



KENTUCKY OIL AND GAS ASSOCIATION

FEDERAL GRANT UPDATE

Kentucky Division of Oil & Gas
April 30, 2024



BIL Initial Grant Summary

- A Total 43 Separate Plugging Packages were Issued for RFP Through the Finance Cabinet to Plug 635 Wells.
- KDOG has Plugged All 635 Contracted Orphan Wells in 27 Counties.
- One Year Reclamation Inspections for Contractor Retention Release are On-going.
- KGS Continues Work on their Project to Model and Estimate the Methane Emissions Eliminated by the Initial Grant Orphan Well Plugging. Delivery of their Final Methane Emissions Report is set for September 30, 2024.
- The Federal Orphan Well Plugging Dashboard on the KDOG website is current with the Initial Grant Information – check it out!
- [IIJA Federal Orphan Oil and Gas Wells Program \(arcgis.com\)](https://arcgis.com)

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Kentucky Energy and Environment Cabinet
<https://eec.ky.gov/Natural-Resources/Oil-and-Gas>

Oil & Gas - Kentucky Energy and Environment Cabinet

WEB Feb 15, 2024 · Oil & Gas Permits. An Application for Permit shall be filed with the Division of Oil and Gas before a well is drilled, deepened or re-opened for the production of natural ...

Forms Library

Forms Library. Annual Disposal or Injection Well Monitoring Report (OG-18) ...

Contact Oil and Gas

Division of Oil and Gas 300 Sower Blvd, 4th Floor Frankfort, KY 40601 Phone: (502) ...

Resources

Forms Library Forms pertaining to the ... Production Reports · Spud Reports

About

Oil & Gas. About. The mission of the Division of Oil and Gas is to regulate the ...

Regulations & Statutes

130 Deep well administrative regulation relating to casing, cementing, plugging, ...

Programs

Oil & Gas Permits An Application for ... State Bid Well Program · Tax Credits

Oil & Gas Permits

Many more "unknown" oil and gas wells are present. The Testing Permit Program ...

Online Services

Please note that the services listed above link to agencies outside of the Division of ...

Other content from eec.ky.gov

Permit Lists | Oil & Gas - Kentucky Energy and Environment Cabinet

Online Services | Oil & Gas - Kentucky Energy and Environment Cabinet



Kentucky Oil & Gas Association

Association/Organization

Website

Directions

Contact us

306 W Main St Ste 406, Frankfort, KY 40601 · < 1 mi

(502) 226-1955

Closed · Opens 8 AM

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BIL Formula Grant Update

- Kentucky's Phase I Formula Grant Application for \$25M was Submitted to DOI on November 8, 2023. KY is eligible for \$79M in Formula Grant funds. DOI, however, took a Phased Approach Requiring a yearly application for no more than \$25M per year.
- DOI Indicated that Phase I Formula Grant Awards would Occur March 1, and then June 1, 2024. They then Surprised All to Announce the \$25M Kentucky Award on April 24 in a Live Webinar.
- All Formula Grant Work Must Comply with Requirements of the Federal Endangered Species Act and the National Historic Preservation Act for Plugging Site Activity in addition to Pre-Plugging Methane Emission Measurements.
- Formula Grant Plugging Work Will Go Much Slower due to the More Stringent Requirements.

Methane Emissions Reduction Program (MERP) Grant Update

- KDOG Submitted the Kentucky MERP application to DOE on October 10 for a \$9.8M Grant to Plug Marginal Conventional Oil and Gas Wells (MCW) held by Private Ownership.
- Received Notice on October 25 that Grant Eligibility had been Increased to \$12.9M with Multiple Other States Declining to Pursue MERP. Kentucky MERP Application Forms had to be Revised to Reflect the new Amount.
- DOE has Since Presented a Multitude of Detail Inquiries, Budgeting Questions, and Info Requests.
- MERP Final Awards were Projected to Occur in March 2024; However, the last word from DOE was to expect a formal Award “very soon”.
- The Davis Bacon, Methane Emission Measurements Pre & Post, National Historic Preservation, and Endangered Species Acts will All Apply to this Work.

