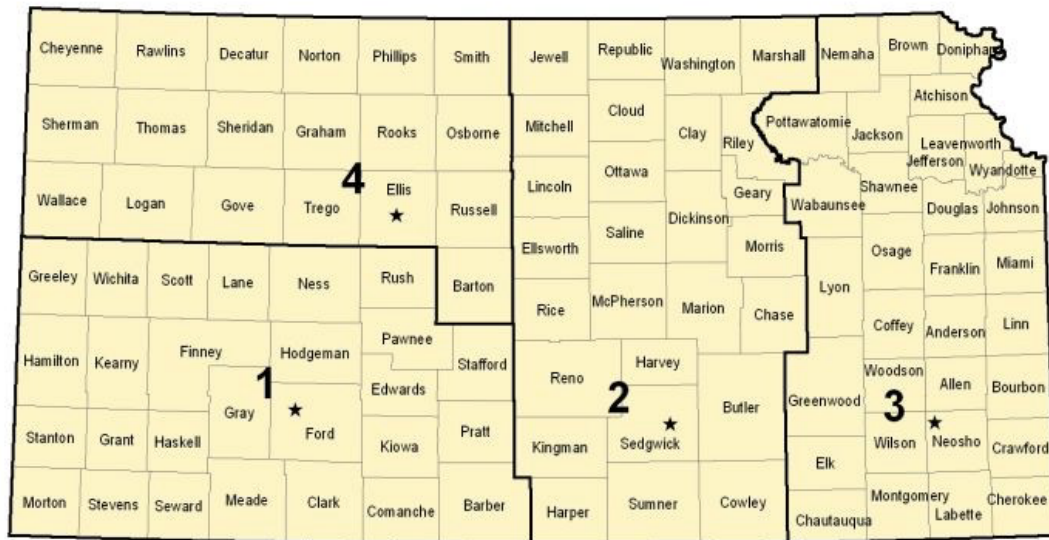
In 1996, the Kansas State Legislature established the Abandoned Well Plugging and Site Remediation Fund. It also established an annual reporting procedure whereby the Kansas Corporation Commission (KCC) (1) accounts for the number of orphaned wells in Kansas and the funds available to plug orphaned wells and (2) develops a multiyear plan for addressing orphaned wells by creating a prioritization schedule.

Kansas is divided into four districts (see Figure 3):

- District 1 is administered in Dodge City.
- District 2 is administered in Wichita.

- District 3 is administered in Chanute.
- District 4 is administered in Hays.

Figure 3: Kansas District Map



Source: [KCC](#).

Priority Levels

Each district is responsible for identifying and plugging the wells within its district. Wells to be plugged are assigned a priority level and action level:

- Priority I: Wells in this grouping are subdivided based on resources impacted and by the location or condition of the individual well. Impacts are categorized as surface water, groundwater, and public safety. The well is then assigned one of the following action levels within Priority I:
 - Level A = most serious.
 - Level B = moderate.
 - Level C = least serious.
- Priority II: Wells in this grouping have relatively modern construction and do not pose either ongoing or potential threats to public safety or the environment. These wells fall within the lowest priority ranking and do not have any action levels.

Orphaned Well Responsible Parties

Pursuant to the IIJA,¹⁵ States can use their own established definitions and terminology to describe a well that is on State or private land and is eligible for plugging, remediation, and reclamation. Kansas statute defines an “abandoned well” (hereinafter referred to as “orphaned well”) as “a well that is not claimed on an operator’s license that is active with the commission and is unplugged, improperly plugged or no longer effectively plugged.”¹⁶ The statute also establishes that, if at any time the KCC determines that the legally responsible person (hereinafter referred to as “responsible party”) is dead, no longer in existence, insolvent, or can no

¹⁵ Pub. L. No. 117-58 § 40601(a)(5)(B).

¹⁶ Kan. Stat. Ann. § 55-179(e).

longer be found, the KCC will plug the well as funds become available.¹⁷ As discussed in more detail below, the KCC must follow the provisions of the Kansas Administrative Procedure Act to pursue additional actions for orphaned wells as necessary.

