

API's Vision for American Energy Leadership: Recommendations for the U.S. Department of the Interior

The Department of the Interior (DOI) ensures the responsible development of U.S. energy resources while balancing economic growth with environmental stewardship. DOI plays a key role in advancing American energy leadership by highlighting the critical importance of oil and gas in supporting the nation's economic prosperity, energy security, and geopolitical dominance. U.S. energy production—spanning private, federal and offshore lands—drives job creation, revenue generation and energy independence. However, restrictive policies and agency overreach in recent years have hindered access to these resources. To help restore American energy dominance, DOI must adopt policies that unlock the potential of federal lands and waters, helping revitalize the economy and strengthening energy security through a robust leasing program.

Achieving this vision requires the coordinated efforts of key DOI offices: the Bureau of Land Management (BLM) to expand responsible onshore leasing, the Bureau of Ocean Energy Management (BOEM) to revitalize offshore opportunities, the Bureau of Safety and Environmental Enforcement (BSEE) to ensure operational safety and the Fish and Wildlife Service (FWS) to responsibly administer conservation.

API has submitted comments on several relevant regulations, which we encourage the transition team to review for additional insights and recommendations.

Included below are the following priorities:

- Onshore Leasing (*BLM*)
- Conservation and Landscape Health Rule (*BLM*)
- National Petroleum Reserve – Alaska (NRP-A) (*BLM*)
- Carlsbad Resource Management Plans (*BLM*)
- Outer Continental Shelf (OCS) Leasing (*BOEM*)
- Biological Opinion (BiOp) for Gulf of Mexico Oil and Gas Activities (*BOEM*)
- Bonding and Financial Assurance (*BOEM*)
- Offshore Carbon Capture Sequestration (CCS) (*ASLM*)
- Endangered Species Act (ESA) (*FWS*)
- Migratory Bird Treaty Act (MBTA) (*FWS*)

Bureau of Land Management (BLM)

Key Issues:

- **Onshore Leasing**

API Ask: Schedule and notice quarterly lease sales with acreage and terms consistent with those prior to 2021. Additionally, revise BLM's Fluid Mineral Leasing Rule to restore nationwide bonding and remove new agency discretion to add lease stipulations – including reducing site access – after the lease sale.

Context: Nationwide bonding ensures each well is covered by some form of financial assurance while minimizing the administrative burden of tracking individual state/well bonds for both the DOI and industry. Allowing BLM to add new stipulations after a lease sale effectively allows DOI to choose winners and losers. Finally, the new provisions that allow BLM to demand site shifts to nearly a quarter mile and restrict site access by 90 days are unnecessarily onerous.

- **Conservation and Landscape Health Rule**

API Ask: Repeal BLM's restrictive Conservation and Landscape Health Rule.

Context: While industry supports conservation on federal lands, BLM should withdraw the Conservation and Health Rule because it is an overreach of their statutory authority to have added “conservation” as a use as defined by the Federal Land Use Planning and Management Act (FLPMA); unnecessary; and too vague to effectively communicate BLM's plans to stakeholders.

- **National Petroleum Reserve – Alaska (NRP-A)**

API Ask: Repeal BLM's NPR-A Rule, which restricts energy development in one of the nation's most resource-rich areas.

Context: The NPR-A Rule contains sweeping changes to the management of the National Petroleum Reserve in Alaska, constraining future leasing within the region and potentially preventing existing lessees from expanding infrastructure critical to future development. These restrictive terms contradict Congressional intent to establish the NPR-A for petroleum exploration and development and were implemented without necessary engagement with Native Alaskan communities.

- **Carlsbad Resource Management Plan**

API Ask: Finalize the Carlsbad Resource Management Plan.

Context: A draft Environmental Impact Statement (EIS) was sent for public comment in 2018 but never finalized. This should be completed.

Bureau of Ocean Energy Management (BOEM)

Key Issues:

- **Outer Continental Shelf (OCS) Leasing**

API Ask: Hold Lease Sale 262 as scheduled in 2025 and develop a new and more robust OCS five-year leasing program – including no fewer than two lease sales per year in the Gulf of Mexico (GOM). The current OCS five-year leasing program is under

litigation, and the Administration should seek a voluntary remand that resolves all existing petitions.

