August 24, 2026

SUBMITTED:

Via Regulations.gov

U.S. Department of the Interior
Bureau of Land Management
1849 C Street NW, Room 5646
Washington, D.C. 20240
Attn: 1004-AF03

> ***Re: The American Exploration and Production Council's Comments in Response to the Bureau of Land Management's proposed rule titled "Oil and Gas Leasing," published at 91 Federal Register 38084 (June 24, 2026)***

Dear Director Pearce:

The American Exploration and Production Council (AXPC) is pleased to submit these comments on the Bureau of Land Management's (BLM) proposed rule titled "Oil and Gas Leasing," published at 91 Federal Register 38084 (June 24, 2026) (Proposed Rule). The Proposed Rule implements the One Big Beautiful Bill Act of 2025 (OBBB), Pub. L. 119-21, and the Royalty Resiliency Act of 2024 (RRA), Pub. L. 118-81, and rescinds or revises a number of provisions adopted in BLM's Fluid Mineral Leases and Leasing Process rule, 89 Fed. Reg. 30916 (Apr. 23, 2024) (2024 Leasing Rule).

AXPC submitted detailed comments on the proposal that became the 2024 Leasing Rule.[1] Many of the changes BLM now proposes respond directly to concerns AXPC raised in that letter, and AXPC supports them.

AXPC does offer some recommendations to this proposed rulemaking. AXPC's principal recommendations are summarized below and developed in Section IV.

- **Surface use rights (§ 3101.12).** AXPC strongly supports the return to the 200-meter siting parameter and the 60-day timing parameter. AXPC raises some follow up questions, however, to the preamble's statement that BLM retains authority to move a

[1] "AXPC Comments on BLM's Fluid Mineral Leases and Leasing Process Proposed Rulemaking", 88 Fed. Reg. 47562 (July 24, 2023) (Sept. 22, 2023) *available at* https://www.bing.com/ck/a?!&&p=d0e559aacc3e5ac4c6be81332dfe1ba263a2cdafd634b0789df8a3a008a1e599JmltdHM9MTc4NTg4ODAwMA&ptn=3&ver=2&hsh=4&fclid=1a672434-0a71-64a5-0c00-33190bdc6568&u=a1aHR0cHM6Ly9kb3dubG9hZHMucmVndWxhdGlvbnMuZ292L0JMTS0yMDIzLTAwMDUtMTMwMTYzL2F0dGFjaG1lbnRfMS5wZGY&ntb=1

location more than 200 meters or impose a timing limitation longer than 60 days through a condition of approval (COA) on an application for permit to drill (APD).[2]

- **Leasing preference criteria (§ 3120.32).** AXPC strongly supports removal in its entirety and urges BLM to rest that removal on the independent, non-discretionary ground that the criteria cannot be reconciled with the OBBB.[3]
- **Bonding (subpart 3104).** AXPC supports restoring a tiered bonding structure and urges BLM to adopt Option (2) that is proposed — reinstating both nationwide and unit operator bonds.[4] On the minimum amounts, AXPC urges BLM to support any reduction with the orphan-well and bond-market record that AXPC requested in 2023 and that BLM has not yet developed.[5]
- **Public participation and protest periods (§ 3120.42).** AXPC supports the 60-to-45-day change to the sale notice.[6] AXPC urges BLM not to eliminate both pre-sale public participation periods, and urges BLM to lengthen the proposed 10-calendar-day protest period, which is too short for lessees and bidders to identify and protest erroneous parcel terms.
- **Protest page fee (§§ 3000.120, 3120.43).** AXPC supports measures that keep the protest process focused and timely.[7]
- **Noncompetitive leasing (part 3110).** AXPC supports reinstatement and recommends targeted changes to the exact-match parcel description requirement, the priority rules, and the cancellation provision.[8]
- **Replacement sales (§ 3120.60).** AXPC supports implementation of OBBB § 50101(c)(3)(B) but notes an internal inconsistency between the 30-calendar-day replacement sale requirement and the 45-calendar-day sale notice requirement in proposed § 3120.42(a) that BLM should resolve.[9]
- **Compliance and noncompliance (§ 3102.61).** AXPC renews its 2023 objection that the noncompliance provisions fail to adequately afford the notice, opportunity to cure, and consideration of pending appeals that MLA § 17(g) requires.[10]

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[2] 91 Fed. Reg. at 38,097.
[3] 91 Fed. Reg. at 38,103.
[4] 91 Fed. Reg. at 38,099
[5] *Supra* fn. 1.
[6] 91 Fed. Reg. at 38,104.
[7] 91 Fed. Reg. at 38,087, 38,102.
[8] 91 Fed. Reg. at 38,101-102.
[9] 91 Fed. Reg. at 38,103-104.

[10] 91 Fed. Reg. at 38,116; *Supra* note 1 at 28-29.

AXPC does not request an extension of the comment period. The OBBB imposes statutory deadlines that depend on prompt completion of this rulemaking, and AXPC supports BLM proceeding on the schedule it has set.

I. AXPC's Interests

AXPC is a national trade association representing leading independent oil and natural gas exploration and production companies in the United States. AXPC companies support millions of Americans in high-paying jobs and invest a wealth of resources in the communities where they operate. AXPC member companies produce more than half of U.S. onshore production each year, including many active operations developing federal minerals that require meeting BLM's lease, permitting, and bonding requirements.

AXPC members have substantial experience working with BLM throughout the life of a federal lease — from filing an expression of interest (EOI), through acquiring a lease and developing the federal minerals, to plugging and abandoning a well that is no longer viable. That experience informs the comments below, which are directed to how the Proposed Rule will operate in practice at the state and field office level.

II. The OBBB Substantially Narrows BLM's Discretion Over Leasing Availability

Section 50101 of the OBBB amended the MLA in ways that are directly relevant to several provisions BLM proposes to remove through this rulemaking. Among other things, the OBBB restored noncompetitive leasing; requires four lease sales each fiscal year in enumerated States; defines "eligible" and "available" lands; requires BLM to offer for lease at least 50 percent of the available parcels nominated in a resource management plan (RMP); requires a replacement sale where a sale is cancelled, delayed, or deferred, or where 25 percent or more of the acreage offered does not receive a bid; requires BLM to process EOIs within 18 months; and prohibits the Secretary from including in a lease any stipulation or mitigation measure not contained in the governing RMP.[11] These are mandatory statutory directives, not policy preferences and AXPC supports amending BLM's rules to match these statutory requirements.

