Submitted via Regulations.gov

Bureau of Land Management
Department of the Interior

Attention: RIN 1004-AF05

**Comments of Taxpayers for Common Sense on the Proposed Rule "Oil and Gas Leasing"**

Dear Administrator:

Taxpayers for Common Sense (TCS) appreciates the opportunity to comment on the Bureau of Land Management's (BLM) proposed rule regarding the federal onshore oil and gas leasing system. Since 1995, TCS has served as a nonpartisan budget watchdog dedicated to ensuring that federal resources are managed responsibly and that taxpayers receive a fair return on public assets.

The United States is home to vast onshore mineral resources owned by the American public. BLM manages the development of these taxpayer-owned oil and gas resources by leasing federal mineral rights to private companies for development and production.

The proposed rule would reduce minimum federal bonding requirements for oil and gas operators, eliminate certain public participation periods, implement the recently restored noncompetitive leasing process and new replacement sale requirements, and remove leasing preference criteria that guide which lands are offered for leasing, among other policy changes.

TCS strongly opposes several of the changes in the proposed rule and urges BLM to consider the following taxpayer concerns as it moves forward with this rulemaking. Specifically, we urge BLM to:

1. Maintain current bonding minimums and ensure they can be adjusted to reflect inflation and other changes in real reclamation costs (43 CFR 3104.1).
2. Continue to prohibit nationwide and unit operator bonds.
3. Increase transparency and taxpayer protections in the noncompetitive leasing process (43 CFR 3110).
4. Retain existing public participation requirements (43 CFR 3120.42).
5. Retain leasing preference criteria that guide which lands are offered for leasing (43 CFR 3120.32).

## 1. Maintain Current Bonding Minimums and Ensure They Can Be Adjusted to Reflect Inflation and Other Changes in Real Reclamation Costs

*43 CFR 3104.1, Bond Amounts*

When operators drill wells on federal lands, they change the landscape. This surface disturbance includes road construction, topsoil excavation and leveling, drilling, installing machinery, and storing equipment and materials. BLM defines reclamation as restoring lands to a condition "equal to or closely approximating" their original state.[1] This involves plugging the well, removing structures, and reshaping and revegetating the site. If not reclaimed properly, wells can damage the environment and public health by leaking methane, contaminating surface water and groundwater, fragmenting habitats, eroding soil, and interfering with agriculture and recreation.[2]

To ensure complete and timely reclamation, the Mineral Leasing Act of 1920 requires BLM to obtain an adequate bond or other financial assurance from operators before drilling begins. BLM uses bonds to cover at least some of the costs of reclamation if operators abandon wells or otherwise fail to adequately restore the landscape. If reclamation is completed, the bond is returned to the operator.

BLM currently accepts two types of bond coverage: bonds covering an operator's wells on an individual lease, with a minimum of $150,000, and bonds covering all of an operator's wells within a state, with a minimum of $500,000. Higher bond amounts may also be required based on an operator's financial condition, history of violations, anticipated reclamation costs, or other risk factors. BLM frequently accepts bonds at the regulatory minimum, despite having the authority to require higher amounts. According to a 2019 analysis by the Government Accountability Office (GAO), 82% of all bonds were set at the regulatory minimum and 3% were below the regulatory minimum.[3]

The proposed rule would reduce the minimum individual lease bond from $150,000 to $10,000 and the minimum statewide bond from $500,000 to $25,000, returning them to levels that BLM concluded just two years ago were inadequate to protect taxpayers. BLM has not demonstrated that the risks that justified increasing these minimums in 2024 have disappeared or that its bond adequacy review process can reliably compensate for dramatically lower minimum requirements.

### 1a. Proposed Bond Minimums Risk Leaving Taxpayers Exposed to a $6.2 Billion Shortfall

Taxpayers for Common Sense estimates that, if the proposed bonding minimums are implemented and average bond coverage returns to roughly its previous level, the 91,935 wells currently producing on federal land could leave taxpayers exposed to approximately $6.2 billion in potential unfunded reclamation liability.

