For Immediate Release
February 14, 2025

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Westerners Call on Interior Secretary Not to Weaken Oil and Gas Reclamation Bonds

The current bonding rules are an integral cost of doing business, and cannot be considered a burden on development.

Billings, Mont. – On February 14th, 2025, members of the Western Organization of Resource Councils, sent a letter to Secretary of the Interior Doug Burgum urging him to retain and fully implement the Bureau of Land Management's (BLM) recently finalized *Fluid Mineral Leases and Leasing Process Rule*. This commonsense rule addresses the serious and growing taxpayer liability resulting from idle and orphaned wells by updating BLM's minimum reclamation bond amounts for the first time in over sixty years.

The letter was sent in response to President Trump's Executive Order "Unleashing American Energy", which calls for federal agencies to assess and determine any regulations or agency actions that pose an undue burden to domestic energy resources. Following that Executive Order, Secretary Burgum released Secretarial Order 3418 which named the *Fluid Mineral Leases and Leasing Process Rule* at the top of a list the agency would revise or rescind.

"It is crucial that we uphold the 2024 BLM Onshore Oil and Gas Leasing Rule. The commonsense updates to the rules governing oil and gas development on our public lands, 60 years in the making, ensure fair return for taxpayers and have the overwhelming backing of citizens from the states where most onshore oil and gas leasing occurs. Weakening or eliminating the essential fiscal reforms will mean that American taxpayers, surface landowners and communities will be forced to continue to pay for plugging and remediating orphan and abandoned wells, costs for the clean up required at the end of each well's useful life that should be borne by the corporations that profit from our public resources." -**Dr. Barbara Vasquez, Chair, WORC Board of Directors, Cowdrey, Colorado**

For decades, weak bonding rates have placed undue burdens on taxpayers, the federal government, and local communities. This discrepancy disincentivized many oil and gas operators from cleaning up their wells; consequently, complete and timely reclamation and restoration of any lands or surface waters was not adequately done, ultimately leading to a growing crisis of orphaned and abandoned wells throughout the country. Requiring bonds that are sufficient to ensure complete and timely reclamation is a well-accepted cost of doing business, required by law, and has extremely strong public support.

WORC members have long been frustrated by the burdens on them created by unacceptable delays in plugging and remediation of orphan and idle wells. Members include family farmers and ranchers living above federal split estate minerals, and Native American mineral allottees, as well as grazing lessees. These Americans rely on federal rules to ensure the wells on their land are appropriately leased, operated, plugged, and reclaimed back to pre-drilling (reusable) landscape, and many have long suffered the consequences of unreclaimed, inactive, and orphan wells on wasted land.

- The BLM currently spends approximately $2.7 million per year to plug and reclaim between 15 and 24 wells annually. The BLM notes that under the current rule, with strong bonding rates, "the minimum bonding requirements will reduce the necessary public funding by between $1.3 million to $3.8 million per year" (BLM Economic Analysis from Proposed Fluid Mineral Leases and Leasing Process Rule , June 2023)
- Prior to the finalization of the rule, the average bond held by the BLM was a mere $2,122 per well, when in reality the average cost of cleaning up a well can range from $20,000 up to $150,000. In 2019 the GAO found that only 16% of newly identified orphaned BLM wells had reclamation bonding sufficient to cover the remaining reclamation costs. (GAO, Bureau of Land Management Should Address Risks from Insufficient Bonds to Reclaim Wells, 2019)
- There are more than 2.6 million unplugged onshore wells across state, federal, tribal, split-estate, and private lands in the United States, and it is estimated that it would cost $280 billion to plug onshore wells. This does not include the estimated 1.2 million wells that are undocumented. (Carbon Tracker, Billion Dollar Orphans)
- The Orphaned Wells Program Annual Report to Congress in November of 2024 outlines the ever growing orphaned well inventory that plagues our public lands and minerals. As of 2022, the Interior Department identified more than 16,000 orphaned wells on federal lands. (Orphaned Wells Program Annual Report to Congress, Nov 2024)

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The Western Organization of Resource Councils (WORC) is a network of ten grassroots organizations in eight Western states with 22,750 members, many of them ranchers and farmers committed to common-sense reform in agriculture, oil and gas development, coal mine reclamation, and rural economic development. Headquartered in Billings, Mont., WORC also has an office in Washington, D.C.