



May 21, 2026

Via Federal eRulemaking Portal: <https://www.regulations.gov>

U.S. Department of the Interior, Director (630)
Bureau of Land Management
1849 C Street NW, Room 5646
Washington, DC 20240
Attention: RIN 1004-AF41

Re: Comments on Revisions to Regulations Regarding Oil and Gas Leasing; Fees; Rentals and Royalties (RIN 1004-AF41; BLM 2025-0138; A2407-14-0656616; #O2509-14-004-125222)

To Whom It May Concern:

The American Petroleum Institute (“API”), Independent Petroleum Association of America (“IPAA”), Western Energy Alliance, Colorado Oil & Gas Association (“COGA”), Western Slope Colorado Oil & Gas Association (“WSCOGA”), Montana Petroleum Association (“MPA”), New Mexico Oil & Gas Association (“NMOGA”), the Petroleum Alliance of Oklahoma; and Utah Petroleum Association (“UPA”) (collectively “the Associations”) respectfully support’s the Bureau of Land Management’s (“BLM”) decision to make non-discretionary revisions to existing regulations at 43 CFR 3103.31(a)(1) – (5) to effectuate the changes required by the One Big Beautiful Bill Act (“OBBBA”) enacted on July 4, 2025.

The direct final rule is an appropriate vehicle because, at the present time, these non-discretionary changes are necessary for compliance. Section 40101(a)(1) of the OBBBA repealed Section 5026(a) of the Inflation Reduction Act (“IRA”). It also stated that any provision amended or repealed by that subsection is restored or revived as if that subsection had not been enacted into law. Therefore, the BLM correctly determined that the following changes must be made:

- 43 CFR 3103.31(a) must be revised to reflect the correct royalty rate applicable to production from Federal oil and gas leases, restoring the royalty rate to not less than 12.5 percent.
- 43 CFR 3103.31(a)(2) and (a)(3) must be removed in their entirety, as they include royalty rates that are no longer applicable.
- The current 43 CFR 3103.31(a)(4) will be redesignated to (a)(2), with all references to the IRA’s 16.67 percent royalty rate removed and adjusted to the 12.5 percent designated in OBBBA.
- A new 43 CFR 3103.31(a)(3) must be added to address the royalty rate for non-competitive leases, as reinstituted by the OBBBA.
- The current 3103.31(a)(5) will be redesignated to (a)(4) and also must be revised to address the OBBBA-designated royalty rate for reinstated leases.

While the Administrative Procedures Act (“APA”) typically requires notice-and-comment rulemaking, section 553 of the APA provides an exception when the agency “for good cause finds” notice and comment “impractical, unnecessary, or contrary to the public interest.” 5 U.S.C. § 553(b)(4)(B). We agree with BLM’s determination that the enactment of OBBBA mandates these non-discretionary changes. We also believe that nearly a year after OBBBA’s passage, it is appropriate to implement these changes clearly specified by Congress without any further delay.

About the Associations

API is a nationwide, non-profit trade association that represents all facets of the oil and natural gas industry, which supports nearly 11 million U.S. jobs and nearly eight percent of the U.S. economy. API’s approximately 600-member companies include large integrated companies, as well as exploration and production, refining, marketing, pipeline and marine businesses, and service and supply firms, including some that operate within the Petroleum Reserve. API was formed in 1919 as a standards-setting organization, and API has developed more than 700 standards to enhance operational and environmental safety, efficiency, and sustainability. Our members regularly lease, explore, develop and conduct various associated operations like transportation on federal lands.

API’s members are dedicated to meeting environmental requirements while economically developing and supplying energy resources for consumers. Our members have a substantial

interest in the effective environmental stewardship of natural resources. All segments of the oil and natural gas industry are subject to extensive permitting and regulatory requirements at local, state, and federal levels for activities such as exploration, drilling, and production from oil and gas wells, refining crude oil, transporting crude oil or refined product, and operating filling stations. Protecting environmental resources is important, and API and our members remain committed to working with federal, state, and local regulators to ensure that environmental programs relating to oil and natural gas development are protective, clear, administrable, and legally sound.