III. Section-by-Section Detailed Comments

A. 43 CFR 3000.120 — Fee Schedule for Fixed Fees

1. Lease application and lease consolidation fees

AXPC supports the proposed reduction of the competitive lease application fee from \$3,100 to \$155 and the lease consolidation fee from \$575 to \$320.[12] BLM's explanation — that

[11] 91 Fed. Reg. at 38,086.
[12] 91 Fed. Reg. at 38,087.

the current competitive lease application fee improperly embeds NEPA compliance costs already incurred by the time of sale, and that data-entry efficiencies in the Mineral and Land Records System have reduced consolidation processing time — is consistent with FLPMA § 304(b) and with AXPC's 2023 comment that BLM had not taken a comprehensive view of the cumulative fee burden on lessees.[13] AXPC also supports applying a single lease application fee to both competitive and noncompetitive leases.[14]

- **Recommendation:** Confirm in the final rule that the $155 lease application fee applies to noncompetitive lease applications filed under proposed part 3110, and reproduce the final fee table in the preamble BLM also should remove the automatic inflation adjustment in § 3000.120(a).[15] FLMPA § 304(b) requires BLM to consider actual processing costs, the monetary value of the right or privilege, the value of the recipient, administrative efficiency, public benefit, and other prescribed factors. An inflation index does not perform that analysis.[16] Any future fee adjustment should take legal effect only through a rule that reapplies the governing factors and affords notice and an opportunity to comment. Website publication and a Federal Register notice may announce lawfully adopted fee, but they cannot substitute a rulemaking required to adopt it.

2. The proposed $1-per-page protest fee

AXPC shares BLM's concern that voluminous, repetitive protest filings consume state office resources and delay lease issuance, and AXPC members are directly harmed when parcels are deferred because a protest cannot be resolved before the statutory deadline for lease issuance. AXPC therefore supports BLM taking steps to keep the protest process focused.[17] BLM states that its actual processing cost is approximately $2,470 per protest.[18] A per-page fee applicable to submissions above a page threshold, set at or below actual processing cost and justified as partial cost recovery, is defensible on the existing record.

B. 43 CFR 3100.31 through 3100.33 — Options

AXPC does not object to removing these sections.[19] BLM's observation that industry has never filed an option statement is consistent with AXPC members' experience.[20] AXPC appreciates BLM's statement that it cannot prohibit options and would continue to accept option agreements for inclusion in a lease file.

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[13] 91 Fed. Reg. at 38,087; *Supra* note 1.
[14] 91 Fed. Reg. at 38,086 – 087.
[15] 91 Fed. Reg. at 38,094
[16] 43 U.S.C. § 1734(b)
[17] 91 Fed. Reg. at 38,087
[18] *Id*.
[19] 91 Fed. Reg. at 38,097.
[20] *Id*.

C. 43 CFR 3101.12 — Surface Use Rights

1. AXPC strongly supports the return to 200 meters and 60 days

AXPC supports BLM's proposal to restore the 200-meter siting parameter and the 60-day timing parameter.[21] This is the change AXPC requested in its 2023 comments, and BLM's stated rationale tracks the analysis AXPC provided then.[22] As AXPC explained, allowing BLM to require relocation of proposed operations by more than 800 meters — up from a longstanding 200-meter maximum — was effectively unlimited on the face of the regulation.[23] BLM's own analysis now confirms the practical point: with an average federal onshore lease of 678 acres, an 800-meter relocation moves proposed operations roughly halfway across an average lease.[24] AXPC likewise agrees that a 90-day timing limitation, layered on leases that already carry seasonal restrictions of six months or more, can compress a lessee's available development window to as little as three months per year and can foreclose use of an approved APD before it expires.

Those practical consequences are significant because they bear directly on the scope of the development right conveyed by a non-NSO lease and the limits on BLM's post-leasing authority to restrict its exercise. The Tenth Circuit has explained that a lessee under a final non-NSO lease cannot be prohibited from all surface use necessary to develop the leased minerals.[25] The standard lease form likewise reserves future surface uses only on the condition that they do not cause unnecessary or unreasonable interference with the lessee's rights.[26] Those authorities do not eliminate BLM's authority to impose reasonable site specific COAs. They foreclose an interpretation under which the label "COA" supplied authority to impose after lease issuance a restriction that materially defeats the development right the lease conveyed. An interpretation that reserves that open-ended power also creates avoidable contract, reliance, and compensation risk for the United States. AXPC also agrees with BLM that *Yates Petroleum*, 176 IBLA 144 (2008), does not support the 800-meter figure. As AXPC noted in 2023, *Yates* addressed BLM's imposition of timing limitations based on a greater sage-grouse habitat buffer; it did not address BLM requiring an operator to move a well pad, and it should not be cited as authority for a relocation of a half mile or more.[27]

2. The preamble's COA carve-out would nullify the parameters BLM is restoring

AXPC asks that the following statement in the preamble be applied with caution: "The BLM retains its authority to propose and implement COAs to address operational specifics and

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[21] 91 Fed. Reg. at 38,098.
[22] *Supra* note 1.
[23] *Supra* note 1 at p. 12-13
[24] 91 Fed. Reg. at 38,098.
[25] *See New Mexico ex rel. Richardson v. Bureau of Land Management,* 565 F.3d 683, 718 (10th Cir. 2009); *see also Pennaco Energy, Inc. v. U.S. Department of the Interior*, 377 F.3d 1147, 1160 (10th Cir. 2004).
[26] BLM Form 3100-11 (March 2023) ¶ 6.
[27] Yates Petroleum, 176 IBLA 144 (2008); *Supra* note 1 at 12-13.

site-specific concerns . . . . This includes the ability to move locations more than 200 meters or implement a timing limitation of more than 60 days."[28]

Relocation and timing constraints are imposed on operators at the APD stage, not at lease issuance.[29] A rule that lowers the siting and timing parameters in § 3101.12 while simultaneously announcing that BLM may exceed those parameters by COA at the APD stage essentially leaves operators in precisely the position the 2024 Leasing Rule created — with the added disadvantage that the constraint now arrives through a mechanism that is less transparent and less predictable than a lease stipulation disclosed before bidding.