Context: Apart from Congressionally mandated lease sales, no offshore lease sale can be held unless it is included in a five-year program. The current program allows for at-most three sales over five years – woefully short of what is needed for future energy dominance. A new more expansive program must be developed. BOEM should also prospectively analyze areas currently under moratorium for inclusion in a new program if Congress removes existing moratoria.

- **Biological Opinion (BiOp) for GOM Oil and Gas Activities**

API Ask: Approve industry’s request for Applicant Status, withdraw NTL No 2023-G01 and ensure that the National Marine Fisheries Service (NMFS) completes a new BiOp by May 21, 2025. If necessary, work with NMFS to develop mitigation measures that will minimize disruptions to current oil and gas operations.

Context: NTL 2023-G01 recommends unworkable vessel transit restrictions across the GOM for oil and gas vessels that are not justified by current science and should be withdrawn. NMFS is preparing a BiOp to cover all offshore oil and gas activities and provide authority for reasonable “take” of endangered species. The current BiOp will be vacated on May 21, 2025, and if a new BiOp is not completed by then, permitting will quickly cease and industry operations and production could stop. NMFS has historically missed similar deadlines. By approving industry’s Applicant Status request, DOI and NMFS could leverage industry’s expertise in crafting mitigation measures that allow for efficient operations while protecting endangered species.

- **Bonding and Financial Assurance**

API Ask: Retain the recently finalized bonding and financial assurance regulations and work closely with industry on implementation.

Context: The new regulatory framework retained many important provisions, including using credit ratings and remaining reserves to determine the need to provide supplemental financial assurance. By not using the financial strength of predecessors-in-title as a determining factor in the supplemental financial assurance decision under the new regulations, current lessees are held accountable and must focus on their required financial and safety responsibilities. This framework allows companies that represent the vast majority of Gulf of Mexico production (as much as 85%) to focus on new investments rather than spending capital to address legacy properties. Industry has many questions on the implementation of the new regulations and looks forward to working with BOEM on these issues.

Assistant Secretary for Land and Minerals Management (ASLM)

Key Issues:

- **Offshore Carbon Capture Sequestration (CCS)**

API Ask: Depending upon action prior to January 20, either propose or finalize the rulemaking. The timely development of this long overdue rulemaking will unlock significant investment and thousands of jobs across the U.S.

Context: The Infrastructure Investment and Jobs Act of 2021 mandated a new program for the transportation and geologic sequestration of carbon. The rulemaking – now

significantly delayed – would address all aspects of development, including leasing, siting, operations, financial assurance and safety. This proposed joint rulemaking between BOEM and BSEE will unlock opportunities for safe and environmentally responsible carbon sequestration activities on the OCS, advancing U.S. competitiveness in carbon management solutions.

Fish and Wildlife Service (FWS)

Key Issues:

- **Endangered Species Act (ESA)**

API Ask: Repeal FWS-NMFS’s “foreseeable future” (Section 4), “critical habitat” (Section 7) regulations, along with application of the blanket Section 4(d) rule.

Context: The previous Administration reduced regulatory clarity and created the opportunity for far greater subjectivity in the revised 2019 ESA implementation regulations. The Section 4 rule ignores potential economic impacts of listing determinations. The Section 7 rule revised and expanded the scope of reasonable and prudent measures as part of an incidental take statement. The Section 4(d) rule reinstated FWS’s blanket approach in lieu of a species-specific approach. The new rule should repeal these provisions, which undermines efforts for the conservation and recovery of threatened species.

- **Migratory Bird Treaty Act (MBTA)**

API Ask: Reinstate the previous regulation governing the incidental take of migratory birds.

Context: The 2021 rule was issued to limit incidental take liability under the MBTA by clarifying that prohibitions on pursuing, hunting, taking, capturing, and killing apply only to actions directed at migratory birds. The rule was subsequently rescinded by the previous administration. The FWS-NMFS should reinstate the rule to clarify the application of the MBTA.