

# United States Senate

WASHINGTON, DC 20510

March 27, 2025

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

Dear Secretary Burgum,

We write to express our support of your review of former President Biden's burdensome regulatory actions that will reduce American energy independence and raise costs for American families and small businesses. In Secretarial Order 3418 you direct your Assistant Secretaries to review the Bureau of Land Management's April 2024 final rule "Fluid Mineral Leases and Leasing Process," (89 Fed. Reg. 30916) that dramatically increases costs on small oil and gas producers. Specifically, we request that you review and roll back the provisions in the rule that dramatically increase the bonding requirements for oil and gas wells on federal lands.

The final rule increases bonding requirements by twenty-fold for oil and gas producers on federal lands and eliminates nationwide bonding. These changes make it virtually impossible for small energy producers to continue to operate. Small producers often do not have the capital or access to bonds at reasonable rates, effectively pricing them out of the market and driving them off public lands. Nearly 80% of all oil and gas wells in the United States are low-producing, marginal, or stripper wells and small and family-owned oil and gas producers represent a large proportion of operators on federal lands. In many cases, the royalties from these wells have been providing revenue to communities for decades and the local companies continue to provide much needed jobs in rural areas. Bonding rates that may work for a 500bpd producing well may be inappropriate for a 10bpd well. These small businesses are crucial for American energy dominance and the exorbitant increases in bonding requirements will lead many producers to cap wells or worse, lead to the bankruptcy of companies and the abandoning of wells.

While we strongly support proper stewardship of our public lands and the need to ensure that adequate bonding is in place to clean up abandoned wells, we must also ensure that bonding requirements are set at a reasonable and achievable rate for all oil and gas producers.

Unfortunately, the current bonding rule will drive producers out of business and raise costs for American families. Energy development on federal lands is critical to strengthening America's energy security, powering our economy, and supporting state and local conservation efforts. We strongly urge you to revisit and reverse the bonding requirements in this rule, including reinstatement of reasonable state and nationwide bonding requirements, to ensure America's long-term energy dominance and the prosperity of our communities.

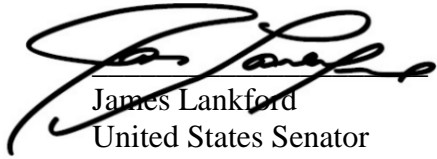
Sincerely,



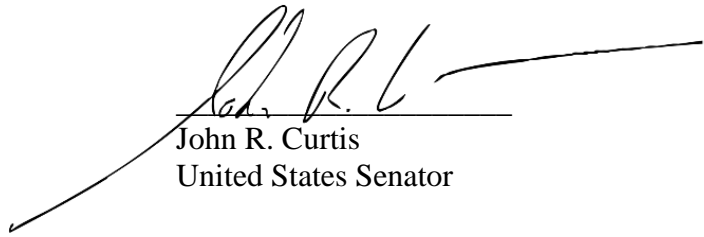
Steve Daines  
United States Senator



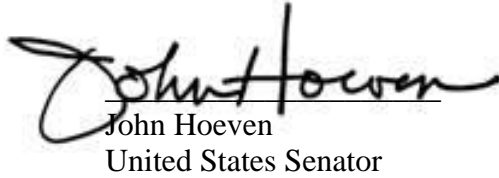
Michael S. Lee  
United States Senator



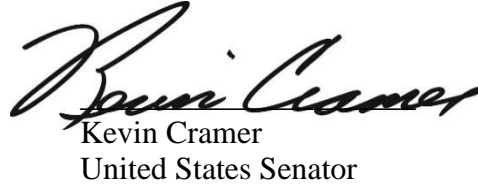
James Lankford  
United States Senator



John R. Curtis  
United States Senator



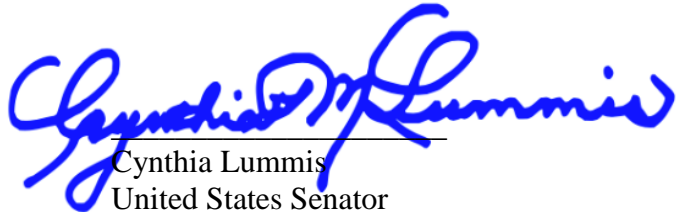
John Hoeven  
United States Senator



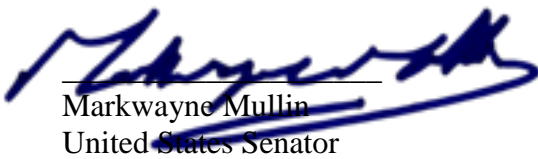
Kevin Cramer  
United States Senator



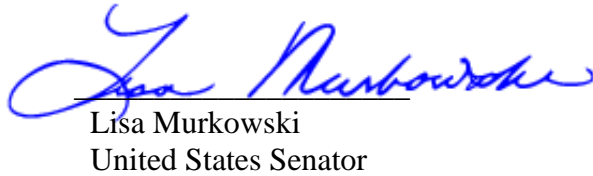
Tim Sheehy  
United States Senator



Cynthia Lummis  
United States Senator



Markwayne Mullin  
United States Senator



Lisa Murkowski  
United States Senator