The preamble's reasoning conflates two distinct questions. The first is whether OBBB § 50101(d) requires that a measure appear in the governing RMP before BLM may impose it.[30] AXPC agrees with BLM that COAs are analytically distinct from lease stipulations for that purpose.[31] The second question — the one § 3101.12 actually addresses — is what surface use requirements are "consistent with lease rights granted" under the standard lease form. That question does not turn on the label affixed to the instrument.[32] A relocation requirement of 800 meters is either consistent with the lessee's rights or it is not; it does not become consistent with those rights because it is styled a COA rather than a stipulation. BLM's own regulation frames the parameters as measures "deemed consistent with lease rights granted," which is a statement about the substance of the requirement, not about the procedural vehicle.[33]

AXPC recognizes that § 3101.12 sets minimums and that IBLA has confirmed BLM may, on an adequate showing, exceed them.[34] AXPC does not ask BLM to disclaim that authority. AXPC asks BLM not to convert the exception into the rule by announcing in advance, and without reference to any showing, that BLM may routinely exceed the parameters through COAs.

> **Recommendation:** Delete the quoted sentence from the final rule preamble. In its place, state that measures exceeding the § 3101.12 parameters — whether imposed as lease stipulations, conditions of approval, or conditions on a sundry notice — are not deemed consistent with lease rights granted and may be imposed only where BLM documents in the administrative record that the measure is reasonable and necessary to prevent unnecessary or undue degradation and does not render lease operations uneconomic or infeasible.

> **Recommendation:** Add regulatory text confirming that BLM will not require relocation of proposed operations to a location off the leasehold without the operator's

[28] 91 Fed. Reg. at 38097.
[29] 43 C.F.R. § 3171.5(b); 43 C.F.R. § 3171.12.
[30] 91 Fed. Reg. at 38098.
[31] 91 Fed. Reg. at 38098
[32] 91 Fed. Reg. at 38097.
[33] 88 Fed. Reg. 47574 (citing Yates Petroleum, 176 IBLA 144, 155 (2008)).
[34] 91 Fed. Reg. at 38097.

prior written consent. This limitation appeared in the pre-2024 regulation, was omitted in 2024, and AXPC objected to its omission.[35] Relocation off lease can effectively convert a lease to no surface occupancy without the lease containing that restriction, and can shift surface disturbance to state or fee surface without the consent of those owners.

Recommendation: Codify the factors BLM will weigh in determining reasonableness — efficient recovery of the resource, incremental cost, target formation and geologic constraints, offset and infill well spacing, access routes, and availability of utilities and infrastructure — and confirm that a COA exceeding the § 3101.12 parameters is a decision appealable under 43 CFR 3165.3 and 4.410.

3. Removal of "federally recognized Tribes, and underserved communities"

AXPC supports returning to language that directs BLM to consider reasonable measures to mitigate adverse impacts to all land uses and users.[36] Uniform language is easier to administer and avoids the implication that the provision is limited to enumerated categories.

D. 43 CFR 3101.13 and 3101.14 — Stipulations; Exceptions, Waivers, and Modifications

The Proposed Rule does not address § 3101.14. AXPC renews two requests from its 2023 comments.

First, the 2024 Leasing Rule added "exception" to § 3101.14 without clarifying whether an operator's request for an exception is subject to the 30-day public review that the section applies to substantial changes or changes involving an issue of major concern to the public.[37] Exceptions are categorically different from waivers and modifications.[38] A waiver or modification alters a lease term.

Recommendation: Amend § 3101.14 to state that a request for an exception, as defined in the regulations, is not subject to the 30-day public review period.

Second, the 2024 Leasing Rule removed the provision permitting the authorized officer to grant a modification, waiver, or exception where the officer determines that proposed operations would not cause unacceptable impacts.[39] As AXPC observed in 2023, the replacement language is no less subjective, but it removes the officer's discretion to act.[40] Exceptions, waivers, and modifications supply the field-level flexibility that both BLM and operators need, and they

[35] *Supra* note 1 at p.14.
[36] 91 Fed. Reg. at 38098.
[37] *See* 88 Fed. Reg. 47562.
[38] *Supra* note 1 at p.15 - 16.
[39] *Id.*
[40] *Supra* note 1 at p. 15.

frequently reduce total surface disturbance — for example, an exception permitting a pipeline right-of-way to cross a fraction of an acre of a no-surface-occupancy lease may avoid disturbance across much larger acreage.

> **Recommendation:** Restore the "unacceptable impacts" standard in § 3101.14, or explain in the final rule why BLM declines to do so.

E. 43 CFR 3101.52 — Action by the Bureau of Land Management

AXPC supports removing the sentence permitting the authorized officer to "add other appropriate stipulations," which is in tension with § 3101.13(a) and with OBBB § 50101(d).[41] AXPC notes, however, that BLM's accompanying interpretation — that the RMP-stipulation limitation applies only to lands managed by BLM or to private surface, and that BLM will continue to apply stipulations specified by other federal surface management agencies as a condition of their consent — is a significant construction of the OBBB that appears only in the preamble.[42]

AXPC understands the practical concern: a surface management agency that cannot condition its consent may withhold consent altogether, which would reduce rather than expand leasing. But an interpretation of this consequence should be visible on the face of the regulation so that lessees and bidders know before bidding whether parcels on another agency's surface may carry stipulations that do not appear in the governing RMP. That determination cannot be made through a generalized assumption that all surface-management agencies possess the same authority over federal mineral leasing. BLM should not treat every federal surface management agency as possessing an undifferentiated power to consent to, withhold consent from, or condition mineral leasing. The governing statutes distinguish acquired lands, national forests, and other public-domain lands.[43] Before recognizing another agency's condition as a permissible exception to OBBB § 50101(d), BLM must identify the statute that makes that agency's consent legally necessary for the affected lands. A consultation or recommendation role does not supply a veto, and BLM may not delegate the Secretary's leasing authority by regulation or preamble interpretation.

> **Recommendation:** Revise §§ 3101.51 and 3103.52 to distinguish acquired lands and other lands for which congress expressly requires another agency's consent from public-domain lands for which no such consent requirement exists. Require every lawful surface management agency stipulation to be disclosed in the Notice of Competitive Lease Sale before bidding.

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[41] 91 Fed. Reg. at 38098.
[42] *Id.*
[43] *See* 30 U.S.C. §§ 226(f), 352.

F. 43 CFR 3102.61 (Redesignated) — Compliance

The Proposed Rule redesignates existing § 3102.51 as § 3102.61 and changes "will" to "must" in paragraph (a).[44] AXPC renews the substantive objection it raised in 2023, which the 2024 Leasing Rule did not resolve and which this Proposed Rule does not reach.[45]

Paragraph (f) provides that noncompliance exists "notwithstanding any administrative or judicial appeals."[46] That is difficult to reconcile with MLA § 17(g), 30 U.S.C. § 226(g), which directs that "[p]rior to making such determination . . . the concerned Secretary shall provide such entity with adequate notification and an opportunity to comply with such reclamation requirements and other standards and shall consider whether any administrative or judicial appeal is pending." The statute requires consideration of a pending appeal; the regulation directs that the appeal be disregarded.

