

# West Virginia Legislative Update

SOOGA Spring Membership Meeting

Marietta, Ohio

April 18<sup>th</sup> 2019

# West Virginia House Bill 2673

## Orphan Well Plugging Program Funds

**\$950,000**

**Pennsylvania**

**\$13.8million**

**Ohio**

**\$385,000**

**West Virginia**

# West Virginia House Bill 2673

## House Delegates Sponsored:

- Bill Anderson (Wood County)
- John Kelly (Wood County)
- Vernon Criss (Wood County)
- Jason Harshbarger (Ritchie County)

# West Virginia House Bill 2673

- Oil and Gas well plugging fund
- Was to come up with a plan to create revenue for plugging orphaned and abandoned wells in West Virginia
- Currently West Virginia only has enough revenue from new permit fees to plug and abandoned around 10 wells per year

# West Virginia House Bill 2673

- IOGAWV worked with the WVDEP and the legislature to come up with a vehicle to fund an on going plugging program and also would have reduced the severance tax normally paid by 50% on producers in West Virginia
- Any well that produces more than 5 MCF/day and less than 60MCF/day or less than 10 BBLS oil/day would qualify for the 2.5% severance tax

# West Virginia House Bill 2673

This bill has the support of the:

- WVDEP
- WVSORO
- West Virginia Farm Bureau
- Environmental Groups
- Oil and Gas Industry

# West Virginia House Bill 2673

- The bill had bipartisan support in the House and the Senate
- The bill passed in the Senate 33-1
- The bill passed in the House 83-11
- Considered a win-win for the industry and the environment
- West Virginia estimates it has over 4000 orphan and abandoned wells
- This would allow the state to plug at least 60 well per year
- The fund was designed to maintain 4 million dollars creating an on going revenue stream for plugging wells

# West Virginia House Bill 2673

- The governor decided to veto it because he did not feel this money should come out of the general revenue fund
- During special session on May 20<sup>th</sup> we're hoping to draft a revised version of this bill that will get passed by the Governor
- Jim Pritt from Enervest proposed we take 2 million dollars from the severance tax to improve secondary roads



# West Virginia House Bill 2661

- The purpose of this bill was to let public utilities offer incentives to oil and gas producers to drill wells in areas of West Virginia natural gas has been in short supply such as: Weston, Grantsville, Cottageville, and areas of Southern West Virginia.
- Utilities would be required to pay the producers more for their gas in these areas.
- Give a mechanism to the West Virginia Public Service Commission to grant a rate increase to public utility in these distressed areas so that in turn the utility will pay more for local gas
- Also vetoed by the Governor

# West Virginia House Bill 2661

House Delegates Sponsored:

- Bill Anderson (Wood County)
- John Kelly (Wood County)
- Jason Harshbarger (Ritchie County)