In addition, the KCC periodically conducts a review¹⁸ for each lease to ensure compliance with oil and gas regulations. If the KCC determines an instance of noncompliance and a notice of violation letter is warranted, notice is sent to the operator. In instances where the operator fails to comply, the matter is submitted to the KCC legal department. After a compliance matter has been referred to the KCC legal department, any further contact with the operator will be referred to the KCC district's compliance officer or to the KCC legal department. If the responsible party is in question, the district compliance office will submit all compiled information to the legal department for determination. If no responsible party is found, the well will be referred to the appropriate KCC staff and added to be the orphaned well plugging list.

KCC IIJA Funding

In August 2022, the KCC received an initial grant for \$25 million to perform the activities under the IIJA. The KCC estimated the grant would fund the plugging of 2,513 orphaned wells. In addition to the initial grant, Kansas is eligible to receive a formula grant of up to \$33.6 million or up to 25 percent of the State's total formula eligibility, whichever of the two is greater.¹⁹ During the initial stage of our inspection, a KCC official informed us that they would be recommending that the KCC pause its formula grant application; however, more recently, in December 2024, the KCC submitted a phase 2 formula grant application.

¹⁷ Kan. Stat. Ann. § 55-179 notes that multiple parties may be held legally responsible for plugging an abandoned oil or gas well, one of which is the operator who initially abandoned the well.

¹⁸ The KCC told us it uses a guidance document titled *Routine Lease Inspection Guidance* as the basis for reviews to ensure lease compliance with KCC rules and regulations in Kan. Admin. Regs. § 82-3-100 through 1012.

¹⁹ As noted previously, States are eligible for formula grants based on a formula that factors oil and gas industry job losses in the State, the number of documented orphaned wells located in the State, and the projected costs to plug and/or reclaim the orphaned wells.

Results of Inspection

We identified issues with the KCC's grant performance. Specifically, the KCC:

- Used IIJA funds to plug orphaned wells without determining if two operators were responsible to plug the wells (see Appendix 3 for a statement of monetary impact).
- Did not report accurate information regarding witnessing orphaned well plugging.

We did not assess site safety because all orphaned wells reported as plugged using IIJA funds were on privately owned land, and the KCC stated that it has limited safety enforcement authority. However, we did not witness any site safety concerns during our site visits.

As of March 2024, the KCC reported 2,179 orphaned wells plugged with IIJA funds. We selected 122 wells from the March report to verify the accuracy of reported information by performing site visits to orphaned wells and interviewing knowledgeable staff. We also compared information about well locations and names, eligibility, and witnessing in quarterly performance reports with KCC plugging completion documents to check for consistency. We conducted site visits to 13 orphaned well sites—6 wells that had been plugged and the land reclaimed using IIJA funds, 1 active IIJA well plugging, 1 IIJA plugged well before reclamation, and 5 potential formula grant orphaned wells (see Appendix 4 for a list of sites visited). Of the 122 wells sampled, the 6 wells plugged and remediated were included in the sample.

Orphaned Well Responsibility

The KCC classifies wells as orphaned and determines whether a responsible party exists pursuant to Kansas statutes:

- As described above, Kansas statute states that a well is considered orphaned (the KCC uses the term “abandoned”) when an unplugged, improperly plugged, or no longer effectively plugged well is not claimed on an active commission operator's license. Once the KCC classifies a well as orphaned, it then places the well on its plugging list.
- If the commission determines that no person is legally responsible for the proper care and control of an orphaned well, or that each legally responsible person is dead, no longer in existence, insolvent, or can no longer be found, the KCC will also place these wells on the plugging list to be plugged as funds become available.
- If the KCC has reason to believe that any individual is legally responsible for the orphaned well, the KCC is required to follow the provisions of the Kansas Administrative Procedure Act to bring the individual before the KCC for a hearing. If the KCC finds that an individual is legally responsible for the well, then the KCC may order the individual to plug the well or bring it into compliance and may order additional remedies.