Pit Sampling Discussion

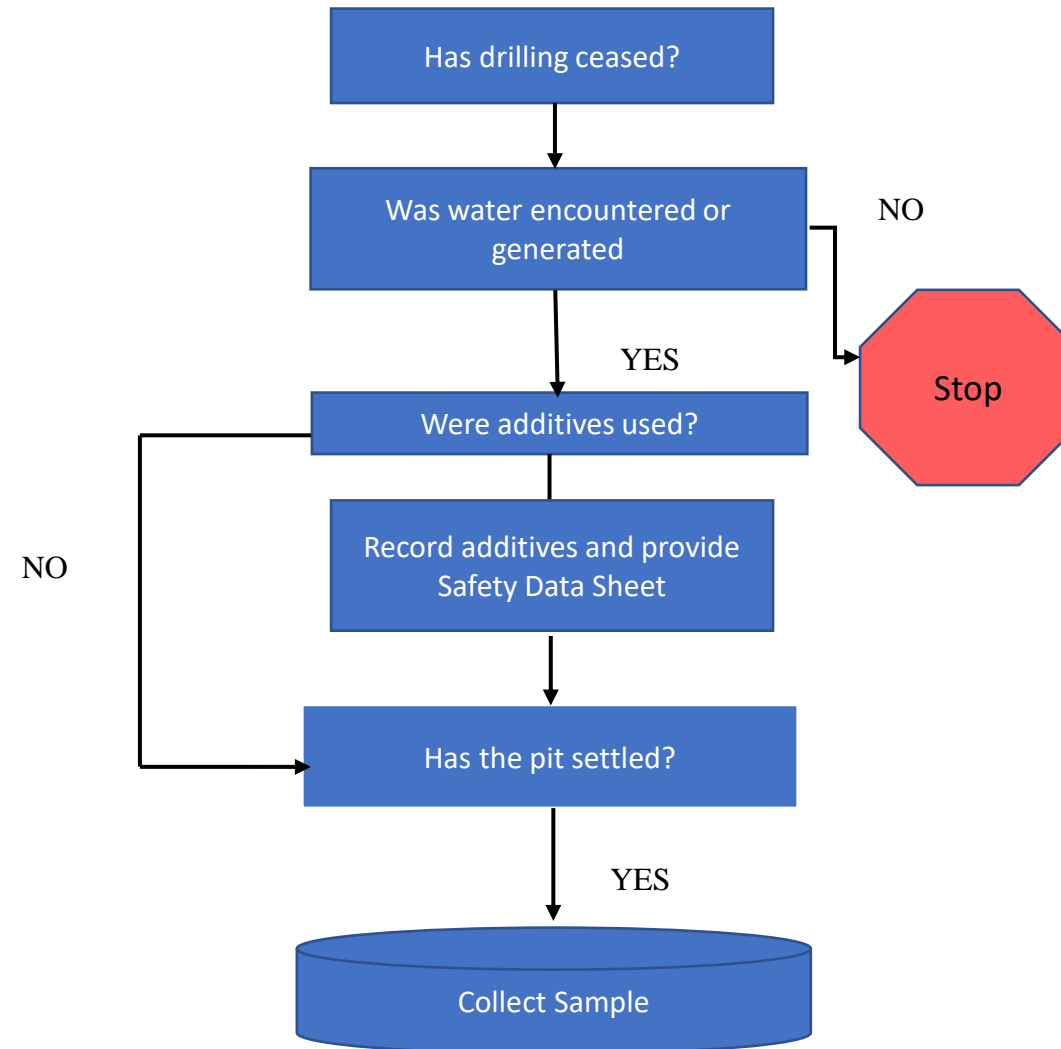
- 2019 Study of 184 constituents (metals, inorganics, VOCs, SVOCs); chlorides, turbidity, conductivity and TSS; 10 pits
- Results had wide variability; limited applicability
- 2021 Work Group revisit for discussion
- 2024 Pit Water Sampling Guidance:
 - 4 Regions; different drilling methods to reduce variability
 - Certified labs and contractors for sampling and analysis
 - Voluntary participation
 - Compiled data set analyzed for potential regulatory process

Regions and Methods

Efforts will be taken to collect samples from different regions and drilling methods in those regions to characterize drilling pit water in those regions. The regions and methods of drilling in those regions are as follows:

- Western Kentucky Illinois Basin – Water/mud based drilling
- Eastern Kentucky – Horizontal Berea - fluid drilling
- Eastern Kentucky Appalachian Basin – Air drilling
- South Central Kentucky – Air drilling

Example of Air Drilling Flow Chart



Analytical Parameters

- Metals
- Volatiles
- Semi-volatiles
- Chlorides and bromides
- Salinity
- Total and soluble iron
- Turbidity
- pH
- Temperature



QUESTIONS?