Reclaiming wells is expensive. GAO estimates reclamation costs can range from $20,000 to $145,000 per well.[4] In its 2023 proposed rule "Fluid Mineral Leases and Leasing Process," BLM reported an average cost of $71,000 per well and, in some cases, as high as $200,000.[5] Since BLM

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[1] Bureau of Land Management (BLM), "Oil and Gas Site Reclamation," accessed July 2024, https://www.blm.gov/programs/energy-and-minerals/oil-and-gas/reclamation.
[2] Government Accountability Office (GAO), "Oil and Gas: Bureau of Land Management Should Address Risks from Insufficient Bonds to Reclaim Wells," September 2019, https://www.gao.gov/products/gao-19-615.
[3] Ibid.
[4] Ibid.
[5] BLM, "Fluid Mineral Leases and Leasing Process," Federal Register, July 25, 2023, https://www.federalregister.gov/documents/2023/07/24/2023-14287/fluid-mineral-leases-and-leasing-process#p-82.

has not provided a more recent reclamation estimate, we assume an average reclamation cost of $71,000 per well in our analysis.

In 2023, the last year under the outdated bond minimums, BLM reported that the agency held approximately 1,500 bonds covering 110,000 existing wells nationwide and totaling around $425 million. [6] That amounted to average bond coverage of just $3,873 per well across all bond types.[7] At the end of fiscal year 2025, BLM reported 91,935 producible well bores on federal land.[8] If the current bond minimums were rolled back and average bond coverage again fell to roughly $3,873 per well, the federal government would hold about $356 million in financial assurances for the 91,935 wells currently producing on federal lands. Reclaiming those wells at the end of their productive lives would cost roughly $6.5 billion in today's dollars, leaving approximately $6.2 billion in reclamation costs not covered by bonds.

This estimate does not assume that all 91,935 wells will be orphaned or that taxpayers will ultimately pay the full $6.2 billion. Rather, it illustrates the potential gap between reclamation costs and the financial assurances available to protect taxpayers if average bond coverage returns to levels seen before the 2024 rule. Because BLM frequently accepts bonds at the regulatory minimum, reducing those minimums would significantly weaken the baseline financial protection available when operators fail to meet their reclamation obligations.

### 1b. The Proposed Minimums Were Outdated Before and Will Be Outdated Again

The proposed rule would return minimum bond amounts to their previous levels, reducing the minimum individual lease bond to $10,000 and the statewide bond to $25,000, which were set in the 1950s and 1960s. While these minimum bonding requirements may or may not have been appropriate at the time they were established, they are clearly no longer adequate to address the liabilities and costs of today.

GAO put it simply in its 2019 report: "Bonds held by BLM have not provided sufficient financial assurance to prevent orphaned oil and gas wells... Without taking steps to adjust bond levels to more closely reflect expected reclamation costs, BLM faces ongoing risks that not all wells will be completely and timely reclaimed." [9] The Department of the Interior's own 2021 report supported this conclusion, calling on BLM to "increase minimum bond amounts and set the appropriate levels taking into consideration changes in technology, the complexity and depth of modern wells, inflation, and the risk of abandonment."

As the Department of the Interior report noted, the oil and gas industry has changed substantially since the old bonding minimums, and thus the proposed bonding minimums, were originally set. Wells have become substantially deeper and more expensive to reclaim. Average well depth

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[6] Ibid.
[7] TCS calculation using BLM data.
[8] BLM, Oil and Gas leasing Statistics, Fiscal Year 2025 Statistics, https://www.blm.gov/programs/energy-and-minerals/oil-and-gas/oil-and-gas-statistics.
[9] GAO, "Oil and Gas: Bureau of Land Management Should Address Risks from Insufficient Bonds to Reclaim Wells," September 2019, https://www.gao.gov/products/gao-19-615.

increased from roughly 3,700 feet in 1950 to more than 6,000 feet in 2008, with some wells drilled to 10,000 feet.[10]

An industry shift toward large companies with expansive operations has also contributed to a decrease in the average bond value held by the agency. GAO reports that the total value of bonds held by BLM for oil and gas operations was higher in 2018 than in 2008 ($204 million compared to $188 million, in 2018 dollars), but the average bond value per well was lower ($2,122 compared to $2,207, in 2018 dollars), largely due to the increase in nationwide bonds ($61.8 million compared to $10.2 million, in 2018 dollars).

Another reason the old bonding minimums are inadequate is that the rates have not been adjusted for inflation since they were first set in the 1950s and 1960s. Adjusted for inflation, the original $10,000 minimum for an individual lease bond set in 1960 would equal $108,765 in 2025 dollars. Likewise, the original statewide bond minimum set in 1951 would translate to $309,561 in 2025 dollars.