For example, if an operator's license expires²⁰ while the operator has unplugged wells, the KCC is required to issue a notice of violation requesting that the operator renew its license, transfer the wells, or plug the wells. If the notice of violation remains uncured,²¹ the KCC will issue a penalty order to the responsible operator assessing fines and requiring the operator to cease operations until it complies with the order. If, after 60 days from the date of the order, any unplugged wells remain on the expired license, the operator will incur additional fines, and the KCC will place the wells on the plugging list. The KCC will then plug the wells according to priority and as funds allow; however, the plugging costs are assessed to the operator as stated in the penalty order.

²⁰ More specifically, Kansas regulations provide that no operator or contractor shall undertake any of the following activities without first obtaining or renewing a current license: drilling, completing, servicing, plugging, or operating any oil, gas, injection, or monitoring well. Kan. Admin. Regs. § 82-3-120(a)(1)(A).

²¹ An uncured notice happens when the operator does not renew its license, transfer the wells, or plug the wells within the specific time limit stated in the order.

We found the KCC used \$299,275 in IIJA funds to plug 20 orphaned wells²² without first determining if two operators with expired licenses²³ should have been identified as responsible parties for these wells. The KCC issued penalty orders after the operators did not renew their licenses—which were valid for one year—and neither operator responded to penalty orders from the KCC, resulting in their wells being placed on the orphaned well plugging list. The KCC relied on the lack of the operators’ response to penalty orders to determine that no responsible party existed. It did not provide evidence that, after issuing the penalty order, it took any additional actions to reach a determination that a legally responsible person was dead, no longer in existence, insolvent, or could no longer be found. Further, while the operators’ State business registrations lapsed before the wells were plugged, we did not find evidence the companies filed for bankruptcy or that operations had ceased.²⁴

The KCC did not provide a reason why it did not document its determination that these operators were not responsible parties; however, the KCC stated that a lack of response from an operator to a penalty order could be an indicator of a nonresponsible party. Because the KCC did not determine whether there were responsible parties, we question the full \$299,275 of IIJA funding the KCC used to plug these wells.²⁵ When the KCC spends IIJA grant funds to plug wells when a responsible party exists, the costs for plugging the wells shifts from the operator to the taxpayer. This could result in Kansas missing the opportunity to use IIJA funds to plug more wells on the plugging list without a legally responsible party identified.

Recommendations

We recommend that the Orphaned Wells Program Office:

1. Require the Kansas Corporation Commission to determine and document that all wells plugged using Infrastructure Investment and Jobs Act funds were completed in accordance with Kansas Statutes Annotated 55-179 (e.g., the wells were plugged only after the commission determined that no person was legally responsible, or that each legally responsible person was dead, no longer in existence, insolvent, or could no longer be found).
2. Resolve the questioned costs of \$299,275 in which the Kansas Corporation Commission did not determine whether the legally responsible party was dead, no longer in existence, insolvent, or could no longer be found.

Performance Reporting

The KCC submitted required performance reports to OWPO describing how it used the IIJA initial grant funds, but as stated above, OWPO did not require reporting on orphaned well activities in these reports. The KCC’s performance reports included data such as the number of wells plugged and how many jobs were created. As of August 2024, the KCC reported that it used \$24.3 million of its initial grant funds to plug 2,371 of its estimated 2,513 orphaned wells (see Figure 4).²⁶ In addition, the KCC reported 54 jobs created from 6 projects funded by IIJA initial grants. We found, however, that the KCC did not report accurate information about witnessing the plugging of orphaned wells in its performance reports.

²² We initially found issues with 7 of the 122 wells in our sample that were licensed to 1 operator. We then reviewed 13 additional Kansas IIJA plugged wells and found similar issues with another operator.