The practical consequences are not hypothetical. Operators have received Written Orders regarding well obligations on legacy assets that were sent to incorrect addresses through no fault of the operator, causing the order to reach the correct office after the 20-business-day State Director review window in 43 CFR 3165.3 and, in some cases, after the abatement period had run. Operators have also received notices to address non-producing wells in which the operator never held an interest, requiring an appeal simply to establish that fact. Under the current text, an operator in either position is treated as noncompliant — and therefore barred from acquiring new leases by auction, assignment, or transfer, with newly acquired leases subject to cancellation — while its appeal is pending. That result is inconsistent with the statute and with the reliance interests of operators in good standing.

Separately, the change from "will" to "must" in paragraph (a) is presented as a clarity edit and should be explained as such.[47]

> **Recommendation:** Revise § 3102.61 to (i) require actual notice at the operator's address of record before a noncompliance determination attaches; (ii) allow extension for good cause, including the time reasonably required to contract for plugging, abandonment, and reclamation services in an area the operator no longer operates, and the time required to coordinate with other former lessees to pool funds for reclamation; (iii) restore consideration of pending administrative or judicial appeals, consistent with the statutory text; and (iv) confirm that a noncompliance determination does not attach where the operator did not hold an interest in the well or lease at issue.

[44] 91 Fed. Reg. at 38099.
[45] *Supra* note 1 at p. 21-22.
[46] 91 Fed. Reg. at 38116.
[47] 91 Fed. Reg. at 38099.

G. 43 CFR 3106.20 — Qualifications of Transfers

AXPC supports removing the sentence providing that "only responsible and qualified lessees may own, hold, or control an interest in a lease."[48] AXPC objected in 2023 to the introduction of "qualified lessee" and "responsible bidder" as gatekeeping concepts operating on an abbreviated schedule without adequate notice or appeal.[49]

> **Recommendation:** If BLM removes the operative sentence in § 3106.20, it should also revisit the corresponding definitions in § 3100.5.

H. 43 CFR 3103.1 and 3103.11 — Fiscal Terms and Form of Remittance

AXPC supports the conforming edits to § 3103.1 removing "competitive" from the fiscal terms schedule following the OBBB's reinstatement of noncompetitive leasing, or to the removal of the reference to the Inflation Reduction Act.[50]

AXPC supports the electronic payment provisions in §§ 3103.11 and 3104.10(c).[51] AXPC notes that some payments — particularly bond instruments and payments made by smaller operators or by third parties on an operator's behalf — may not be readily convertible to electronic transfer on the effective date of a final rule.

> **Recommendation:** Describe the case-by-case exception process in the regulatory text rather than only in the preamble, identify the office to which an exception request is directed, and provide a transition period of not less than 180 days after the effective date during which BLM will continue to accept existing payment methods.

I. 43 CFR Subpart 3104 — Performance Bonds

1. Subpart heading

AXPC does not object to renaming the subpart "Performance Bonds."[52]

2. Nationwide and unit operator bonds — BLM should adopt Option (2)

BLM requests comment on three options: (1) allow nationwide bonds; (2) allow nationwide and unit operator bonds; or (3) continue the 2024 Leasing Rule's elimination of both. AXPC recommends Option (2).[53]

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[48] 91 Fed. Reg. at 38101.
[49] *Supra* note 1 at p. 28.
[50] 91 Fed. Reg. at 38099.
[51] 91 Fed. Reg. at 38,100, 38,117.
[52] *Id.*
[53] *Id.*

AXPC requested retention of the nationwide bond in its 2023 comments and its position is unchanged.[54] The nationwide bond substantially streamlines administration for operators holding leases in multiple states, and the coordination burden BLM cited as its principal concern is modest and carries offsetting benefits: communication among state offices allows them to compare bond adequacy determinations and permits offices with more experienced staff to assist those with newer staff, which produces greater consistency in bond adequacy reviews.[55] BLM has not demonstrated that maintaining a nationwide bond option is burdensome enough to outweigh those benefits.

BLM should also restore unit operator bonds. BLM observes that its post-1987 bond forms address the gap that originally prompted the unit operator bond and that such bonds were never widely used.[56] Low utilization is a reason to preserve an option, not to eliminate it: a bond form that few operators need imposes essentially no administrative burden, while its absence forecloses a structure that fits certain unit configurations, particularly where the unit operator does not hold a lease interest.

AXPC also directs BLM's attention to the bond market capacity analysis in AXPC's 2023 comments, which bears directly on the choice among these options.[57] Surety capacity is finite, and bonding structures that multiply required bond liability can increase costs, collateral requirements, and demands on available capacity. These concerns are particularly relevant where financial-assurance requirements are imposed on a lease-by-lease or well-by-well basis. In commenting on oil-and-gas financial-assurance requirements, the Surety & Fidelity Association of America and the National Association of Surety Bond Producers have cautioned that more stringent and full-cost bonding requirements can materially affect operators' ability to obtain surety bonds and have emphasized the need to preserve sufficient surety capacity to guarantee regulated obligations.[58] Statewide and nationwide bonds allow BLM to secure aggregate federal exposure while avoiding overbonding under a framework that consumes finite surety capacity without materially reducing federal risk. This provides an independent, market-based justification for Option (2) that does not depend on any policy judgment about appropriate minimum amounts, and AXPC recommends BLM place it in the record.

> **Recommendation:** Adopt Option (2) and reinstate both nationwide and unit operator bonds, with minimum amounts consistent with those set for individual lease and statewide bonds. Ground the decision in bond market capacity and administrative consistency, not solely in operator cost relief.

[54] *Supra* note 1 at p. 21-22.
[55] 91 Fed. Reg. at 38099
[56] *Id*.
[57] *Supra* note 1 at p. 22-23.
[58] Nat'l Ass'n of Surety Bond Producers & Surety & Fidelity Ass'n of Am., *Comments on Colorado Oil & Gas Conservation Commission Financial Assurance Rulemaking* 4 (Jan. 14, 2022).