The proposed minimum bond requirements for individual and statewide leases are outdated and should not be reinstated. As part of the justification for increasing the bonding minimums to their current levels in the 2023 proposed rule, BLM wrote that "because of inflation, the lack of increased bond amounts for almost 40 years, and the increased number of orphaned wells resulting from insufficient funds available under current bonds and associated costs ultimately borne by the American taxpayer, the revisions to the bond amounts proposed here are justified." These concerns still stand and BLM's current proposed rule does not demonstrate that the underlying risks have changed or provide adequate justification for returning to the previous minimums.

### 1c. The Proposed Bonding Minimums Lag Behind State Requirements.

Many states have already taken steps to address potential reclamation liabilities by requiring higher bond amounts and accounting for factors like production, well depth, and risk of abandonment. The proposed federal bonding minimums, which previously resulted in average bond coverage of just $3,873 per well across all bond types, fall far below minimum requirements on state land in Wyoming, Colorado, Utah, and New Mexico.

In 2016, the Wyoming Oil and Gas Conservation Commission (WOGCC) updated requirements for individual well bonds to $10 per foot, to be adjusted for inflation every three years, or a blanket bond of $100,000 covering all wells on state or private land. The WOGCC may require an additional $10 per foot for idle wells under a blanket bond.

In March 2022, the Colorado Oil and Gas Conservation Commission adopted new financial assurance requirements that introduced a six-tier system for calculating blanket bond amounts, with minimum bond requirements ranging from $1,500 to $18,000 per well, determined by its production level, or a statewide blanket bond of $40 million for all wells. Importantly, financial assurances for wells at high risk of abandonment, including low-producing and inactive wells, are

[10] Ibid.

specific to the individual well, with a base location reclamation fee and additional costs according to well depth.

In June 2026, the Utah Division of Oil, Gas and Mining Board adopted updated financial assurance requirements for oil and gas operators on state lands. Previous Utah bonding policies allowed individual bonds as low as $1,500 and blanket bonds as low as $15,000. The changes introduce a three-tier system for calculating blanket bond amounts, raising the minimum bond requirements to between $200,000 and $5 million, determined by an operator's production level and the percentage of wells that are inactive, shut-in, or otherwise considered at risk. The changes also require supplemental and individual bonds for certain high-risk wells depending on individual or average well depth.

In July 2026, the New Mexico Oil Conservation Commission adopted new financial assurance requirements that raised the minimum single well bond amount from $25,000 plus $2 per foot to $150,000 and replaced the previous blanket bond scale of $50,000 to $250,000 with a $250,000 minimum. The new rule also requires single-well bonding for marginal and inactive wells and requires inflation adjustments to help ensure bond minimums do not once again become outdated.

These state requirements demonstrate that financial assurance can account for differences in the risk and potential cost of reclamation rather than relying on minimum amounts established decades ago. BLM should maintain its current bonding minimums and retain the ability to require higher financial assurance where the risk of abandonment or expected reclamation costs warrant it.

### 1d. BLM's Bond Adequacy Review Has Proven Insufficient to Protect Taxpayers

BLM should not rely on periodic bond adequacy reviews as a substitute for adequate minimum bonding requirements. In the proposed rule, the agency claims it "retains sufficient statutory and regulatory authority to increase the bond amount to ensure that BLM is meeting its statutory obligation under section 226(g) of the MLA," citing periodic bond adequacy reviews as a tool to "limit the risk to the U.S. taxpayer from a lessee failing to meet its reclamation obligations."[11] However, BLM fails to provide sufficient evidence that this process alone will protect taxpayers, particularly given the agency's poor track record.