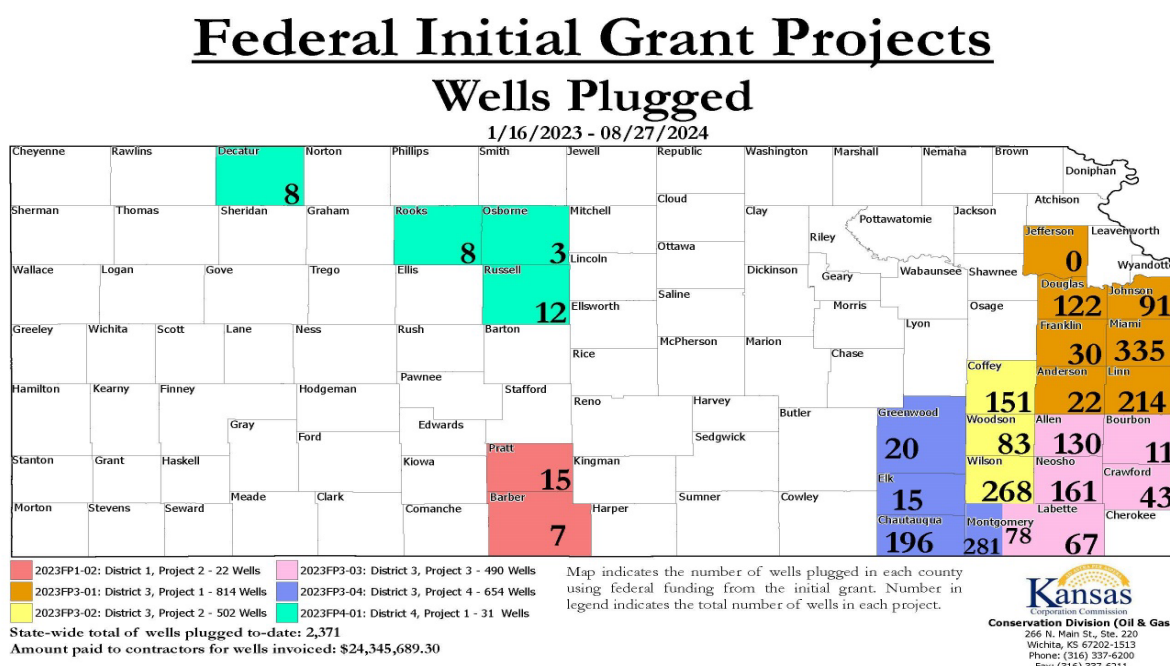
²³ Pursuant to Kan. Admin. Regs. § 82-3-120, “Each license shall be in effect for one year unless suspended or revoked by the commission,” and the license must be renewed annually.

²⁴ To reach this conclusion, we conducted an internet search (e.g., company website and social media) and performed a search for bankruptcies in the Public Access to Court Electronic Records, <https://pacer.uscourts.gov/>.

²⁵ According to 2 C.F.R. § 200.403(g), a factor affecting the allowability of a cost is whether the costs were adequately documented.

²⁶ At the time of our sample in March 2024, the KCC reported 2,179 orphaned wells plugged and \$22,677,035 spent from its IIJA initial grant funds.

Figure 4: KCC Wells Plugged



requires a date; however, the KCC could still complete the template incorrectly using the well-plugging completion date.

Reporting accurate witnessing information provides OWPO assurance that the KCC is conducting essential oversight of the orphaned wells plugged with IIJA funding, which includes ensuring the contractor met standards, verifying the accuracy of well information and status, and observing and reporting any hazards to workers or the environment. Additionally, because OWPO relies on this information to conduct its own oversight, inaccurate reporting impacts its ability to determine the amount of scrutiny needed or if more site visits are warranted.

Recommendations
<p>We recommend that the Orphaned Wells Program Office:</p> <ol style="list-style-type: none">3. Require the Kansas Corporation Commission to update witnessing information on its most recent performance report and verify the accuracy of reported witnessing information.4. Require the Kansas Corporation Commission to issue guidance to staff on completing witnessing information in the “Data Reporting Template with Definitions” spreadsheet.

Site Safety

Because all orphaned wells reported as plugged using IIJA funds in Kansas are on privately owned land, the KCC stated it has limited enforcement authority at the well sites before plugging commences. However, KCC staff stated that they address safety measures by fencing off an area or installing a three- to four-foot-high stake to identify an orphaned well location so vehicles or farm equipment do not run into the well. The KCC also stated it uses State funds to ensure safety measures are in place if a wellhead is open at the surface or if the well is on public land.²⁹ We did not witness any site safety concerns during our site visits.

