



August 7, 2023

Department of the Interior
Bureau of Ocean Energy Management
Office of Regulations, Attention: Kelley Spence
45600 Woodland Road
Mailstop VAM–BOEM DIR, Sterling, VA 20166

Re: Request for Extension of Public Comment Period on BOEM’s Notice of Proposed Rule Relating to Financial Assurance (RIN 1010-AE14)

Ms. Spence,

The Independent Petroleum Association of America (IPAA) respectfully requests an extension to the deadline for the comment period for the Notice of Proposed Rulemaking titled Risk Management and Financial Assurance for OCS Lease and Grant Obligations (RIN 1010-AE14) (the “Proposed Rule”) to 120 days. IPAA is a national upstream trade association representing thousands of independent oil and natural gas producers and service companies across the United States that operate both onshore and offshore. Independent producers develop 90 percent of the nation’s oil and natural gas wells. These companies account for 54 percent of America’s oil production, 85 percent of its natural gas production, and support over 2.1 million American jobs.

IPAA is concerned about the Proposed Rule’s significant changes to the financial assurance regime to secure decommissioning obligations for the offshore oil and gas industry. We believe the comment period to reply to the Proposed Rule is too short. The window given is not enough time to analyze, digest, and provide substantive comments on a Proposed Rule of this magnitude that will impose substantial additional bonding requirements on independent offshore oil and gas producers. Most of our offshore producers classify as small businesses under the Small Business Administration’s definition and the resources necessary to devote to fully realize the regulatory and financial component of this rule will take time. Simply put, independent offshore oil and gas companies, which produce approximately 35 percent of the oil and gas from the Gulf of Mexico and employ thousands of employees across the nation, need more than 60 days to evaluate the consequences of this significant rule.

BOEM should extend the public comment period to 120 days to allow for a more detailed and fulsome public record on the workability and consequences of such a significant rule.

Sincerely,

Daniel T. Naatz
COO, IPAA