

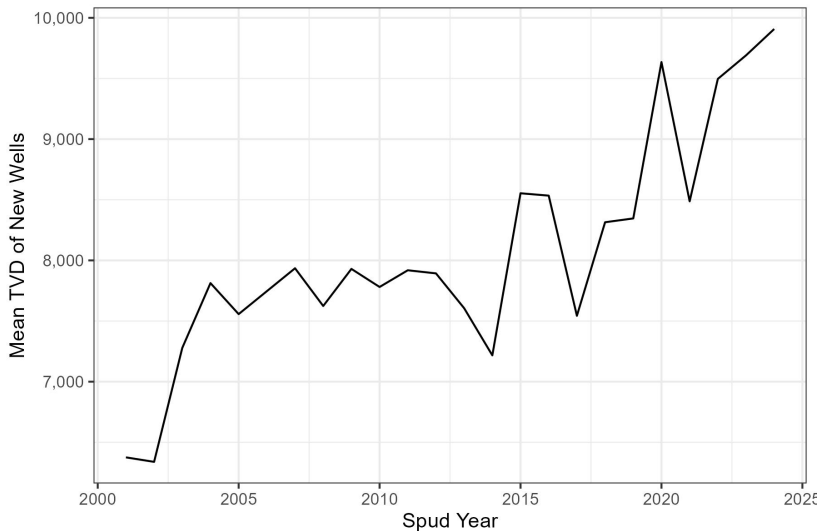
Proposed Financial Assurance Amounts are Timely and Proportionate to Risk

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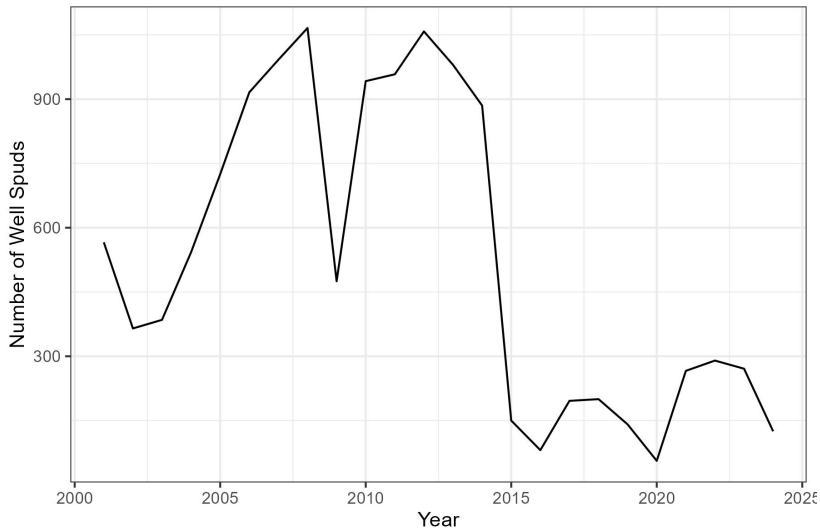
Environmental Defense Fund

April 23, 2025

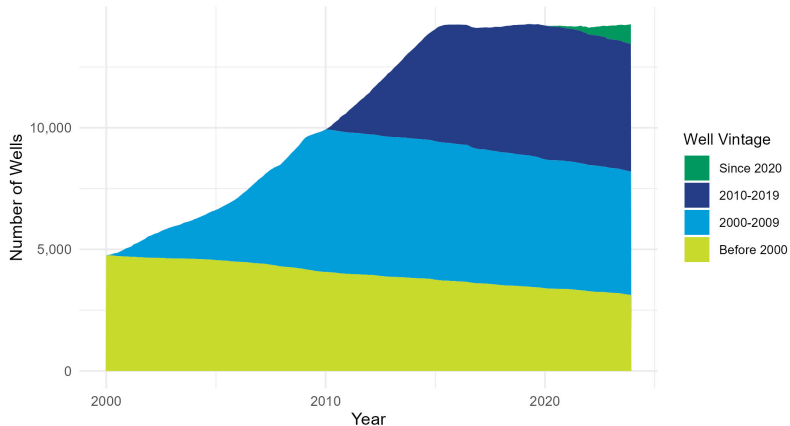
Utah's wells are getting deeper and more expensive to plug