²⁹ During site visits, the inspection team did not observe orphaned wells on public land.

Conclusion and Recommendations

Conclusion

The KCC made progress in addressing the serious threats posed by orphaned wells to human health and the environment by plugging nearly 2,400 out of an estimated 2,513 orphaned wells with IIJA initial grant funding as of August 2024. With up to \$33.6 million of formula grant funding available, the KCC has the opportunity to further reduce environmental hazards as the IIJA intended. However, we found that the KCC used IIJA funds to plug 20 wells without first determining if two operators should have been identified as responsible parties, which shifts the costs for plugging the wells from the operator to the taxpayer. In addition, the KCC did not report accurate information regarding witnessing orphaned well plugging. We make four recommendations that, if implemented, will help improve OWPO's oversight and Kansas' IIJA orphaned well grant funding performance. Finally, the KCC stated it had limited authority over site safety because the orphaned wells were located on private land. As we did not observe any site safety concerns during our site visits, we do not have any recommendations regarding safety for the KCC program.

Recommendations Summary

We provided a draft of this report to OWPO for review. OWPO concurred with our recommendations, and we consider all recommendations resolved. We determined that Recommendations 1 and 2 are significant and will be reported as such in our semiannual report to Congress in accordance with the Inspector General Act.³⁰ Below we summarize OWPO's response to our recommendations, as well as our comments on its response. See Appendix 5 for the full text of OWPO's response; Appendix 6 lists the status of each recommendation.

We recommend that the Orphaned Wells Program Office:

1. Require the Kansas Corporation Commission to determine and document that all wells plugged using Infrastructure Investment and Jobs Act funds were completed in accordance with Kansas Statutes Annotated 55-179 (e.g., the wells were plugged only after the commission determined that no person was legally responsible, or that each legally responsible person was dead, no longer in existence, insolvent, or could no longer be found).

OWPO Response: OWPO concurred with this recommendation and stated it “will provide additional, clarifying guidance to the State of Kansas (and all other grant recipients) regarding the expectation that ‘orphaned’ well determinations are documented before any grant funding is obligated.” OWPO also stated that it will coordinate with the Interior Business Center (IBC) to implement a process or new award-specific term and condition for grant recipients to certify that all plugged wells meet the orphaned well definition. In addition, OWPO stated it “developed a new set of Standard Operating Procedures to institute a process to review whether wells reported by States as plugged using IIJA funds meet the definition of orphaned in the IIJA.”

OWPO provided a June 2026 target implementation date.

OIG Comment: Based on OWPO's response, we consider this recommendation resolved. We will consider it implemented when OWPO has issued new guidance regarding expectations of orphaned well determinations to the State of Kansas, implemented a new award-specific term and condition with IBC for certifying plugged wells meet the orphaned well definition (as described in its response), and provided documentation of wells reviewed in accordance with its new Standard Operating Procedure.

³⁰ The Inspector General Act of 1978, 5 U.S.C. § 405(b), requires inspectors general to prepare semiannual reports summarizing OIG activities during the immediately preceding six-month periods ending March 31 and September 30. It also states that these semiannual reports shall include an identification of each “significant recommendation” described in previous semiannual reports on which corrective action has not been completed.

2. Resolve the questioned costs of \$299,275 in which the Kansas Corporation Commission did not determine whether the legally responsible party was dead, no longer in existence, insolvent, or could no longer be found.

OWPO Response: OWPO concurred with this recommendation and stated it will coordinate with IBC and DOI's Office of the Solicitor "to review and verify the 'orphaned' well determination and resolve repayment of the identified funds, should any wells prove not to meet the State of Kansas 'orphaned' well definition."

OWPO provided a March 2026 target implementation date.

OIG Comment: Based on OWPO's response, we consider this recommendation resolved. We will consider it implemented when OWPO provides documentation demonstrating that orphaned well analysis has been completed and questioned costs have been resolved.

3. Require the Kansas Corporation Commission to update witnessing information on its most recent performance report and verify the accuracy of reported witnessing information.