As the proposed rule notes, government watchdogs including GAO and the Office of Inspector General have long raised concerns with the bond adequacy review process. In 2019, GAO reported that "BLM has a policy for reviewing the adequacy of bonds but has *not* been able to consistently secure bond increases when needed, and this policy has *not* resulted in bonds that would be adequate to reclaim most wells."[12] The policy at the time called for field office staff to review oil and gas bonds at least every five years using a points-based system to examine aspects of an operator's well status, such as its number of wells idle for at least seven years; compliance history, such as its

[11] BLM, "Oil and Gas Leasing," Federal Register, June 24, 2026, https://www.federalregister.gov/documents/2026/06/24/2026-12734/oil-and-gas-leasing.
[12] Italics added for emphasis. Source: GAO, "Oil and Gas: Bureau of Land Management Should Address Risks from Insufficient Bonds to Reclaim Wells," September 2019, https://www.gao.gov/products/gao-19-615.

number of incidents of drilling without approval; and reclamation stewardship, such as its number of reclamation-related incidents of noncompliance issued in the previous five years. However, GAO reported that BLM offices did not secure about 84 percent of the proposed bond increases in fiscal years 2016 and 2017.[13]

BLM has since updated its bond adequacy review policy, first in November 2018 (IM 2019-014) and again in February 2024 (IM 2024-014). Current policy takes important steps toward better protecting taxpayers, including stronger guidelines for determining which wells to evaluate and directing BLM offices to "place emphasis on securing the appropriate bond amount."[14] But BLM has not demonstrated that these changes have resolved the problems identified by GAO or that the updated review process can reliably compensate for reducing minimum bond requirements by more than 90 percent. Bond adequacy reviews can provide an additional layer of taxpayer protection, but they should complement adequate minimum bonds, not replace them.

### 2. Continue to Prohibit Nationwide and Unit Operator Bonds

TCS supports Option 3, retaining the current prohibition on nationwide and unit-operator bonds. Nationwide bonds previously allowed operators to cover an unlimited number of wells across the country with a minimum bond of just $150,000. Restoring these broad blanket bonds would move federal bonding policy in the wrong direction by allowing operators to spread limited financial assurance across larger numbers of wells and potentially increasing taxpayer exposure when operators fail to meet their reclamation obligations.

Nationwide bonds, the broadest blanket bonds previously offered by BLM, provided the lowest average bond coverage per well. In 2018, GAO reported that the average nationwide bond covered 374 wells, with average bond coverage of just $890 per well.[15] In 2024, BLM reported that the average nationwide bond covered 295 wells, with average coverage of $671 per well. Between those six years, average nationwide bond coverage per well decreased *even as overall average bond coverage per well increased* from $2,122 to $3,873.

There are also administrative benefits to continuing to prohibit nationwide bonds. In the 2024 rule, BLM stated that "the increased administrative burden related to managing nationwide bonds has caused nationwide bonds to lag behind statewide bonds for bond increases and reviews."[16] These conditions have not changed. In fact, BLM confirmed these benefits in the 2026 proposed rule, explaining that eliminating nationwide bonds "created efficiencies for the BLM's oil and gas program by allowing the agency to better tailor bond amounts to local conditions and State-specific requirements when reviewing bonds for adequacy."[17] Restoring nationwide bonds would therefore reverse a change that BLM itself acknowledges has made bond administration more efficient.

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[13] Ibid.
[14] BLM, "Oil and Gas Bonds Adequacy Reviews," IM 2024-014, https://www.blm.gov/policy/im-2024-014.
[15] GAO, "Oil and Gas: Bureau of Land Management Should Address Risks from Insufficient Bonds to Reclaim Wells," September 2019, https://www.gao.gov/products/gao-19-615.
[16] BLM, "Fluid Mineral Leases and Leasing Process," Federal Register, July 24, 2024, https://www.federalregister.gov/documents/2023/07/24/2023-14287/fluid-mineral-leases-and-leasing-process#p-82.
[17] Ibid.

For the same reasons, BLM should continue to prohibit unit-operator bonds. Like nationwide bonds, unit-operator bonds allow financial assurance to be spread across multiple leases and wells, potentially reducing the amount of financial assurance available for each individual well. These bond types were rarely used, adding unnecessary bureaucracy and administrative burden to understand and manage a separate, infrequently used system.

BLM should retain the current system of individual lease and statewide bonds, which allows the agency to better align bond amounts with local reclamation costs and operator-specific risks.

### 3. Increase Transparency and Taxpayer Protections in the Noncompetitive Leasing Process *43 CFR 3110, Noncompetitive Leases*

Federal onshore oil and gas resources are publicly owned, and the federal leasing system is legally required to ensure that taxpayers are fairly compensated when private companies develop America's publicly owned natural resources. Competitive leasing—where companies bid against each other for access to federal mineral rights—is central to achieving this goal. Yet for years, companies have been allowed to bypass competition altogether by acquiring leases noncompetitively after parcels failed to receive a bid at auction. The noncompetitive leasing process allows companies to acquire land that goes unleased at auction for a small administrative fee, set at a legal minimum of $75, without paying a competitive bonus bid. Congress eliminated noncompetitive leasing in 2022 and restored it in 2025.