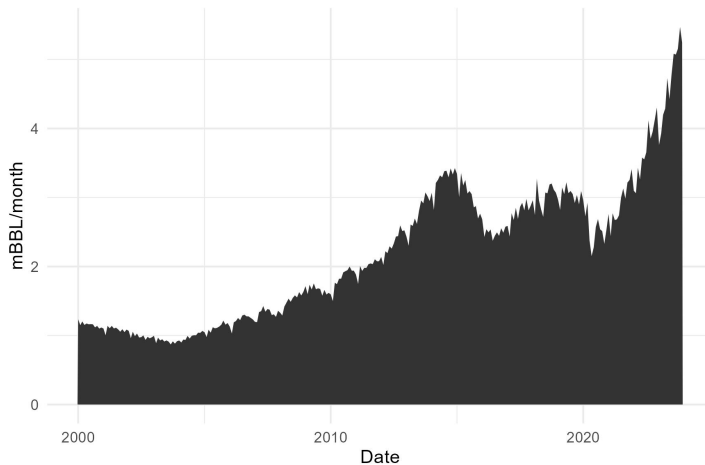
Well drilling peaked over a decade ago



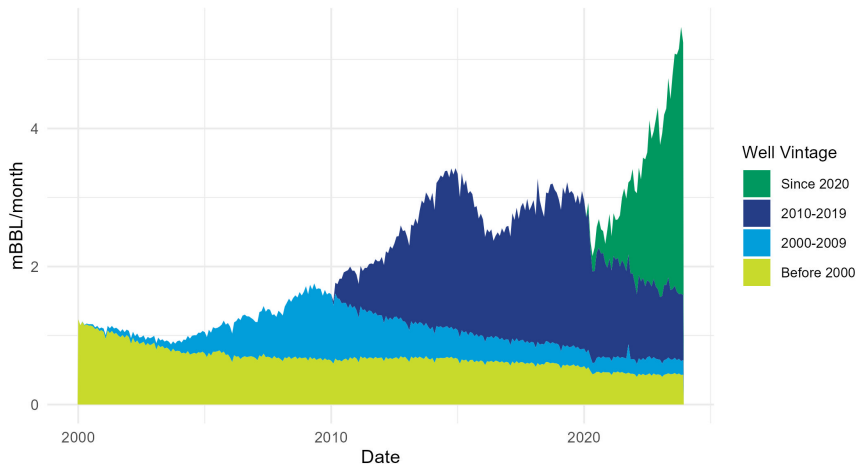
Utah's well population is aging



Production is hitting record highs



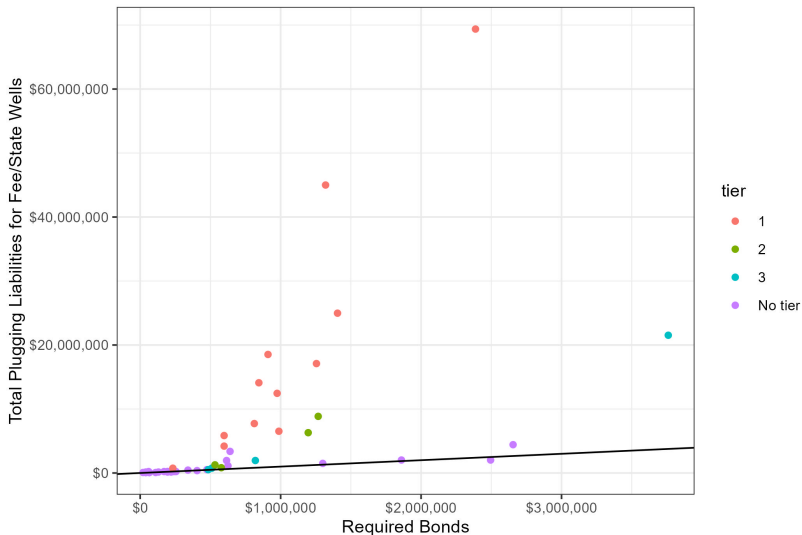
Production is hitting record highs



Putting this all together:

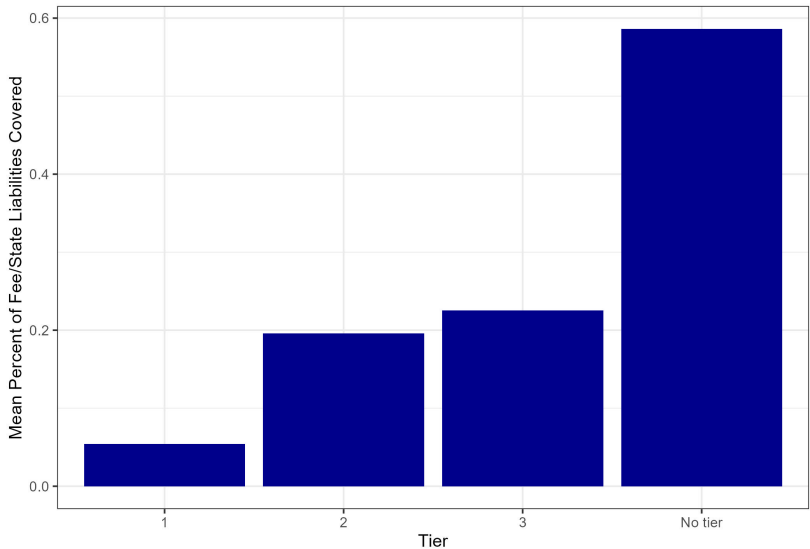
- ▶ Over the past decade, new wells have become increasingly deep.
- ▶ The current population of wells is aging. Over half of existing, unplugged wells are over 15 years old.
- ▶ This subpopulation of wells produce only about 12% of the state's oil production.
- ▶ Record production levels mean that **there may never be a better time to ensure that legacy wells are properly decommissioned.**

Proposed financial assurance amounts are proportionate to risk



Plot of firm-level total estimated plugging liabilities against required bonds.
A line is plotted at $y=x$. Plugging costs assume each well costs \$75,000 to plug.

Proposed financial assurance amounts are proportionate to risk



Costs are calculated assuming each well costs \$75,000 to plug

Thank You!