OWPO Response: OWPO concurred with this recommendation and stated it "will request that the State correct any inaccurate data previously submitted and certify the completeness and accuracy of its reported witnessing information with submission of the grant's next report."

OWPO provided a June 2026 target completion date.

OIG Comment: Based on OWPO's response, we consider this recommendation resolved. We will consider it implemented when OWPO provides documentation demonstrating that the KCC has corrected and documented any inaccurate witnessing information it previously submitted and certified the accuracy of its reported witnessing information.

4. Require the Kansas Corporation Commission to issue guidance to staff on completing witnessing information in the "Data Reporting Template with Definitions" spreadsheet.

OWPO Response: OWPO concurred with this recommendation and stated it "will develop more detailed instructions for all grant recipients regarding how to complete witnessing information and other data fields in the 'Data Reporting Template with Definitions' spreadsheet." It also stated that, in conjunction with IBC, "OWPO will encourage grant recipients to provide the detailed instructions, along with guidance reiterating the importance of accurate data reporting, to relevant staff." In addition, OWPO said it "will develop a Standard Operating Procedure to document a process for the internal review and monitoring of data reported from grant recipients to the OWPO."

OWPO provided a June 2026 target implementation date.

OIG Comment: Based on OWPO's response, we consider this recommendation resolved. We will consider it implemented when OWPO provides documentation demonstrating that it has provided the KCC instructions for witnessing information and verified that the KCC has issued the instructions and associated guidance to staff.

Appendix 1: Scope and Methodology

Scope

Our inspection focused on the Kansas Corporation Commission's (KCC's) initial grant and wells plugged using Infrastructure Investment and Jobs Act (IIJA) funding in Kansas from November 2021 through August 2024. We continued to stay updated on the KCC's performance of the grant subsequent to August 2024 to ensure we were alert to new information that could impact our findings and report.

Methodology

We conducted our inspection in accordance with the *Quality Standards for Inspection and Evaluation* as put forth by the Council of the Inspectors General on Integrity and Efficiency. We believe that the work performed provides a reasonable basis for our conclusions and recommendations.

To accomplish our objectives, we:

- Reviewed Pub. L. No. 117-58 § 40601, "Orphaned Well Site Plugging, Remediation, and Restoration," the Code of Federal Regulations, Kansas Statutes Annotated and Administrative Regulations, and the Orphaned Well Program Office's (OWPO's) State initial grant and State formula grant guidance.
- Documented our understanding of the KCC's program methodology, policies, and procedures as they relate to IIJA activities and safety.
- Interviewed officials from the KCC and OWPO.
- Obtained and analyzed the list the KCC provided of all IIJA initial grant projects.
- Judgmentally selected a sample of 122 IIJA orphaned wells covering three of the four Kansas districts (District 2 did not have plugged IIJA wells). We verified:
 - That each well received a prioritization rating.
 - The accuracy and consistency of plugged well information to contractor invoices and determined if the invoices were reviewed and approved by KCC staff.
 - The plugging date and completion of witnessing to the KCC's plugging form.
- Reviewed KCC well records, penalty orders, and Kansas statutes to determine orphaned well eligibility for selected wells.
- Identified the estimated number of jobs created and saved by the KCC and compared the number to supporting documentation.
- Visited 13 orphaned well sites within Districts 1, 3, and 4. Sites included six well sites that had been plugged and the land reclaimed using IIJA funds, one active IIJA plugging site, one IIJA plugged well before reclamation, and five potential formula grant orphaned well sites.

