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REGULATORY INTELLIGENCE BRIEF · ONE PAGE

Bond cuts likely to survive the rulemaking; public participation provisions face pressure to change

Docket BLM-2025-0037 RIN 1004-AF05 Comments closed Aug. 24, 2026 Version 1.2, Oct. 25, 2026

KEY JUDGMENT

Several major producer associations supporting lower bond requirements oppose eliminating both pre-sale comment periods. They favor retaining one opportunity for public comment and a longer protest window.

API and Continental Resources back the full cut, and every industry letter favors lower bonds, so participation is the provision most likely to move.

EXPECTED OUTCOME IN THE FINAL RULE TEXT

PROVISION	LIKELIHOOD	CONFIDENCE	WHY
Bond minimums cut to $10,000 per lease and $25,000 statewide	**Likely**	Moderate	Industry, SBA Advocacy and Utah support it. Small operators report surety premiums of 7% or more and substantial collateral requirements
Both 30-day comment periods eliminated, as proposed	**Unlikely**	Moderate	Most producer groups want one period kept; the Ninth Circuit faulted unexplained cuts in 2025
Protest window cut from 30 to 10 days, as proposed	**Unlikely**	Moderate	AXPC asks for 20 days, ranchers 30, retired BLM staff 15
Nationwide bonds reinstated at $150,000	**Likely**	Moderate	AXPC, the joint letter, API and NDPC ask for them

Likelihood refers to the final rule text only. Royalties, four lease sales a year and noncompetitive leasing already apply under the 2025 statute and BLM guidance.

THE RISK THAT REMAINS

Lower bonding requirements may release capital, but reclamation liabilities and surety underwriting risks remain.

Litigation exposure

Moderate confidence

Attorneys general of five states have outlined potential grounds for litigation in their comments. If challenged, we assess the likelihood that the lower minimums survive judicial review as roughly even.

Why it matters

The Mineral Leasing Act requires a bond that ensures reclamation. The BLM's own analysis expects the lower minimums to delay orphaned-well reclamation by 1,440 to 2,400 days a year and to add $1.3 million to $3.0 million a year in public liability, against $7.4 million to $15.2 million in operator savings.

SIGNPOSTS

OIRA receipt	The final rule reaches White House review. No date is scheduled.
On publication	The protest window in § 3120.42, any restored comment period and the nationwide bond option chosen.
June 22, 2027	Existing bonds below the 2024 minimums must meet them unless the new rule takes effect or the deadline moves. New bonds already must.

WHAT IT MEANS FOR YOU

Operators

Savings may follow, depending on BLM review, surety terms and collateral release. Reclamation costs stay the same. Review bonds and collateral before June 22, 2027.

Sureties

BLM reviews, which require full-liability bonds when over half of an operator's wells sit idle, will set exposure more than the floor. Reprice by idle-well share.

Investors and acquirers

Price two risks into lease diligence, a bond review that raises a bond and a court ruling that reopens the minimums.

Protesters and states

Prepare for a 10-day deadline while watching whether the BLM restores a longer window, and start parcel reviews early. Tribal consultation follows its own process.

Full report. Read the full report, or join the ComtIQ waitlist for updates and new reports.

Coverage. 15,827 posted comments, 13% of the 122,209 received; 20 campaigns; 94 main letters; a random sample of 120 records, 101 readable; the BLM's impact analysis. BLM-2025-0037 · ICD 203 terms · Not legal advice.