AXPC is a national trade association representing 34 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 our communities. Dedicated to safety, stewardship, and technological advancement, AXPC's members strive to deliver affordable, reliable energy to consumers while positively impacting the economy and the communities in which we live and operate. As part of this mission, AXPC members understand and promote the importance of advancing positive environmental and public-welfare outcomes and responsible stewardship of the nation's natural resources. AXPC's members are committed to being good stewards of federal and Indian resources and operating in compliance with all federal requirements. AXPC member companies produce more than half of U.S. onshore production each year.

IPAA serves as an informed voice for the exploration and production segment of the industry and advocates its members' views before the United States Congress, The White House, and federal agencies. IPAA represents the thousands of independent oil and natural gas producers and service companies across the United States.

Western Energy Alliance (the Alliance) is the leader and champion for independent oil and natural gas companies in the western United States. Working with a vibrant membership base for over 50 years, the Alliance stands as a credible leader, advocate, and champion of industry. Alliance members engage in all aspects of environmentally responsible exploration and development of oil and natural gas. Our expert staff, active member committees, and committed board members form a collaborative and welcoming community of professionals dedicated to abundant, affordable energy and a high quality of life for all.

COGA is a non-profit trade organization that represents over 200 companies throughout the state of Colorado. For nearly 40 years, COGA has sought to create a thriving, innovative and respected oil and natural gas industry in Colorado that embodies the values of our communities, prioritizes the protection of our environment, and provides the natural resources that advance our society. COGA provides a positive, unified, and proactive voice for the oil and natural gas industry in Colorado.

WSCOGA provides a unified political and regulatory voice for the oil and natural gas industry in the Piceance Basin and Western Colorado. WSCOGA's represents over 80 member companies, and its mission is to promote the development of Western Colorado natural gas and petroleum products for the benefit of society. WSCOGA is an affiliated chapter of the Colorado Oil & Gas Association – a nationally recognized trade association that promotes the expansion of Rocky Mountain natural gas markets, supply, and transportation infrastructure through its growing and diverse membership. WSCOGA strives to educate stakeholders, encourage technology enhancements, and foster environmental stewardship throughout oil and gas operations and supply chains.

MPA is a Montana-based trade association representing over 150 member-companies involved in all aspects of the oil and natural gas industry. MPA's members include producers, refiners, suppliers, pipeline operators, transporters, and mineral owners as well as service and supply companies that support all segments of the industry and employ a substantial number of hard-working Montanans.

NMOGA is a coalition of oil and natural gas companies, individuals, and stakeholders dedicated to promoting the safe and environmentally responsible development of oil and natural gas resources in New Mexico. Representing over 1,000 members, NMOGA works with elected officials, community leaders, industry experts, and the general public, to advocate for responsible oil and natural gas policies and increase public understanding of industry operations and contributions to the state. New Mexico's oil and natural gas activity is concentrated in two areas: the Permian Basin in the southeast and the San Juan Basin in the northwest. New Mexico is one of the United States' leading producers, ranking 2nd in annual oil production and 9th in annual natural gas production. New Mexico is attracting interest and attention from around the globe, as the Permian Basin undergoes a resurgence of production and investment activity.

The **Petroleum Alliance of Oklahoma** is the largest oil and gas trade association in the Mid-Continent and the only trade association in Oklahoma to represent all sectors of the state's oil and natural gas industry. Representing more than 1,700 individuals and member companies, the Alliance's membership includes oil and natural gas producers, service providers to the oil and natural gas industry, midstream companies, refiners, and other associated businesses. Our members include companies of all sizes, ranging from small, family-owned companies to large, publicly traded corporations. Our members are responsible for 83% of all operated crude oil and natural gas production in Oklahoma. When non-operated production is considered, we estimate our members produce, transport, process, and refine more than 97% of Oklahoma's crude oil and natural gas. Additionally, our members have operations, assets, or interests in most of the United States' oil and natural gas producing regions as well as internationally. Our members develop private, state, and federal minerals and operate on federal lands in Oklahoma and in other states.

UPA is a statewide oil and gas trade association established in 1958 representing companies involved in all aspects of Utah's oil and gas industry. UPA members range from independent producers to midstream and service providers, to major oil and natural gas companies widely recognized as industry leaders responsible for driving technology advancement resulting in environmental and efficiency gains. UPA members operate extensively on federal lands and have a long history of stewardship and conservation.

Conclusion

We appreciate the opportunity to provide our comments on this direct final rule, which we recommend should be finalized without delay. We also thank BLM for considering these comments.

Sincerely,



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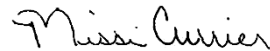
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