Appendix 2: IIJA Orphaned Well State Program Permissible Activities

Infrastructure Investment and Jobs Act (IIJA) § 40601 allows for certain activities that States may undertake using IIJA funds, such as administering a State-level program to carry out orphaned well-plugging, remediation, and restoration activities, including the following:

1. Plug, remediate, and reclaim orphaned wells located on State-owned or privately owned land.
2. Identify and characterize undocumented orphaned wells on State and private land.
3. Rank orphaned wells based on public health and safety, potential environmental harm, and other land use priorities.
4. Make information regarding the use of funds received under IIJA § 40601 available on a public website.
5. Measure and track emissions of methane and other gases associated with orphaned wells and contamination of groundwater or surface water associated with orphaned wells.
6. Remediate soil and restore native species habitat that has been degraded due to the presence of orphaned wells and associated pipelines, facilities, and infrastructure.
7. Remediate land adjacent to orphaned wells and decommission or remove associated pipelines, facilities, and infrastructure.
8. Identify and address any disproportionate burden of adverse human health or environmental effects of orphaned wells on communities of color, low-income communities, and Tribal and Indigenous communities.
9. Subject to the administrative cost limitation, administer a program to carry out any activities described in numbers 1 through 8 above.

Appendix 3: Monetary Impact

Description	Unallowable Questioned Costs
Ineligible Plugged Wells	\$299,275
Total	\$299,275

Appendix 4: Site Visits

County	American Petroleum Institute No.
Barber	15-007-22794-0000
	15-007-22795-0000
Barton	15-009-04879-0000
Chautauqua	15-019-24082-0000
	15-019-25442-0000
Greenwood	15-073-23111-0000
	15-073-22782-0000
Montgomery	15-125-27078-0000
Pratt	15-151-10999-0001
	15-151-10964-0000
	15-151-10975-0000
	15-151-20223-0000
Stafford	15-185-00278-0001

Appendix 5: Response to Draft Report

The Orphaned Wells Program Office's response to our draft report follows on page 20.



United States Department of the Interior

OFFICE OF THE SECRETARY
Washington, DC 20240
August 13, 2025

OWPO-2025-DIR-053

Memorandum

To: Nicki Miller
Assistant Inspector General for Audits, Inspections, and Evaluations
JENNIFER

From: Jennifer L. Goldblatt GOLDBLATT
Director (Acting), Orphaned Wells Program Office

Digitally signed by JENNIFER
GOLDBLATT
Date: 2025.08.13 09:42:47 -06'00'

Subject: Response to the OIG's Draft Inspection Report – *The Orphaned Wells Program Office and the State of Kansas Have Opportunities to Improve Spending of Infrastructure Investment and Jobs Act Orphaned Wells Funding* (Report No. 2024-ISP-018)

Thank you for the opportunity to review and comment on the OIG's inspection report titled *The Orphaned Wells Program Office and the State of Kansas Have Opportunities to Improve Spending of Infrastructure Investment and Jobs Act Orphaned Wells Funding* (draft report). In the draft report, the OIG identified four recommendations to assist the Orphaned Wells Program Office (OWPO) with providing effective oversight of and sufficient guidance to the State of Kansas and by extension, other state grant recipients.

The OWPO is tasked with managing and providing oversight for the \$4.677 billion in funding the Infrastructure Investment and Jobs Act (IIJA) provided for orphaned well plugging and site remediation and restoration activities on federal, Tribal, state, and private lands. As a relatively new office, we appreciate the OIG's oversight, review, and recommendations for improvement.

The OWPO generally concurs with the four recommendations. Attached are our responses to each recommendation, which includes planned actions, target completion dates, and a responsible official. The OWPO is committed to continuous improvement and welcomes future reviews and recommendations for how we can enhance our operations and oversight of the IIJA's orphaned wells programs.

If you have any questions about this response, please contact me at (202) 255-2932.

Attachment

OWPO Response to OIG Recommendations_Draft Report No 2024-ISP-018_20250813

Agency Response to the Office of the Inspector General's Draft Report, *The Orphaned Wells Program Office and the State of Kansas Have Opportunities to Improve Spending of Infrastructure Investment and Jobs Act Orphaned Wells Funding*

(Report No. 2024-ISP-018)

Recommendation 1: *Require the Kansas Corporation Commission to determine and document that all wells plugged using Infrastructure Investment and Jobs Act funds were completed in accordance with Kansas Statutes Annotated 55-179 (e.g., the wells were plugged only after the commission determined that no person was legally responsible, or that each legally responsible person was dead, no longer in existence, insolvent, or could no longer be found).*