3. Minimum bond amounts — § 3104.1

AXPC supported a tiered bonding approach in 2023 and opposed the combination of sharply higher minimums with the elimination of bonding options, which AXPC warned could cause premature abandonment of wells capable of producing economically for a decade or more.[59] AXPC also stated in 2023, and repeats here, that it does not dispute that certain minimum bond levels had not been updated in a very long time.[60] AXPC supports the bonding amounts proposed in the rulemaking and members do not feel strongly about the need for a nationwide bonding amount, provided that statewide bonding is available. ***5. Bond decreases and the removal of § 3104.1(c)***

BLM proposes to remove the phase-in paragraph and states that a bonded principal may request a bond decrease, upon which BLM will perform a bond adequacy review.[61] Operators that increased bonds to meet the 2024 minimums — in many cases posting substantial cash collateral — need a defined path back. AXPC suggests that the revised minimums should apply automatically to bonds that were increased solely to satisfy the 2024 regulatory minimums. Requiring an operator to obtain discretionary approval before the legal minimum is reflected in its bond would continue the capital constraint the final rule is intended to remove and would create an unnecessary application queue. If BLM concludes that an operator remains subject to a separate, individualized adequacy determination, the 60-day decision period and release mechanics described above should apply. BLM also should explain how an adequacy review accounts for parallel state or other financial-assurance instruments that are legally available to secure the same reclamation obligation. BLM need not surrender federal recourse. It should avoid requiring duplicative security for the same quantified liability without explaining why the other instrument is unavailable or inadequate.

> **Recommendation:** Specify in the regulatory text a timeframe within which BLM will act on a decrease request (AXPC suggests 60 calendar days), provide that BLM will approve the request where the operator's liability profile is unchanged or improved since the last adequacy review, and address the mechanics and timing of release of surety collateral so that the reduction produces actual capital relief rather than a paper adjustment.

6. Surface owner protection bonds

The Proposed Rule does not address the surface owner protection bond added by the 2024 Leasing Rule.[62] AXPC understood from BLM staff during the 2023 public meetings that this bond is intended to address surface issues such as a damaged fence, an injured animal, or other damage to personal property related to oil and gas operations. AXPC supports that limited purpose and

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[59] *Supra* note 1 at p. 21-23.
[60] *Id.*
[61] 91 Fed. Reg. at 38,100.
[62] *See* 91 Fed. Reg. at 38,084 – 38,122.

does not support use of the surface owner protection bond as an additional mechanism to secure full-scale well abandonment and site restoration.

> **Recommendation:** Confirm the limited purpose of the surface owner protection bond in this rulemaking.

J. 43 CFR 3105.1 — Reporting and Payment for Production (Royalty Resiliency Act)

ReAXPC supports implementation of the RRA. The ability to report and pay on the proposed allocation of production for a pending unit or communitization agreement, rather than waiting for BLM's final decision, addresses a longstanding source of reporting uncertainty and unpaid-royalty exposure for operators.[63] AXPC seeks several clarifications.

First, the regulation should state the statutory deadlines and consequences that govern implementation of the RRA. The Secretary must issue an allocation determination within 120 days after a request for determination. A lessee or designee that corrects reports and royalty payments within the statutory adjustment period is entitled to the statutory waiver of interest applicable to the affected obligation.[64] Since these requirements are statutory rather than discretionary, they should appear expressly in the regulatory text.

Second, AXPC also questions whether proposed paragraphs (b)(1) and (b)(2) impose requirements beyond those authorized by the RRA. A proposed unit or communitization agreement already identifies the leases and allocation interests at issue, and BLM ordinarily possesses completion reports for wells that penetrate federal leases. The RRA does not condition its reporting framework on submission of a duplicative well list or a second submission of records already in the agency's possession. Unless BLM identifies an independent statutory basis for these requirements, paragraphs (b)(1) and (b)(2) should be removed.

- **Interest and penalties.** The central benefit of the RRA is lost if a lessee that reported in good faith on the proposed allocation faces late-payment interest or civil penalties when BLM's final decision alters that allocation. BLM should confirm, in the regulatory text and in coordination with ONRR, that no interest, penalty, or assessment accrues on amounts attributable to the difference between the proposed and approved allocation, provided the lessee makes the required adjustment within the statutory window.
- **The adjustment window.** BLM should specify how receipt of the final decision is established for purposes of starting the clock that runs to the end of the third month following receipt — for example, the date of delivery to the address of record — and

[63] 91 Fed. Reg. at 38,100.
[64] 30 U.S.C. § 1721(j).

should provide a mechanism to extend the window where the approved allocation requires restatement across a large number of production months or multiple designees.

- **Proposed paragraph (b)(2).** If BLM declines to remove paragraph (b)(2), it should at minimum, confirm that the completion report requirement is limited to the existing obligation under 43 CFR 3160.0-9(c)(1), does not create a new well-by-well filing obligation, and does not apply to wells completed before the current recordkeeping regime.
- **Applicability.** BLM should state whether § 3105.1 applies to unit and communitization agreement applications pending on the effective date of the final rule and, if so, how reporting for prior production months is to be handled.
- **Indian lands.** AXPC supports the exclusion in proposed paragraph (c), which restates the statute. BLM should confirm the treatment of agreements containing both Indian and non-Indian lands.

K. 43 CFR Subpart 3107 — Continuation and Extension

AXPC supports the revision to § 3107.10(b) replacing "reasonable person seriously looking for oil or gas could" with "prudent operator would."[65] The prudent operator standard is well developed in oil and gas law and is used elsewhere in BLM's regulations; adopting it here reduces ambiguity without changing the substantive threshold.

AXPC supports the clarification of "committed in part" in § 3107.32, to the removal of § 3107.52, or to the citation correction in § 3107.60.[66]

L. 43 CFR Part 3110 — Noncompetitive Leases

AXPC supports reinstatement of noncompetitive leasing as required by OBBB § 50101(a)(2), and supports BLM's decision not to reinstate procedures that do not track the MLA.[67] AXPC recommends several targeted changes.

1. Section 3110.2 — the exact-match parcel description requirement

Proposed § 3110.2 requires the legal land description in a noncompetitive lease application to "exactly match" the description of a parcel offered at the competitive auction.[68] AXPC understands the administrative appeal of this rule but believes it will produce results BLM does not intend. Parcels are frequently configured for auction in sizes that reflect BLM's parcel-assembly conventions rather than any applicant's development plan. An applicant interested in a portion of an unsold parcel is required either to apply for the entire parcel — taking on rental

[65] 91 Fed. Reg. at 38,100.
[66] *Id.*
[67] 91 Fed. Reg. at 38,101.
[68] *Id.*

obligations and acreage-limitation consumption for lands it does not intend to develop — or to forgo the application altogether. The second outcome leaves federal minerals unleased and produces no revenue, which is contrary to the purpose of reinstating noncompetitive leasing.

