

November 13, 2025

The Honorable Doug Burgum
Secretary of the Interior
U.S. Department of the Interior
1849 C Street N.W.
Washington, D.C. 20240

Subject: Immediate Action Needed to Suspend BLM Bonding Rules and Prevent Nationwide Economic Harm

Dear Secretary Burgum,

Thank you for the opportunity to address the urgent issue surrounding the Bureau of Land Management's (BLM) new bonding requirements. This matter poses a direct threat to America's small, independent energy producers and the economic stability of rural communities across the nation and energy affordability. The following outlines the scope of the problem and a clear path for immediate action.

Background

In 2024, under the Biden Administration, the BLM finalized new bonding rules that eliminate nationwide bonding and raise state-level bond requirements from \$25,000 to \$500,000, effective June 2026.

While the Department of the Interior initiated a Notice of Proposed Rulemaking (NPRM) in early 2025 to reconsider these rules, progress has stalled. Given that the NPRM process can extend beyond a year—with public comment periods lasting up to 180 days—there is a significant risk that the 2024 rule will take effect before a review is complete.

The Threat

If implementation proceeds as scheduled, the consequences will be devastating:

- 20,975 small oil and gas operators will face a twentyfold increase in bonding requirements.
- While it is difficult to predict the exact number of small oil and gas operators that will have no option but to cease operations, it is inevitable that thousands of companies will close their doors, resulting in the loss of many thousands of jobs across the industry.
- Repercussions will be felt deeply in rural communities, where the loss of tax revenues will strain local economies and threaten the delivery of essential public services.
- The United States could lose:
 - Up to 164,000 barrels of oil per day in production.
 - Up to 1.4 billion cubic feet of natural gas per day in production.
 - Up to 172,000 stripper oil and gas wells.

For states that produce oil and gas from federal lands, this poses risks not only to energy independence but also to rural employment, the stability of domestic energy markets, and the affordability of energy for American consumers. Additionally, there is significant potential for public financial exposure if stripper wells are abandoned due to operator insolvency.

Requested Executive Action

We respectfully request that the NPRM process be allowed to conclude before these devastating bonding requirements take effect.

As such, we urge immediate issuance of:

1. A Secretarial Order suspending enforcement of the 2024 BLM bonding rules; and
2. An Executive Order directing the same suspension, pending completion of the NPRM process.

This dual action will provide regulatory certainty and prevent irreversible damage to America's independent energy sector.

A draft outline of the proposed suspension order is attached for review.

Why This Matters

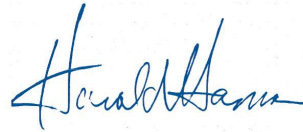
- American energy independence and energy affordability depends on small, family-owned producers—not large corporations.
- These independent operators form the backbone of our nation's energy supply, job creation, and rural economies.
- Without immediate relief, thousands of these businesses will be lost, weakening America's domestic energy base and undermining long-standing national policy goals centered on Energy Independence and America First.

In closing, we deeply appreciate your leadership and commitment to safeguarding American energy and jobs. Thank you for your time and attention to this matter of national importance.

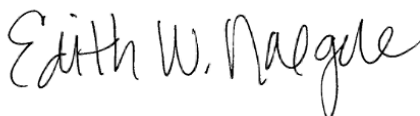
Respectfully,



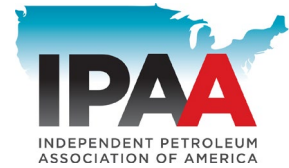
Patrick Montalban
Chairman, National Stripper Well Association
Cut Bank, MT



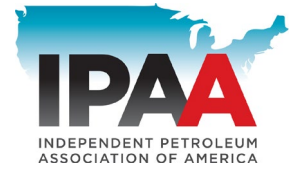
Harold Hamm
Executive Chairman, Domestic Energy Producers Alliance
Oklahoma City, OK



Edith Webster Naegele
President & CEO, Independent Petroleum Association of America
Washington, DC



Arkansas Independent Producers & Royalty Owners
California Independent Petroleum Association
Colorado Alliance of Mineral and Royalty Owners
Colorado Oil & Gas Association
Eastern Kansas Oil & Gas Association
Gas and Oil Association of WV, Inc.
Illinois Oil & Gas Association
Independent Oil and Gas Association of New York
Independent Petroleum Association of New Mexico
Indiana Oil & Gas Association
Kansas Independent Oil & Gas Association
Kentucky Oil & Gas Association
Louisiana Oil and Gas Association
Michigan Oil & Gas Association
Montana Petroleum Association
Montana Stripper Well Association
Nebraska Petroleum Producers Association
New Mexico Oil & Gas Association
North Dakota Petroleum Council
Ohio Oil and Gas Association
Oklahoma Energy Producers Alliance
Panhandle Producers & Royalty Owners Association
Pennsylvania Independent Oil & Gas Association
Pennsylvania Independent Petroleum Producers Association
Permian Basin Petroleum Association
The Petroleum Alliance of Oklahoma
Petroleum Association of Wyoming
Southeastern Ohio Oil and Gas Association
Texas Alliance of Energy Producers
Texas Independent Producers & Royalty Owners Association
Utah Petroleum Association



Secretarial and Executive Order Suspension of Bonding Rules Pending Completion of NPRM on Leasing & Bonding

Authority:

Consistent with Executive Order 14154 and Secretarial Order 3418, both titled "Unleashing American Energy."

Actions:

- a. Suspend current rules in 43 CFR 3104 – Bonds (effective June 22, 2024) pending completion of the NPRM for "Oil and Gas Leasing Rule," RIN 1004-AF05.
- b. Reinstate the pre-June 22, 2024 version of 43 CFR 3104 for temporary use until the NPRM is finalized.
- c. Allow operators previously bonded under the 2024 rules to petition for a bond review under pre-2024 standards, with expedited processing:
 - Reviews resolved within 5 business days, absent enforcement actions.
 - Approved adjustments to pre-2024 levels.
 - Refunds of cash bonds or equivalent instruments within 2 business days of approval.
- d. Suspend BLM IM 2019-013 ("National Policy for Rights-of-Way Bonding").
- e. Initiate a new NPRM for 43 CFR 2805 – Terms and Conditions of Grants to review IM 2019-013, potentially incorporating this action into broader BLM bonding reform.

Purpose:

This order reverses excessive regulatory overreach, ensuring fair, practical, and economically sound bonding standards that protect both the public interest and America's small energy producers.