Noncompetitive leases are less likely than competitive leases to ever enter production. Only 1% of noncompetitive leases issued between FY2003 and FY2009 entered production within ten years.[18] Those that did accounted for just 1% of total royalties from leases issued during that period. This is particularly notable in states with low levels of federal onshore production, like Montana, where only four noncompetitive leases issued since 2000 had entered production as of 2022.[19] In Nevada, not a single noncompetitive lease issued since 2000 had entered production. [20]

The lack of bonus bids in the noncompetitive leasing process, alongside decreased royalty revenues from lack of oil and gas production, has cost taxpayers billions of dollars in potential revenue. According to a GAO analysis of 100,300 competitive and noncompetitive onshore leases, competitive leases generated nearly five times as much revenue as noncompetitive leases—$259.87 per acre compared to $52.80 per acre—between fiscal years 2003 and 2019.[21]

Noncompetitive leasing has led to millions of acres, especially in states like Nevada and Montana, being tied up in nonproducing leases. In Nevada, 94% of federal land leased for oil and gas

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[18] GAO, "Oil and Gas: Onshore Competitive and Noncompetitive Lease Revenues," November 2020, Page 16, https://www.gao.gov/assets/gao-21-138.pdf.
[19] TCS, "Gaming the System II: Oil & Gas Leasing in Nevada is Trouble for Taxpayers," July 2023, https://www.taxpayer.net/energy-natural-resources/gaming-the-system-ii/.
[20] TCS, "Mounting Losses II: Federal Oil and Gas Leasing Costs Montana Millions," February 2024, https://www.taxpayer.net/energy-natural-resources/mounting-losses-ii/.
[21] GAO, "Oil and Gas: Onshore Competitive and Noncompetitive Lease Revenues," November 2020, Page 11, https://www.gao.gov/assets/gao-21-138.pdf.

development was idle at the end of FY2025.[22] Nonproducing leases block other uses of federal land that could have greater value for taxpayers, including recreation, conservation, and the development of other mineral or energy resources.

Processing parcels for lease consumes agency time and resources. BLM reports spending between $17,000 and $178,000 per auction evaluating nominated land.[23] In one particularly egregious example, 28 million acres of land in Nevada—almost half the size of the entire state—were nominated for an oil and gas lease sale in 2014, though very few of those acres were leased.[24]

While we understand BLM is statutorily required to reinstate the noncompetitive leasing process, we urge the agency to institute stronger taxpayer protections.

**3a. BLM should codify that only parcels offered at competitive auction after July 4, 2025, are eligible to be leased noncompetitively.**

In May 2026, BLM issued IM 2026-018, providing State Offices with guidance for implementing the provisions of the One Big Beautiful Bill Act, including noncompetitive leasing. The IM specifies that only parcels offered at competitive auction after July 4, 2025 are available to be leased noncompetitively. Specifically, the IM states that "BLM will now accept noncompetitive offers for parcels that do not receive a bid at a competitive auction held on or after July 4, 2025, or its replacement sale, if one was held."

TCS urges BLM to codify this requirement in the proposed rule and ensure only parcels offered at competitive auction after July 4, 2025, and not those offered at auction before July 4, 2025, are available to be leased noncompetitively. Additionally, language in the proposed rule should explicitly clarify that leases offered noncompetitively before August 16, 2022, but not issued, including for pending litigation, are barred from being leased noncompetitively because they were offered at competitive sale before July 4, 2025.

**3b. BLM should implement an acreage limit of 2,560, at a maximum, for noncompetitive leasing applications.**

TCS urges BLM to implement a maximum acreage limit for noncompetitive lease applications. Prior to the elimination of noncompetitive leasing in 2022, noncompetitive leases had a maximum acreage size of 10,240 acres under § 3110.3–3. The elimination of noncompetitive leasing removed this section of the federal code. The proposed rule does not include language to reinstate it.