> **Recommendation:** Permit a noncompetitive lease application for a portion of an unsold parcel described by aliquot part or by legal subdivision, provided the described lands lie wholly within a parcel offered and not bid on at the preceding competitive or replacement sale.

2. Section 3110.3 — priority and the risk of BLM-initiated corrections

Proposed § 3110.3 provides that where a correction to an application is needed or made, "either at the option of the applicant or the BLM," priority will be adjusted when multiple applications are made for the same lands.[69] As drafted, an applicant that filed first can lose priority because BLM identified a correction — including a correction attributable to BLM's own error in the sale notice or parcel description.

> **Recommendation:** Provide that an applicant does not lose priority where the correction is made at BLM's request or is required to cure an error in BLM's sale notice, parcel list, or land description. An applicant should bear the priority consequences of its own defective filing, not of BLM's.

3. Section 3110.4 — cancellation of improperly issued leases

Proposed § 3110.4 provides that if BLM improperly issues a noncompetitive lease, BLM will cancel the lease under 43 CFR 3108.30.[70] AXPC does not dispute that BLM must be able to correct its own errors. But a lease signed by the authorized officer is a binding contract on which an applicant may act — posting a bond, running title, contracting for geophysical work, or filing an APD — and the provision as drafted contains no notice, no opportunity to respond, and no protection for an applicant that did nothing wrong.

> **Recommendation:** Provide that BLM will give written notice of a proposed cancellation, an opportunity to respond, and appeal rights under 43 CFR part 4, and address whether a lessee that acted in good faith is entitled to refund of rentals and fees and to reimbursement of documented expenditures made in reliance on the issued lease.

4. Sections 3110.5 and 3110.6 — lease terms and reversionary leases

AXPC supports the proposed terms. AXPC notes that the two-year window during which unsold lands are available noncompetitively appears only in proposed § 3120.60, while an applicant researching noncompetitive leasing will look first to part 3110.[71]

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[69] *Id.*
[70] *Id.*
[71] 91 Fed. Reg. at 38,102.

Recommendation: State the two-year availability window in § 3110.1 as well as § 3120.60, and confirm that the window runs from the later of the competitive sale or the replacement sale. Confirm that noncompetitive leases carry the minimum 12.5 percent royalty rate restored by the OBBB and the rental schedule in § 3103.1 as revised, and clarify how the advance first-year rental is computed where the United States holds a fractional mineral interest.

M. 43 CFR Part 3120 — Competitive Leases

1. Section 3120.11 — Lands Offered for Competitive Leasing

AXPC supports the renaming of this section or to the conforming revisions to paragraph (c) and the removal of paragraph (g).

2. Section 3120.31 — Expression of Interest Process

AXPC supports removing the requirements that an EOI submitter identify the percentage of the United States' fractional interest and the name and address of the private surface owner.[72] Neither is required by the MLA, and the surface owner identification requirement in particular imposed a title research burden on the nominator that BLM is better positioned to satisfy from its own records.

3. Section 3120.32 — Expression of Interest Leasing Preference (Removal)

AXPC strongly supports removal of the leasing preference criteria in their entirety. AXPC objected to these criteria in detail in 2023 and incorporates that discussion here.[73]

In summary, the preference criteria directed BLM to evaluate nominated parcels against considerations — proximity to existing development, presence of fish and wildlife habitat and connectivity areas, presence of historic properties and sacred sites, presence of recreation and other uses, and development potential — that the RMP process already addresses.[74] An RMP considers existing development and logical areas for expansion; identifies fish and wildlife habitat and whether it should be protected from activity; identifies historic properties and areas of cultural significance and invites Tribal consultation on their management; identifies lands best suited to recreation and other uses within the multiple use framework; and identifies areas with development potential.[75] Approval of an RMP is a major federal action requiring an environmental impact statement, and RMPs afford multiple opportunities for public comment.[76] Once an RMP is approved, BLM's subsequent management actions, including leasing, must conform to it.[77] The

[72] 91 Fed. Reg. at 38,103.
[73] *Supra* note 1.
[74] 91 Fed. Reg. at 38,094.
[75] *See* 43 C.F.R. Part 1610 (Resource Management Planning).
[76] *See* 42 U.S.C. § 4332(C); 43 C.F.R. §§ 1610.2.
[77] 43 C.F.R. § 1610.5-3(a).

preference criteria permitted BLM to revisit those determinations parcel by parcel, outside the land use planning process and without the public involvement FLPMA requires — in substance, re-deciding what lands are open to leasing without amending the plan that made them open.

AXPC also objected to BLM's reliance on its own geospatial data to designate areas as "low potential."[78] Advances in completion technology have unlocked areas long regarded as low potential, and BLM's potential data has limited bearing on the resource base actually capable of production. An EOI reflects an operator's own assessment that a tract has potential, backed by the operator's capital.

BLM's three stated grounds for removal — delay, duplication of land use planning, and failure to account for modern drilling technology — are correct, but they are discretionary judgments.[79] AXPC urges BLM to add the ground that does not depend on policy: the preference criteria cannot be reconciled with the OBBB. The statute now requires BLM to process EOIs within 18 months, to offer at least 50 percent of the available parcels nominated in an RMP, to hold four sales per fiscal year in enumerated States, and to define eligibility and availability by statutory criteria.[80] A regime that permits BLM to decline to offer nominated parcels based on discretionary preference factors is incompatible with those mandates.

> **Recommendation:** State in the final rule that removal of § 3120.32 is required by OBBB § 50101, independent of the policy considerations BLM identifies. A statutory-conflict ground is not subject to the reasoned-explanation burden that attaches to a discretionary policy reversal, and it is the most defensible basis on review.

4. Section 3120.33 — Agency Inventory of Leasing (Removal)

AXPC supports this proposed change. This provision implements IRA § 50265, which conditions issuance of wind and solar rights-of-way on oil and gas leasing activity.[81] It does not govern oil and gas leasing, and it is appropriately addressed through policy guidance.

5. Section 3120.42 — Posting Timeframes

a. Notice of Competitive Lease Sale: 60 days to 45 days.

AXPC supports this change, which conforms the regulation to the statutory posting requirement and removes a self-imposed extension of the leasing timeline.[82]

b. Elimination of both pre-sale public participation periods.