OWPO Response: Concur

The OWPO will provide additional, clarifying guidance to the State of Kansas (and all other grant recipients) regarding the expectation that “orphaned” well determinations are documented before any grant funding is obligated. The OWPO will coordinate with IBC to implement a process or new award-specific term and condition for grant recipients to certify that all plugged wells meet the “orphaned” well definition. In addition, the OWPO developed a new set of Standard Operating Procedures to institute a process to review whether wells reported by States as plugged using IIJA funds meet the definition of orphaned in the IIJA, 42 U.S.C. 15907(a)(5)(B). As part of regular grant monitoring activities, the OWPO will provide States with the results of the relevant reviews and recommend corrective actions, as necessary.

Target Date: June 2026

Responsible Official: Jennifer L. Goldblatt, Director (Acting), Orphaned Wells Program Office

Recommendation 2: *Resolve the questioned costs of \$299,275 in which the Kansas Corporation Commission did not determine whether the legally responsible party was dead, no longer in existence, insolvent, or could no longer be found.*

OWPO Response: Concur

For the questioned costs, the OWPO will coordinate with the Interior Business Center and the Department of the Interior's Office of the Solicitor to review and verify the “orphaned” well determination and resolve repayment of the identified funds, should any wells prove not to meet the State of Kansas “orphaned” well definition.

Target Date: March 2026

Responsible Official: Jennifer L. Goldblatt, Director (Acting), Orphaned Wells Program Office

Recommendation 3: *Require the Kansas Corporation Commission to update witnessing information on its most recent performance report and verify the accuracy of reported witnessing information.*

OWPO Response: Concur

The OWPO will request that the State correct any inaccurate data previously submitted and certify the completeness and accuracy of its reported witnessing information with submission of the grant's next report.

Target Date: June 2026

Responsible Official: Jennifer L. Goldblatt, Director (Acting), Orphaned Wells Program Office

Recommendation 4: *Require the Kansas Corporation Commission to issue guidance to staff on completing witnessing information in the “Data Reporting Template with Definitions” spreadsheet.*

OWPO Response: Concur

The OWPO will develop more detailed instructions for all grant recipients regarding how to complete witnessing information and other data fields in the “Data Reporting Template with Definitions” spreadsheet. In conjunction with IBC, the OWPO will encourage grant recipients to provide the detailed instructions, along with guidance reiterating the importance of accurate data reporting, to relevant staff. In addition, the OWPO will develop a Standard Operating Procedure to document a process for the internal review and monitoring of data reported from grant recipients to the OWPO. These data reviews will identify anomalies, including well information not provided in the correct format, and data that has changed since the state’s last data report submission, and recommend corrective actions, as necessary.

Target Date: June 2026

Responsible Official: Jennifer L. Goldblatt, Director (Acting), Orphaned Wells Program Office

Appendix 6: Status of Recommendations

Recommendation	Status	Action Required
2024-ISP-018-01 We recommend that the Orphaned Wells Program Office require the Kansas Corporation Commission to determine and document that all wells plugged using Infrastructure Investment and Jobs Act funds were completed in accordance with Kansas Statutes Annotated 55-179 (e.g., the wells were plugged only after the commission determined that no person was legally responsible, or that each legally responsible person was dead, no longer in existence, insolvent, or could no longer be found).		
2024-ISP-018-02 We recommend that the Orphaned Wells Program Office resolve the questioned costs of \$299,275 in which the Kansas Corporation Commission did not determine whether the legally responsible party was dead, no longer in existence, insolvent, or could no longer be found.	Resolved	We will track implementation.
2024-ISP-018-03 We recommend that the Orphaned Wells Program Office require the Kansas Corporation Commission to update witnessing information on its most recent performance report and verify the accuracy of reported witnessing information.		
2024-ISP-018-04 We recommend that the Orphaned Wells Program Office require the Kansas Corporation Commission to issue guidance to staff on completing witnessing information in the “Data Reporting Template with Definitions” spreadsheet.		



OFFICE OF
INSPECTOR GENERAL
U.S. DEPARTMENT OF THE INTERIOR

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