We believe a maximum lease acreage size of 2,560 acres is reasonable, as this is the current maximum competitive parcel size in the lower 48 states under § 3120.23.[25] This would encourage

[22] BLM, Oil and Gas leasing Statistics, Fiscal Year 2025 Statistics, https://www.blm.gov/programs/energy-and-minerals/oil-and-gas/oil-and-gas-statistics.
[23] GAO, "Oil and Gas Leasing: BLM Should Update and Review Its Fees," November 2021, Page 32, https://www.gao.gov/assets/720/717469.pdf.
[24] GAO, "Oil and Gas Leasing: BLM Should Update and Review Its Fees," November 2021, Page 29, https://www.gao.gov/assets/720/717469.pdf.
[25] 5,760 acres in Alaska outside of the National Petroleum Reserve-Alaska.

companies to focus on leases they are most likely to develop and leave other federal land available for other productive uses, including recreation and alternative mineral or energy development.

**3c. BLM should raise the filing fee for a noncompetitive lease application.**

TCS urges BLM to use its existing authority to establish a higher filing fee for noncompetitive lease applications. According to IM 2026-018, the current filing fee for a noncompetitive lease application is $75. That is the legal minimum set under 30 § 226(c)(1), which requires "a non-refundable application fee of at least $75."

This is far below the previous filing fees for a noncompetitive lease application, which were increased annually for inflation. The filing fees were $425 in FY2019,[26] $435 in FY2020,[27] $445 in FY2021,[28] and $450 in FY2022.[29] Requiring a filing fee that better reflects the administrative costs associated with processing noncompetitive lease applications would also help discourage speculative applications from companies seeking to acquire federal leases without a clear intention to develop them.

**3d. BLM should institute formal systems to more closely evaluate noncompetitive leasing applications and use its existing authority to apply a higher rent and implement other conditions as needed to better protect taxpayers.**

As discussed above, noncompetitively issued leases are significantly less likely to enter production and generate less revenue for taxpayers than competitively issued leases. This shortchanges taxpayers and prevents other uses of valuable public lands.

To better ensure American taxpayers receive a fair return from the leasing of taxpayer-owned oil and gas resources, BLM should implement stronger systems to ensure noncompetitive leases applications are evaluated responsible and such leases lead to the ultimate recovery of taxpayer-owned resources. This should include using the agency's existing authority to require a higher rent or implement other conditions, such as proof of exploratory and drilling activities during the primary term of the lease in accordance with 30 U.S.C §226 (i), to encourage development and production of noncompetitive leases and disincentivize speculative holding of noncompetitive leases.

**3e. BLM needs to increase transparency in the noncompetitive leasing process**

TCS urges BLM to mandate clear and transparent reporting on when noncompetitive leases are issued and to whom they are issued. As owners of federal land and water – as well as the resources they contain – taxpayers deserve to know what is being developed, by whom, the compensation for

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[26] BLM, "Minerals Management: Adjustment of Cost Recovery Fees," Federal Register, September 28, 2018, https://www.federalregister.gov/documents/2018/09/28/2018-21298/minerals-management-adjustment-of-cost-recovery-fees.
[27] BLM, "Minerals Management: Adjustment of Cost Recovery Fees," Federal Register, November 6, 2019, https://www.federalregister.gov/documents/2019/11/06/2019-24116/minerals-management-adjustment-of-cost-recovery-fees.
[28] BLM, "Minerals Management: Adjustment of Cost Recovery Fees," Federal Register, October 9, 2020, https://www.federalregister.gov/documents/2020/10/09/2020-20542/minerals-management-adjustment-of-cost-recovery-fees.
[29] BLM, "Minerals Management: Adjustment of Cost Recovery Fees," Federal Register, October 4, 2021, https://www.federalregister.gov/documents/2021/10/04/2021-21514/minerals-management-adjustment-of-cost-recovery-fees.

these resources, and federal efforts to mitigate liabilities associated with development. Current data and notification systems do not meet this standard — particularly for noncompetitive leases.

Unlike leases issued through competitive auctions, the issuance of noncompetitive leases lacks needed transparency and public reporting. Results from competitive auctions are available online at *Efficient Markets,*[30] and a summary is often reported through a BLM press release.[31] Issued leases are also recorded in BLM's Mineral and Land Records System (MLRS) platform. This transparency is crucial in allowing taxpayers to understand how their valuable oil and gas resources are being utilized.