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[78] *Supra* note 1 at p. 10.
[79] 91 Fed. Reg. at 38,103.
[80] *See* Pub. L. No. 119-21 (2025) (amending the Mineral Leasing Act); 43 C.F.R. § 3120.1-1; 43 C.F.R. § 3120.1-2.
[81] 91 Fed. Reg. at 38,120.
[82] 91 Fed. Reg. at 38,120.

AXPC urges BLM to reconsider eliminating both the scoping period and the public comment period.[83] AXPC does not make this recommendation out of solicitude for the volume of filings BLM describes; AXPC makes it because AXPC members' interest is in a leasing program that is durable, not merely fast.

As AXPC explained in 2023, activist organizations have challenged nearly every federal lease sale in the Rocky Mountain West since 2016, and those challenges add significant time to the development process, result in de facto lease suspensions, and create substantial risk to investments in federal leases.[84] The administrative comment and protest process is the principal mechanism by which those objections are surfaced, exhausted, and resolved before a lease issues. Eliminating both pre-sale participation periods does not eliminate the objections; it relocates them to district court. Additionally, AXPC asks that BLM ensure that the comment period runs from the date when NEPA analysis (i.e., the EA or EIS) is available for review, when applicable.

> **Recommendation:** Retain a single consolidated 30-day public comment period on the draft sale-specific NEPA analysis in place of the two existing periods. That change captures most of the schedule benefit BLM seeks while preserving the exhaustion and record-building functions.

c. Protest period: 30 days to 10 days.

AXPC is concerned about the proposed 10-calendar-day protest period as applied to lessees, bidders, and adjacent operators.[85] The sale notice is the first document that discloses, parcel by parcel, the stipulations BLM proposes to attach, the parcels BLM has deferred, and the legal land descriptions BLM will use. An operator that identifies an erroneous stipulation, an incorrect description, an unexplained deferral of a nominated parcel, or a parcel configuration that severs a planned development unit must review the notice, run title, consult its land and operations groups, and prepare a protest. Ten calendar days — which may include two weekends and a federal holiday — is some situations not a realistic period for that work, particularly for operators tracking simultaneous quarterly sales in multiple states.

AXPC recognizes BLM's legitimate need to resolve protests in time to issue leases within 60 days of payment as MLA § 226(b)(1)(A) requires. That need is met by a period shorter than the current 30 days without going to 10.

> **Recommendation:** Set the protest period at 20 calendar days, or in the alternative at 10 business days. If BLM retains a 10-day period, it should at minimum measure it in business days and confirm that a protest is timely if postmarked or electronically submitted on the final day.

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[83] 91 Fed. Reg. at 38,103 – 104.
[84] *Supra* note 1 at p. 11-12
[85] 91 Fed. Reg. at 38,120.

d. New paragraph (d): notice when a scheduled sale is not held.

AXPC supports this addition.[86] Operators plan exploration and development programs against the quarterly sale calendar, and the absence of notice when a sale will not occur has real planning consequences.

> **Recommendation:** Specify a minimum posting location (the National Fluids Lease Sale System, at a minimum) and a deadline for the notice — AXPC suggests no later than the date the sale notice would otherwise have been posted under § 3120.42(a). The notice should state the reason the sale is not being held and the date of the replacement sale required by § 3120.60. BLM's stated preference for flexibility is reasonable as to additional posting locations, but a minimum should be identified so that operators know where to look.

6. Section 3120.60 — Parcels Not Bid on at Auction; Replacement Sales

AXPC supports implementation of OBBB § 50101(c)(3)(B) and the provision making unsold lands available noncompetitively for two years after the later of the sale or the replacement sale.[87] AXPC raises the following implementation issues.

- **The 30-day and 45-day requirements are in tension.** Proposed § 3120.60 requires BLM to hold a replacement sale within 30 calendar days where 25 percent or more of the acreage offered receives no bid.[88] Proposed § 3120.42(a) requires the Notice of Competitive Lease Sale to be posted 45 calendar days before the sale date.[89] On their face, BLM likely cannot satisfy both for a replacement sale.
- **NEPA sufficiency.** BLM should confirm that a replacement sale offering the same parcels analyzed for the original sale may rely on the existing sale-specific NEPA analysis and decision record without new scoping or supplemental analysis, absent significant new circumstances or information. Without that confirmation, the 30-day requirement may be difficult to comply with in many instances.
- **Terms.** BLM should confirm that the national minimum bid, rental schedule, and parcel-specific stipulations for a replacement sale are those applicable to the original sale, and that parcels need not be re-nominated.
- **Successive sales.** BLM should state what happens where the replacement sale itself does not receive bids on 25 percent or more of the acreage offered — in particular, whether a further replacement sale is required, and how the two-year noncompetitive availability window is measured in that circumstance.

[86] 91 Fed. Reg. at 38,120.
[87] *Id.*
[88] *Id.*
[89] 91 Fed. Reg. at 38,103.

- **Protests.** BLM should state whether the protest period in § 3120.42(b) applies to a replacement sale, and if so how it is sequenced within the 30-day window.
- **Replacement sale mechanics.** A replacement-sale trigger also requires a defined calculation. The final rule should state whether "acreage offered" excludes parcels withdrawn before bidding, parcels for which a bid is rejected, and nonfederal fractional interests.[90] It also should state whether the 75-percent measure is tested separately at the original and replacement sales or cumulatively across both. BLM should publish the calculation promptly after each sale so that applicants know whether the first business day for noncompetitive applications has occurred.

7. Section 3120.73 — Compensatory Royalty Agreements

AXPC supports BLM's proposal to use compensatory royalty agreements for unleased federal minerals within a secondary unit, participating area, or producing communitization agreement, with automatic termination upon issuance of a federal lease.[91] Providing ONRR an enforcement mechanism in place of the informal Unleased Lands Account practice is a reasonable administrative improvement.

> **Recommendation:** Confirm that the automatic termination clause will be standard in all such agreements; clarify how existing Unleased Lands Accounts will be transitioned; and confirm that entering into a compensatory royalty agreement under this section does not create retroactive royalty exposure for production months preceding the agreement's effective date, or, if BLM takes a different view, state that view expressly so it can be evaluated.

