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The Biden Administration Finalizes Important Reforms to Onshore Oil and Gas Leasing Program

Permian Basin Climate Justice Coalition members applaud the rule as a good first step

The Bureau of Land Management (BLM) issued its final Onshore Oil and Gas Leasing Rule, the first comprehensive update to the federal onshore oil and gas leasing program in decades. The Department of the Interior, which oversees the BLM, announced the draft rule in July and held a 60-day comment period that ended in September. The rule includes long-overdue, commonsense fiscal reforms and incorporates updates passed by Congress under the Inflation Reduction Act (IRA).

For decades, the BLM has auctioned off public lands in New Mexico, and throughout the U.S., to oil and gas operators for pennies on the dollar, locking up vast amounts of land and preventing uses other than oil and gas development. Outdated rules have left frontline communities and taxpayers faced with adverse effects including health and quality of life concerns and the growing liability from thousands of abandoned and orphaned wells. Some oil and gas operations have unfairly profited at the cost of ordinary people.

Specifically, the Rule:
- Raises oil production royalty rates from 12.5 to 16.67 percent;
- Raises minimum leasing bids from $2 to $10 per acre;
- Raises lease rental rates from $1.5 to $3 per acre in the first two-year period of a lease, then are increased the longer the lease is held;
- Adds a $5 per acre fee that operators must pay if they express an interest in leasing public lands;
- Eliminates non-competitive leasing; and,
- Substantially increases minimum bond amounts that operators must pay to cover clean-up costs.

Many members of the public weighed in on the rules, addressing ethical fairness, health, protection of wildlife, water, cultural and sacred sites, outdoor recreation, and ongoing climate concerns. The rules will help mitigate the impacts of oil and gas development, but continued work is needed.

Throughout the U.S., including in New Mexico's Permian Basin, quarterly oil and gas lease sales continue to threaten ecologically sensitive areas and impact public health and air and water resources. Members of the Permian Basin Climate Coalition welcome the finalizing of the rule and encourage the federal administration at all levels to work on the many concerns raised by citizens in the rulemaking.

Coalition members issued the following statements:

“The rule updates of the BLM for oil and gas leasing is good news for everyone. We need to care for our sacred land, water, air, climate, and frontline communities while seeking businesses to be responsible by creating new guidelines that fit our current realities,” said **Sister Joan Brown, Executive Director at New Mexico & El Paso Interfaith Power and Light**. “We all have an ethical and moral responsibility to care for the treasures we are given and to ensure a future that is not one of polluted lands and waters that ordinary people need to find funds to remediate.”

“For decades, oil and gas companies have persistently gotten away with paying rock-bottom prices to drill on public lands with little to no real financial accountability,” said **Miya King Flaherty, Our Wild New Mexico Organizing Representative at the Sierra Club Rio Grande Chapter**. “The federal oil and gas leasing program is broken and needs fundamental fiscal reform to ensure frontline communities and taxpayers are not left cleaning the mess. These common-sense updates are a welcome step and we hope the Biden administration will go further and phase out new oil and gas leasing so we can truly address the climate emergency.”

“This long-overdue Oil and Gas Rule is a safeguard for places like Carlsbad Caverns National Park and its connected landscape, surrounded by one of the nation’s most active oil and gas regions,” said **Emily Wolf, New Mexico Program Manager at the National Parks Conservation Association (NPCA)**."By protecting these sensitive cave and karst areas around the park, this update should ensure the safety of visitors in underground cave passages, improve air quality and visibility, and protect the park's -- and surrounding landscape's -- spectacular geologic features and clean water resources.”

“The Oil and Gas Rule offers a more balanced approach to managing our shared resources on public lands and ensures that oil and gas companies pay to clean up their messes – not taxpayers,” said **Sally Paez, Staff Attorney at New Mexico Wild**. “Applying the rule’s ‘leasing criteria’ to future lease sales will help reduce conflicts with wildlife, cultural, and environmental resources. New Mexicans are fed up with public lands management that favors harmful development over other resources.”

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