Public data on the issuance of noncompetitive leases are only reliably available through BLM's MLRS platform. This database, while an improvement from the previous system, has flaws that limit transparency. As of August 17, 2026, the most recent data available in MLRS were dated April 7, 2026, more than four months earlier. MLRS also lacks a dedicated field for when noncompetitive leases were issued and the competitive sale associated with each parcel.

Some state offices, like Nevada, have published data on noncompetitive offers received and accepted the day after competitive auctions, including the total revenue from rent and filing fees collected. However, even the Nevada State Office has not published these results regularly. The office published 20 noncompetitive results—one after each competitive sale—between June 2015 and July 2022, six of which lacked information on the revenue collected, and has not published noncompetitive results since the practice was reinstated in 2025.

TCS proposes that BLM publish monthly reports of noncompetitive lease applications received and leases issued. At a minimum, the reports should identify the parcel and acreage, applicant or lessee, date of application, date the parcel was offered at competitive auction, date the noncompetitive lease was issued, filing fee and rent paid, and applicable royalty rate. These reports should be published in a consistent, publicly accessible location on BLM's website.

### 4. Retain Existing Public Participation Requirements

*43 CFR 3120.42, Posting Timeframes*

The proposed rule would reduce public participation by removing the 30-day NEPA scoping period, eliminating the separate 30-day NEPA comment period, shortening the Notice of Competitive Lease Sale period from 60 days to 45 days, and decreasing the protest period from 30 days to 10 days.

Federal lands and mineral resources belong to American taxpayers. The federal government is charged with managing them responsibly and ensuring a fair return from their development. Local

[30] For example, results from the BLM New Mexico State Office Federal Oil & Gas Lease Sale May 20, 2026 are available here: https://app.efficientmarkets.com/salegroup/6536.

[31] For example, a BLM press release on the results of the BLM New Mexico State Office Federal Oil & Gas Lease Sale May 20, 2026 is available here: https://www.blm.gov/press-release/department-interior-oil-and-gas-lease-sale-new-mexico-and-texas-generates-over-4.

communities and other members of the public provide valuable input into this process, helping BLM identify potential conflicts and evaluate which lands should be leased and developed.

A persistent issue in the federal onshore oil and gas leasing system is the push to offer large amounts of land for oil and gas development regardless of industry interest, development potential, or alternative land uses. This can allow public lands to remain tied up for years in nonproducing leases, generating little revenue while preventing other productive uses.

Public input is an important step in determining the best uses of public lands and ensuring that federal lands offered for oil and gas development are more likely to provide federal taxpayers with a fair return. BLM should retain the existing public participation periods and provide sufficient time for the public to review proposed lease sales and raise concerns before public resources are committed to oil and gas development.

### 5. Retain Leasing Preference Criteria That Guide Which Lands Are Offered for Leasing

*43 CFR 3120.32, Expression of Interest Leasing Preference*

BLM is currently required to consider certain preference criteria in determining which parcels to offer for oil and gas leasing: proximity to oil and gas development; presence of important fish and wildlife habitats or connectivity areas; presence of historic properties, sacred sites, and other high value cultural resources; presence of recreation and other important uses or resources; and potential for oil and gas development. The proposed rule would eliminate the use of these criteria.

The current preference criteria are an important tool for standardizing how BLM evaluates potential parcels and prioritizing oil and gas development on lands with existing oil and gas infrastructure or high production potential while accounting for other important uses and resources.

Regular and public use of these criteria also helps maintain accountability, allowing taxpayers to better understand why particular public lands are being offered at auction and watchdog organizations to analyze how the criteria affect oil and gas companies' leasing decisions on federal lands.

BLM should retain the existing leasing preference criteria in § 3120.32 and continue to use them when determining which parcels to offer for lease.

### Conclusion

Private companies lease federal lands to extract publicly owned oil and gas resources. Federal policy must secure a fair return from the private development of these resources and protect taxpayers against long-term financial liabilities.

Some changes in the proposed rule are required by recent legislation, while others reflect policy choices within BLM's discretion. As BLM implements the changes required by Congress, it should not weaken existing taxpayer protections where the law does not require it to do so.

Responsible energy development and fiscal responsibility are not mutually exclusive. We urge BLM to revise the proposed rule to better protect federal taxpayers.