N. 43 CFR 3134.1 — Bonding (National Petroleum Reserve — Alaska)

AXPC supports the citation corrections or to the replacement of "shall" with "must," "will," or "may" as appropriate.[92]

AXPC notes an ambiguity in the preamble. BLM states that the proposed rule would remove references to nationwide bonds in § 3134.1, and then states: "If the BLM decides to reinstate nationwide bonds, the BLM would not modify this Section to remove the nationwide bond discussion."[93] The sentence is difficult to parse and leaves unclear what the operative text will be under each outcome.

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[90] 91 Fed. Reg. at 38,104, 38,120.
[91] 91 Fed. Reg. at 38,104, 38,120.
[92] 91 Fed. Reg. at 38,105.
[93] *Id.*

Recommendation: State plainly in the final rule how § 3134.1 will read under each bonding option, and ensure that whatever BLM decides on nationwide and unit operator bonds in subpart 3104 is carried through consistently to § 3134.1.

O. Subparts 3140, 3141, 3152, 3165, 3181, 3183, and 3186

Subparts 3140 and 3141 (Leasing in Special Tar Sands Areas) and § 3152.3 (Renewal of Exploration Permit). AXPC has no objection to conforming and clarifying changes in these subparts. AXPC notes that removal of the $30 filing fee for exploration permit renewals in Alaska, on the ground that BLM has not collected the fee in ten years and the collection costs exceed the revenue, is a sensible administrative simplification.[94]

Section 3165.1 (Relief From Operating and/or Producing Requirements). AXPC asks BLM to confirm that suspension of operations, suspension of production, and suspension of the lease term remain available where circumstances beyond the operator's control prevent operations — including force majeure weather events, loss of takeaway capacity, and pipeline or facility outages. As AXPC explained in 2023, in states such as Wyoming and North Dakota an operator may be forced to shut in a well in November or December and be unable to physically assess the well and its connecting lines until the spring thaw.[95] Relief provisions that do not account for that reality generate paper violations rather than better outcomes. That result is also inconsistent with the governing statute. Section 17(i) of the MLA provides that no lease expires because operations or production are suspended by order or with the Secretary's consent.[96] The statutory text is not limited to a lease that already contains a well capable of production.[97] The final rule therefore should state that its revised suspension provisions supersede the narrower construction in Savoy Energy, LP, 178 IBLA 313 (2010), and remain available when uncontrollable circumstances prevent operations from commencing or continuing.

Subparts 3181 and 3183 (Unit Agreements). AXPC has no objection to the proposed changes to § 3181.1 and § 3183.4 and supports any change that shortens BLM's timeline for preliminary consideration and approval of unit agreements.[98]

Subpart 3186 (Model Forms). AXPC supports relocating the model forms from the CFR appendices to BLM's forms web page.[99] AXPC notes, however, that removing forms from the CFR removes them from notice-and-comment revision, and lease and unit agreement forms carry substantive terms.

Recommendation: Commit in the final rule that BLM will provide public notice — through the Federal Register, the rulemaking docket, or a comparable mechanism — and a reasonable opportunity for comment before making a material change to the terms

[94] 91 Fed. Reg. at 38,087.
[95] *Supra* note 1 at p. 27.
[96] 30 U.S.C. § 226(i).
[97] 91 Fed. Reg. at 38,106.
[98] 91 Fed. Reg. at 38,086.
[99] 91 Fed. Reg. at 38,106 – 107.

of a model lease or unit agreement form, and that BLM will maintain prior versions of each form on its website with effective dates.

IV. Matters Not Addressed in the Proposed Rule

AXPC urges BLM to address the following in this rulemaking or in a companion action. Each was raised in AXPC's 2023 comments and remains unresolved.

- **43 CFR 3162.3-4 — temporary abandonment and shut-in wells.** The 2024 Leasing Rule requires an operator to notify BLM of an intent to temporarily abandon a well for more than 30 days, to notify BLM of a well's shut-in status within 90 days, and to provide a plan for production or permanent abandonment within four years.[100] These requirements remain in force.[101] AXPC objected to them in 2023 and the objections stand.[102] Temporary abandonment is frequently the result of matters outside the operator's control and the duration is often unknown. The requirements duplicate state reporting obligations, produce contradictory guidance for operators balancing state and federal regulation, and consume BLM staff time on status updates rather than on permitting and oversight.
- **Conforming amendments for the four-year APD term.** The OBBB extended the APD term to four years.[103] BLM should confirm that all cross-references in parts 3100 through 3180 have been conformed, that the four-year term applies to APDs approved before the effective date of the implementing rule, and that the actions available to extend an approved APD beyond its term are unchanged. AXPC supported a four-year term in 2023 and asked that any change to APD terms not be applied retroactively to disrupt existing multi-year drilling programs.[104]

V. Severability and Administrative Record

AXPC supports BLM's statement that each section and each provision within each section is separate and severable.[105] Given the near certainty that the final rule will be challenged, AXPC recommends BLM strengthen that statement rather than rely on a single sentence in the summary discussion.

Recommendation: Include in the final rule an express severability finding stating that BLM would have adopted each provision independently of the others, and identifying the provisions most likely to be challenged — the bonding amounts and structure in subpart 3104, the removal of the leasing preference criteria in § 3120.32, the public

[100] 88 Fed. Reg. 47595.
[101] *Id.*
[102] *Supra* note 1 at p. 23 – 24.
[103] 43 C.F.R. § 3171.14(a)
[104] *Supra* note 1 at p. 14.
[105] 91 Fed. Reg. at 38,086.

participation and protest changes in § 3120.42, the protest fee in § 3000.120, and the noncompetitive leasing provisions in part 3110 — as separately severable. A reviewing court that vacates one provision should not have occasion to disturb the remainder.

Conclusion

AXPC appreciates BLM's work on this Proposed Rule and supports the substantial majority of it. The removal of the leasing preference criteria, the restoration of the 200-meter and 60-day surface use parameters, the restoration of a tiered bonding structure, the reinstatement of noncompetitive leasing, and the reduction of the competitive lease application fee are all changes AXPC sought and that will make the federal onshore program more workable for the operators who bear the risks of developing taxpayer-owned resources.

AXPC's recommendations are directed at making those changes stick. The three that matter most are: withdrawing the preamble statement that BLM may exceed the § 3101.12 parameters by condition of approval, which would otherwise undo the surface use relief the rule provides; developing the orphan-well, bond-adequacy, and bond-market record that supports the bonding changes; and preserving enough pre-sale administrative process that individual lease sales remain defensible. AXPC members stand ready to serve as a resource to BLM on any of these issues and welcome the opportunity to meet with the fluid minerals program before the final rule is issued.

Thank you for your consideration of these comments.

Respectfully submitted,

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