



For Immediate Release

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Oil and Natural Gas Trades File Lawsuit Challenging BLM's Leasing Rule

DENVER -- Yesterday, Western Energy Alliance, the Independent Petroleum Association of New Mexico, New Mexico Oil and Gas Association, North Dakota Petroleum Council, Petroleum Association of Wyoming, and Utah Petroleum Association [filed a lawsuit](#) challenging the Bureau of Land Management's (BLM) Fluid Mineral Leases and Leasing Process rule in the U.S. District Court for the District of Wyoming. The leasing rule's impact will deter development of federal oil and gas, disproportionately affect small companies, effectively close eligible and available lands to new leasing, and violate BLM's duty to promote oil and gas development as a multiple use of federal lands. Because the rule is procedurally deficient, arbitrary and capricious, and contrary to law, the associations ask the court to invalidate and vacate it. The associations are represented by Alexander K. Obrecht, Mark S. Barron, and L. Poe Leggette of Baker & Hostetler LLP.

"BLM issued a final rule that prices small producers out of the market and off public lands," said **Kathleen Sgamma, president of Western Energy Alliance**. "The bonding amounts are excessive when there are just 37 orphan wells out of more than 90,000 wells on federal lands. Increasing bonding amounts 20-fold in order to take care of a problem on just .04% of wells is way out of proportion. Companies are already responsible for reclaiming wells, and one of the primary reasons there are so few orphan wells on federal lands is because our members clean up old wells even when they weren't the party that abandoned them in the first place. This is another rule by the Biden Administration meant to deliver on the president's promise of no federal oil and natural gas. We're pleased to be joined by our sister trade associations in challenging a rule that has such a detrimental economic impact in states across the West."

"IPANM believes this legal action is necessary to preserve the foundational intent of the BLM to promote fair and equal public land use. IPANM is disappointed Secretary Haaland fails to consider the negative economic ramifications of this overreaching rule to those already in poverty in her home state," said **Jim Winchester, executive director of the Independent Petroleum Association of New Mexico**.

"NMOGA supports the goal of ensuring fair returns for the American public from activities on federal lands, but this approach is an overreach that could impact U.S. energy security, the economy, and the full potential of the lands' multi-use possibilities," said **Missi Currier, president and chief executive officer of the New Mexico Oil and Gas Association**.

"Eighty percent of Wyoming's operators are small businesses, and together they produce a third of Wyoming's oil," said **Pete Obermueller, president of the Petroleum Association of Wyoming**. "Rules like this one will fall hard on the smallest of Wyoming's operators, making it economically impossible for

many of them to continue to produce. PAW joins this challenge to protect Wyoming's small operators from the heavy hand of an Administration intent on forcing them to close their doors."

"Utah has abundant federal land and serves as a shining example of how natural resource development can and does coexist harmoniously with other uses like recreation and conservation," said **Rikki Hrenko-Browning, president of the Utah Petroleum Association**. "This rule is punitive, unnecessary, and overreaching, and as a result, Utah will face outsized negative consequences from this rule due to our large federal land footprint. We're confident the courts will agree with us and rightfully strike it down."

For more information, the coalition's legal petition is available [online](#).

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Working with a vibrant membership base of independent oil and natural gas companies for over 50 years, Western Energy Alliance stands as a credible leader, advocate, and champion of industry in the West. Our expert staff, active committees, and committed board members form a collaborative and welcoming community of professionals dedicated to abundant, affordable energy and a high quality of life for all. Learn more at www.westernenergyalliance.org

The Independent Petroleum Association of New Mexico (IPANM) is a non-profit 501c(6) that serves as the voice of independent oil and gas producers in New Mexico. IPANM was formed in 1978 with the mission to preserve and advance the interests of independent oil and gas producers, while educating the public to the importance of oil and gas to the State of New Mexico and all our lives. The association has over 350 members who support the return of a responsible, balanced, and robust federal leasing program, while also ensuring the continued safe extraction of the abundant natural resources on federal lands in New Mexico.

The New Mexico Oil & Gas Association (NMOGA) is a coalition of oil and natural gas companies, individuals, and stakeholders dedicated to promoting the safe and environmentally responsible development of oil and natural gas resources in New Mexico.

Established in 1952, the North Dakota Petroleum Council ("NDPC") is the trade association and primary voice for the oil and gas industry in North Dakota. NDPC represents more than 530 companies involved in all aspects of the oil and gas industry, including oil and gas production, refining, pipeline development and operation, transportation, mineral leasing, consulting, legal work, and oil field service activities in North Dakota, South Dakota, and the Rocky Mountain Region.

Representing Wyoming's primary economic engine, the Petroleum Association of Wyoming, is the voice of the oil and gas industry. Our members produce 90% of Wyoming's oil and gas, generating over \$5 billion in economic activity and directly employing more than 19,000 of Wyoming's hard-working men and women. PAW strives to foster mutually beneficial relationships with Wyoming's landowners, businesses, and communities while promoting the sustainable production of Wyoming's abundant resources. The Petroleum Association of Wyoming provides a forum for education, interaction, and unified action for members, policymakers, and the public.

The Utah Petroleum Association (UPA) is a Utah based, statewide petroleum trade association representing companies involved in all aspects of Utah's oil and gas industry. We exist to serve our member companies and advance the responsible development of Utah's natural resources and manufacture of fuels that drive Utah's economy.