

Executive Summary

Western Energy Alliance Comments on BLM's Proposed Commingling Rule

March 31, 2026

Overview: Western Energy Alliance provided [constructive recommendations](#) to help BLM's proposed commingling rule fully deliver on Congress's direction under the One, Big Beautiful Bill Act (OBBBA) and support responsible oil and natural gas development across federal, tribal, state, and private minerals.

The proposed rule is an important modernization opportunity that can make commingling approvals more practical, more predictable, and more efficient while maintaining production accountability.

1. Positive aspects of BLM's proposed rule

A. Meaningful modernization of the federal framework

- The proposed rule reflects the reality that oil and gas development has changed and that commingling rules should evolve with modern field operations, directional drilling, and improved measurement technology.
- It opens the door to broader commingling across federal, tribal, state, and private lands, creating a more practical framework for shared production systems.
- BLM presents the rule as a way to increase clarity and predictability, reduce administrative delays, and support more centralized production infrastructure.

B. More efficient path to development

- Broader commingling can reduce duplicative facilities and allow more leases, unit areas, and communitized areas to share infrastructure.
- That can lower operating costs, improve project economics, and help keep more wells producing longer.
- The proposed rule is designed to reduce barriers that have limited commingling approvals and to make development more workable in mixed-ownership settings.

C. Public-value and land-stewardship benefits

- Centralized facilities can reduce surface disturbance by lowering the number of pads, tanks, separators, and transfer points needed to develop resources.
- The proposal also recognizes that commingling can help prevent premature abandonment and support continued recovery of public resources.
- BLM notes that the rule is expected to have positive effects for operators, including small businesses, through reduced regulatory burden and lower overall expenses.

2. Positive refinements proposed

A. Greater certainty and a more investment-friendly process

- We recommend that the final rule clearly reflect an approval-oriented framework when applicants satisfy the statutory pathways.
- The comments emphasize clearer timelines, including prompt notice of deficiencies and timely approval decisions for complete applications.

B. Flexible technical options that match real-world operations

- We recommend preserving the three statutory compliance pathways as distinct options: source measurement, allocation methodology, and approved periodic well testing.
- The comments also support recognition of established engineering standards and state-approved methodologies so BLM can rely on proven practices already used in producing basins.
- This frames the final rule as technologically flexible, operationally realistic, and better suited to a range of field conditions.

C. Practical flexibility for mature and mixed-ownership fields

- We propose a broader definition of “overriding considerations” so BLM can account for reduced surface impacts, lower emissions intensity, added production, and economic or technical practicality.
- The comments also recommend keeping an objective “economically marginal property” standard, which can help late-life and marginal wells remain viable through shared systems.
- Together, these refinements would help the rule work across mature fields, mixed-ownership developments, and infrastructure-constrained areas.

D. Streamlined implementation and continuity for existing approvals

- We propose more focused CAA application requirements, fewer redundant submissions, and practical use of nearby-well data when field-specific compatibility data are not yet available at filing.
- The comments also support self-certification in limited areas where it can reduce paperwork without reducing oversight.
- For existing approvals, We recommend grandfathering and safe-harbor protections so routine operational updates can move forward without unnecessary reapproval, helping preserve continuity for long-term projects.

3. Why this matters for the public

A. More efficient development and stronger economics

- Our cost analysis says broader commingling can create major upfront savings by replacing multiple standalone facilities with shared infrastructure.
- The comments estimate capital savings of roughly \$1.5 million to \$8.5 million per development, plus recurring annual savings of about \$400,000 to \$1.6 million per facility from lower maintenance, transportation, traffic, and compliance needs.

B. More production and stronger taxpayer returns

- Lower capital requirements and shorter payout periods can help projects reach sustained production sooner and remain economic longer.
- We argue that broader commingling can increase royalty-bearing production, extend the life of producing assets, and improve returns to taxpayers through more efficient federal resource development.
- The comments emphasize that these benefits can be achieved while maintaining appropriate royalty accounting and production accountability.

C. Benefits for smaller operators and broader participation

- The comments highlight that flexible commingling pathways can lower barriers for independent and smaller operators, who are often most affected by infrastructure-heavy requirements.
- That can broaden participation, support competition, and help keep marginal wells producing longer.

- We present this as a public-interest benefit because it supports continued development of complex or mature tracts that might otherwise be left behind.

D. Lower surface footprint and operational impacts

- Expanded commingling can reduce the number of well pads, tanks, separators, and associated equipment required across the landscape.
- The comments further highlight fewer site visits, less road use, lower truck traffic, reduced dust, lower vehicle emissions, and less maintenance activity over time.
- The overall message is that a more workable commingling framework can support energy production with a smaller operational footprint.